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HOUSE OF COMMONS

Monday, June 2, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

CANADIAN PARLIAMENTARY DELEGATION

PRESENTATION OF REPORT

Mr. Jim Hawkes (Calgary West): Mr. Speaker, pursuant to Standing Order 101, I have the honour of tabling, in both official languages the report of the official parliamentary delegation that visited Belgium from May 11 to May 17, 1986.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA DEPOSIT INSURANCE CORPORATION ACT

MEASURE TO AMEND

Hon. Barbara McDougall (Minister of State (Finance)) moved that Bill C-86, an Act to amend the Canada Deposit Insurance Corporation Act, be read the third time and passed.

She said: I am pleased to be present in the House for third reading of this Bill. I do want to thank Hon. Members who brought the Bill through report stage with responsibility and speed.

As we all know, the Canadian financial system withstood a series of major shocks over the past several years and this has caused concern for many Canadians with savings in financial institutions. Hon. Members are aware that the Government is committed to a revitalization of the economy and that an important aspect of our agenda in this regard is the comprehensive reform of financial institutions legislation. The Government's Green Paper on financial institutions and the parliamentary reports on financial institution legislation are very important elements of this process. While we are continuing our efforts to develop a broad public policy response to these issues, we must act without delay in dealing with certian specific problems.

[*Translation*]

The amendments to the Canada Deposit Insurance Corporation Act contained in Bill C-86 are aimed at protecting small depositors, while the proposed regulatory powers would directly contribute towards stabilizing the financial system. In addition, the Bill before the House today increases the number of members of the board of directors of the Canada Deposit Insurance Corporation, which will have up to four additional members from outside the public service. This amendment is the result of a recommendation by the Wyman Committe which suggested increasing the number of private sector representatives on the board of directors of the Corporation.

[*English*]

The proposal that there be private-sector representation on the board was also supported by the reports prepared by the Senate banking committee as well as the report of the House finance committee. It is anticipated that the private-sector board members will complement the existing public-sector representatives by bringing to the board a wide range of expertise.

As a result of the failure of several financial institutions, the deposit insurance system has experienced substantial losses. The extent of the losses that CDIC absorbed are such that its accumulated financial resources were depleted. Moreover, these losses will continue to impede the restoration of the deposit insurance fund. Indeed, without an increase in insurance premiums, the deposit insurance fund's deficit would continue to increase. This would be true even if the CDIC did not incur any additional losses in the future since funds still have to be borrowed to finance past deficits.

It is my view, and I hope all Members of the House support me in this regard, that the deposit insurance system is far too important an instrument of government policy and public protection to have its ability to meet its mandate threatened. For this reason, Bill C-86 raises the premiums paid by member institutions of the Canada Deposit Insurance Corporation from the present level of one-thirtieth of 1 per cent to one-tenth of 1 per cent of insured deposits. This increase in premium levels would begin the lengthy process of reducing the size of the CDIC deficit.

Canada Deposit Insurance Corporation Act

• (1110)

The Senate report on the deposit insurance system, the House finance committee report, and the Wyman report all recognized the importance of ensuring that the CDIC has adequate financial resources. Consequently, it was recommended that CDIC premiums be increased.

At the same time, however, the Government agreed that any increase in CDIC premiums should be on an interim basis, pending a full review of the deposit insurance system. For this reason, the premium increase in Bill C-86 expires at the end of the 1986 premium year. The Government is presently conducting a comprehensive review of the deposit insurance system, and additional legislation will be forthcoming.

The Government has benefited greatly in this review process from the various reports which have been prepared, most particularly by the House. I thank Members of the House finance committee, of the Senate banking committee, and of the Wyman committee for their valuable contributions to this very important public policy debate.

Given the importance of the deposit insurance system in maintaining public confidence in the financial sector, I ask all Members of the House to support the legislation as expeditiously as possible.

Some Hon. Members: Hear, hear!

Miss Aideen Nicholson (Trinity): Mr. Speaker, the Bill before us is a simple one. It does two or rather three things with which no one would have much disagreement. However, it is also remarkable for what it fails to do.

The Bill increases the premiums paid by the member institutions of CDIC, which is clearly needed and to which I will return later. The Bill also adds up to four private sector directors to the board and has provision for conflict of interest guidelines to be established by the board.

As I said, it is a simple Bill but perhaps it is remarkable at this stage, almost two years into the Government's mandate. The Government had the advantage of a private sector consultation committee set up by the previous Government which had worked for a year. In effect, after almost three years of work we have very little before the House to strengthen our financial institutions.

The Canada Deposit Insurance Corporation, generally known as the CDIC, was established in 1967. All chartered banks and federally incorporated trust, mortgage, and loan companies must be members. In addition, provincially incorporated trust and loan companies can apply to be members. The main purpose of the corporation is to maintain an insurance fund as a protection for the savings of Canadians held in member institutions. I do not have up-to-date figures, but at the end of 1983 there were 137 federal member institutions and 51 provincial member institutions. By law, members of the corporation, having become members, must remain members. If they are undergoing a difficult time, they cannot simply withdraw.

The CDIC now insures savings to a maximum of $60,000 per depositor per institution. That ceiling was introduced in the last Parliament. It was raised from $20,000 in response to failures of trust companies in Ontario. Since its enactment in 1967, the CDIC has stipulated that deposit instruments for periods of longer than five years are not protected by deposit insurance. Deposits in non-Canadian funds are also not protected.

Recently we had at least one situation where depositors who had certificates with a six-year or seven-year term thought they were insured and found to their distress that they were not. The by-laws of the CDIC stipulate that uninsured instruments should be clearly marked on their face, "this is not an insured deposit as defined by the Canada Deposit Insurance Corporation Act". Unfortunately the Act does not impose any penalty for non-compliance with the by-laws, and non-compliance occurs. This is another issue which was not addressed in the Bill before us.

Member institutions contribute to the insurance fund based on the amount of insured deposits they hold. This has created some tension among member institutions in recent years. The banks complain that they make the largest contributions while the trust companies create the problems which result in a drain on the insurance fund. That argument is not so easily made now that we have had two banks fail. However, they were small regional banks. Many financial institutions continue to say that across the board arrival at a premium rate is not fair and that there should be a system of relating premiums to risk or to performance. This is another issue which was not addressed in the current Bill.

When the Government of Ontario took over three Ontario based trust companies, Crown, Greymac, and Seaway, CDIC decided to wind the companies down slowly instead of closing them and liquidating their assets. This may have been a good decision for those who eventually would receive some of the assets. It obviated the risk of a "fire sale". It may have protected the shareholders' interest, but other problems were created as a result. In the case of those three Ontario based trust companies, the CDIC made loans of almost $950 million, and I understand the losses were somewhere around $650 million.

On March 25, 1985 there were further demands on the Canada Deposit Insurance Corporation because of the bail-out of the Canadian Commercial Bank. The CDIC contribution to that rescue package at that time was $75 million. Subsequently, when the decision was made in September to wind up the Canadian Commercial Bank and Northland, of course there were further demands on the CDIC.

The legislation governing the CDIC gives it a $1.5 billion line of credit from the Government of Canada, so there is no current threat to its ability to guarantee savings deposits. However, obviously a solution had to be found to make it more

viable. The question of premiums and the question of membership are closely related, but the Bill before us addressed only the question of premiums. It increased the premiums from one-thirtieth of 1 per cent of insured deposits to one-tenth of 1 per cent.

The Minister appointed a private sector committee in January, 1985 which examined the CDIC and had many far-reaching proposals. It examined the question of disclosure, requiring member institutions to disclose accurately to customers what is insured and many other issues which were not covered in the legislation. We continue to have problems with people who somehow do not know they were not insured.

For example, in the case of Pioneer Trust, in or around April or May of 1985 many of those customers claimed they did not know that some of their deposits were not insured. We have also had a financial institution in Vancouver which failed and the Members did not realize that their deposits were not insured. The institution was simply not a member institution of CDIC, nor was it even eligible for membership. There is a great need for more disclosure on the part of financial institutions—for more information to be available to depositors—but none of that is addressed in this Bill.

• (1120)

The Canadian Bankers' Association last June in responding to the Wyman committee, the private sector committee which the Minister had established to look at CDIC, recommended a principle of co-insurance. I must confess that this is something I have difficulty with because CDIC is primarily meant for the small unsophisticated investor.

While many people claim, particularly in the financial institutions, that co-insurance would introduce market discipline, it seems to me unfair and unrealistic to put that responsibility on the shoulders of the small investor who may simply have deposited the proceeds from the sale of the house or the family farm. The small investor should not be required to be knowledgeable.

The Canadian Bankers' Association has another recommendation that I think merits more careful study, namely, proposals to establish minimum standards of financial performance and disclosure in order to qualify for federal deposit insurance. The question of disclosure continues to be a very important one for consumers. For the consumer to protect his or her interest, he or she must have full information. There are many questions and many proposals for achieving regulatory uniformity and compliance which need action. In the last two years we have had a tremendous amount of study. We had a Green Paper on financial institutions. We had the Wyman study on the Canadian Deposit Insurance Corporation and we have had two reports from the finance committee of this House. We have had Senate committee reports. We now have the Estey commission almost ready to turn in its report. It is important that we now act.

As I said at the outset, Bill C-86 is a very simple Bill. It proposes an increase in the premium level paid by the CDIC member institutions from one-thirtieth of 1 per cent of their insured deposits to one-tenth of 1 per cent, but this is for one year only. The question of the long term financing of CDIC still remains to be decided.

I have mentioned the demands on CDIC as a result of the failure of many trust and loan companies since 1982 and also that in 1985, as part of the Canadian Commercial Bank bail-out, the CDIC committed $75 million. According to its annual report, the CDIC had not been making any provision for loss as it expected to be fully reimbursed. Later when CCB went into receivership followed by the Northland Bank, the Government announced its intention to reimburse all depositors in both institutions, even those whose deposits exceeded the $60,000 limit. In so far as insured deposits are concerned, CDIC paid out $250 million to Canadian Commercial Bank depositors and $170 million to Northland Depositors. The uninsured deposits came to $430 million for the Canadian Commercial Bank and $470 million for Northland.

Apart from the financial stresses imposed by the failure of financial institutions in recent years, there is also the burden of administrative work with which CDIC was not designed to deal. I do not think it was even anticipated that the CDIC would be so involved in liquidation. Also, it has been drawn into a new and unaccustomed monitoring role for which there still is no legal framework because CDIC is the insurer and not the regulator. We have a separate Bill before the House which will increase somewhat the powers of the regulator of banks and of insurance but the whole question of regulation still has to be dealt with in a substantial way.

The CDIC is having to make much use now of consultants providing information and analysis with regard to the institutions being wound down, agents on long-term contracts to look at particular problems, and private sector committees set up to deal with such things as the disposition of real estate assets on their books.

Currently the CDIC has at least $1 billion in real estate financed by 18 failed institutions all across Canada. This is a situation that was never envisaged, for which no provision has been made and CDIC staff resources have been stretched very thin by the circumstances. It is clearly necessary to have review and change in a system that has through force of circumstances exceeded its operational bounds and evolved beyond its original purpose. Again we have a Bill before us that does not address any of these matters.

We are in a period where we all know that basically Canada's financial institutions are strong and healthy, but there have been serious problems which are causing concern. Surely the sooner these problems are dealt with and the sooner legislation is updated, the sooner our financial institutions can get back to doing what they do well and what their basic purpose is rather than constantly having to respond to criticism in this House and in the media. For that reason we on this side of the House urge the Minister to come forward soon with

comprehensive legislation rather than these small band-aid programs that we are seeing as with the present Bill.

Bill C-86 simply increases the premiums for one year. The whole question of the long-term financing, the long-term purpose of the CDIC is left unanswered. The question of the role of CDIC in regulation, if any, is left unanswered. The question of staff resources for CDIC in response to the many new roles CDIC is carrying out is also left unanswered.

• (1130)

The Bill adds up to four private sector board members. Hitherto the chairman was the only private sector board member and the other members were public servants: the Governor of the Bank of Canada, the Deputy Minister of Finance, the Inspector General of Banks and so on. I think the addition of private sector directors is a useful step forward, although it raises questions of conflict of interest. The Bill does not deal in a substantial way with that. It simply requires the board to put together some guidelines for conflict of interest. The guidelines were tabled with the legislative committee which examined the Bill. It would have been more satisfactory to have had some standards included in the Bill itself, but an amendment to that effect was defeated in this House.

On the question of public service directors, the Bill allows for substitutions. In other words, if the Deputy Minister of Finance does not wish to attend a meeting of the CDIC he can send an alternate. This was discussed at the legislative committee. I do not think that most of us were very satisfied with the idea of rotating membership. We would really prefer the public service members to be constant, just as the private sector members are constant. However, that remains in the Bill for now. It is perhaps something we can return to when dealing with whatever the Government offers by way of substantial legislation on CDIC.

I would like to conclude by speaking again of what the Bill does not do. All of us in the House are concerned about ownership restrictions on financial institutions. It does not seem likely that the Government is prepared to deal with that question up to this point. If the Government opts for no ownership restriction in financial institutions, which looks to be the way things are going, surely there should be some related changes to Canada deposit insurance legislation. The President of Canada Trust suggested that in this event no deposit gathering institution with individual direct or indirect ownership of over 10 per cent should be allowed to have its deposits covered by federal deposit insurance. He said:

> If "individual trust company owners" really deem themselves beneficial to the economy, they should stand tall and let the public decide if it wishes to have deposits on an uninsured basis with institutions controlled by one or a few individual owners.

There was a tremendous amount of evidence before the finance committee that linked self-dealing or related party transactions that were not in the best interests of the financial institution with limited ownership. Institutions that are broadly owned and well capitalized seem to be able to provide their depositors with a degree of assurance that does not exist where ownership is highly concentrated. Yet, the Government is not prepared to move on the ownership question. It has been pointed out that the companies which have failed in Canada as well as in the United States and Europe have almost always been closely owned. In a speech given by the President of Canada Trust in February, 1985, he said:

> If the federal Government opts, as we judge it will, for no ownership restriction, there is one change which we believe should be made to Canada Deposit Insurance legislation.
>
> No deposit gathering institution with individual, direct or indirect ownership over 10 per cent should be allowed to have its deposits covered by federal deposit insurance . . . Had such a law been in effect over the last ten years Canada Deposit Insurance Corporation losses would likely have been minimal. We don't believe that the Astras, Greymacs, Seaways, Fidelities, etc. could have put their hands on very much "other people's money" without the umbrella of federal deposit insurance.

That is the issue, Mr. Speaker. If the Government is not prepared to move on ownership generally, there is a case to be made at least for limiting deposit insurance to broadly held institutions and making this very well known to the public. The consumer has been at risk through lack of information. However, I am not advocating this narrow course of action because I have not yet given up hope that the Government will move on the ownership issue.

I noticed the chairman of the finance committee busily making notes so I assume he is going to speak. I hope that he, too, is going to address the ownership question.

Mr. Simon de Jong (Regina East): Mr. Speaker, I, too, wish to participate in the discussion on Bill C-86 which makes two major amendments to the Canadian Deposit Insurance Corporation Act. One is to increase the premiums charged to the member institutions for the insurance of deposits up to $60,000 from one-thirtieth of 1 per cent to one-tenth of 1 per cent. This is necessary because of the big deficit position which CDIC has found itself in. It is a necessary move and we have no objection to it.

The other major amendment to the Canadian Deposit Insurance Corporation Act which Bill C-86 brings forward is to change the majority on the board of directors of CDIC to the private sector. Presently CDIC has a board of five members, the chairman coming from the private sector and the four members being the Governor of the Bank of Canada, the Superintendent of Insurance, the Inspector General of Banks and the Deputy Minister of Finance. As a result of Bill C-86, through Orders in Council the Govenment will appoint five additional members from the private sector.

• (1140)

The concern we have is that the CDIC Board will in essence become like The Canadian Bankers' Association. We are concerned that the majority of people on a public board with responsibility to supervise deposit taking institutions will be from the private sector. We have the concern as well that with this specific provision the majority position will in the future be held by private rather than public sector people. While the

former may well have more hands-on experience, so long as CDIC has access to the Consolidated Revenue Fund it cannot be construed as a private sector organization. It amazes me that the majority of people on a board with access to the fund should be from the private sector. I strongly believe the board should continue to be mainly from the public sector. Personally I would like to see someone on the board from the Department of Consumer and Corporate Affairs. Certainly the consumers of the services offered by financial institutions are not represented and they should be, because the Department can provide some expertise to the board which I think is important.

My Party is also concerned about conflict of interest. We do not believe the government amendments are strong enough. It strikes us as somewhat odd that the one thing required of the one private sector person, namely, the chairperson of the board, was not extended to other private sector members of the board. Indeed, the Government dropped the provision which requires that they be Canadian citizens ordinarily resident in Canada. One can only conjecture why the Government failed to apply that criterion as a disqualifier for all private sector members of the board, not just the chairperson. In other words, a person can be a member of the CDIC Board and still not be a Canadian citizen ordinarily resident in Canada. In other words, again Canadian citizens spending most of their time in the United States can end up being members of the board. Personally I do not think that is a desirable situation at all.

I am surprised as well that the Government did not see fit to disallow public sector members of the board naming alternates to sit at board meetings. Studies from quite a few organizations, including parliamentary reports, have recommended that alternates not be allowed, whether private or public sector. The Wyman report of April, 1985, the Senate banking committee report of December, 1985, the Standing Committee on Finance and Economic Affairs report on financial institutions of November, 1985, the Ontario task force on financial institutions, December, 1985, and the Senate banking committee report on financial institutions in May of 1986 all recommended against public sector members being allowed to name alternates to the board. Our beloved chairperson of the committee made a strong presentation on this subject. After I questioned Mr. Sommerville, a representative from the Trust Companies Association who were also opposed to alternates, he stated:

> You have so many substitutes that you do not have a responsibile or representative board. The board should be governed the same as any other board, and you should have to have a quorum present—

He goes on to say:

> So I am totally opposed to giving any alternatives.

The chairperson of the committee interjected his own thoughts at that point. They were rather colourful but to the point:

> I have to agree with Mr. Sommerville on this matter. I have never heard of a situation in a board of directors where you can send your brother or your donkey or whomever you want to represent you. You maybe could do that at a shareholders' meeting with proxies. But being a director is something more responsible than just being able to send some friend.

I think the general feeling of members of that committee was in agreement with the chairperson. The Canadian Bankers' Association had this to say about alternates and I quote Mr. MacIntosh:

> To have alternates present in the case of the public sector has already been a problem, because there were many cases when the named members on the board were not present during the discussions of the CDIC in the last few years. There was a high absentee rate of the directors.

I am surprised the Government has not accepted our amendments and insisted that all members of the board operate under the same rules, that is, being unable to send alternates.

We have noted in the past as well that the board itself has been relatively weak. The following example illustrates the authority of the board, especially the current public sector members. The participation of CDIC in the March bail-out of the CCB came about when, according to Ronald McKinlay, the current chairperson of the corporation, the directors of the corporation participated in the attempt of the federal Government to rescue the CCB. The CDIC was authorized by the directors to make available $75 million in that effort. When officials of the corporation were asked whether a representative from the corporation was present at the decision, the reply was that there was not. According to one of the officials appearing before the legislative committee on Bill C-79, while the board of directors were attending a single meeting they were doing so in their capacity as the Inspector General of Banks, the Governor of the Bank of Canada, and the Superintendant of Insurance. Later Gerald Bouey, Governor of the Bank of Canada, minimized the participation of the corporation in the March bail-out. He said: "I do not think at this stage we can call that Government money although the corporation has borrowed from the Government." He was referring to the $75 million from CDIC.

The Wyman committee was of the opinion that CDIC should have a greater degree of independence than it currently enjoys. The decisions of the board of directors should be made with the interests of the corporation in the forefront rather than the interests those board members may have outside the corporation. There should be no inference of any conflict of interest as one might find when examining the decision to involve the corporation in the March bail-out of the CCB.

The difficulty with the majority of people being from the private sector arises from the potential for conflict of interest. The manner in which public service directors involved CDIC in the bail-out of the CCB can be seen to have been the result of a conflict of interest on their part. The corporation did not have any independence of action once that decision had been made. By merely changing the majority on the board from public to private sector without articulating strong conflict of interest guidelines will in no way diminish the possibility of a conflict of interest.

Canada Deposit Insurance Corporation Act

First of all, Clause 1 provides for additional members to be appointed by the Governor in Council. There is no reference to the qualifications appointees must have. There is no reference to whether or not they would have to present themselves before a parliamentary committee so that their qualifications might be scrutinized. The process could become *carte blanche* for a Government wallowing in the patronage trough. That is why we are concerned with the whole question of conflict of interest and why we feel this Bill deals inadequately with that potential problem.

On numerous occasions the Minister has promised us further legislation. We know CDIC has been totally incapable in the past of dealing with the many problems which have befallen financial institutions in the last number of years. Since the beginning of December, 1984, while this Government was in office, we have seen the following institutions collapse: North Guard Mortgage, Pioneer Trust, Western Capital Trust, London Long Limited, Canadian Commercial Bank and the Northland Bank.

• (1150)

I am not for one moment suggesting it is a lack of policies or the wrong policies of this Government that has resulted in the collapse of these major financial institutions. The rot has existed for a number of years. Certainly the Liberal Government must take a fair amount of responsibility for the rot that has existed for quite some time.

When you look at the resources that CDIC has had over the last number of years it is just totally amazing that the CDIC, like the office of the Inspector General of Banks, while having a vital role to perform in the regulation of a deposit taking institution, has never been considered until very recently as an essential service. Previous Governments, and to some degree the present one, have not demonstrated an attitude which would indicate that these bodies were so regarded.

In 1980, for example, when the recessionary period was beginning to take hold, CDIC had a total of five employees. In 1984 after eight trust companies had either collapsed or been in some way taken over, the corporation staff stood at 16. Even when compensating for the difference in size one is struck by the fact that the Federal Deposit Insurance Corporation in the United States has a staff of 1,500, who only deal with the liquidation of failed institutions.

I understand at present we have some 30 to 32 employees with CDIC. Yet with the number of financial institutions that they are called upon to supervise and to inspect, 32 is not an adequate number, especially when we are calling upon CDIC to play a much stronger role. We have to give them the resources in order to fulfil their mandate.

While the Minister promised legislation that would strengthen CDIC's powers, we are still waiting. I do not know how long this Government is going to continue to wait. Are we going to need further crises in the financial institutions before we see some action?

In conclusion, the Wyman committee was of the view that the primary objective of CDIC required a fundamental realignment. Not only should it insure small unsophisticated depositors against loss, but it should more prudently "administer the deposit insurance fund". The increased private sector participation in CDIC is perceived as the most appropriate means by which the fund will be replenished and managed.

However, while the Bill seeks to increase the control which the private sector has over this regulatory body, there is no corresponding increase and specific obligations of the corporation. For example, there is no emphasis placed on the corporation's responsibility to inform its member institutions as to what is and is not insured. As CDIC's legal counsel explained it "Whether or not there is an obligation on the part of the corporation I know of none that comes from the Act".

At present there are no sanctions which could be imposed on member institutions which mislead the public as to what is insured. A case in point is the Pioneer Trust case where the company was selling income averaging certificates with the CDIC stamp prominently displayed for amounts and for periods of time which were not insured.

Bill C-86 requires some fundamental changes before we will support it. In principle, we acknowledge that CDIC and the entire regulatory apparatus which controls the financial institutions operating in Canada must be reformed and reformed radically. The provisions contained in this Bill do not address the reforms needed in the manner which the collapse of the CCB and the Northland, plus the numerous trust companies, requires. It is a weak argument that to merely hand the majority control of CDIC over to the private sector members of the board of directors in the hope that, because they are from the private sector, they will know better how to manage the interests of the corporation. There must be a clear recognition that the CDIC is not to be seen as a new equivalent of the Canadian Bankers' Association or the Canadian Medical Association. It is, and should continue to be, an integral element of the regulatory system, which is separate from those whom it is to regulate, and from those in government and other agencies who would manipulate it to serve the purposes of the Government, or the other agencies or their directors, as has occurred.

While we look forward to further legislation from the Government we must register our concerns about Bill C-86. We must register our concern about placing this institution into the hands of the private sector by giving the private sector the majority over its board. We must as well express our concern that we see a trend towards greater and greater concentration of economic and financial power in this country, leading to tremendous possibilities of all sorts of self-dealing and non-arm's length transactions. This could hurt many of the institutions that CDIC is insuring and has some regulatory responsibility for. While on the one hand the need for greater regulation and control is there, on the other hand the Government has not acted in a manner that would give CDIC the

power and the resources to carry out its mandate in a proper forum.

In principle, for the arguments and the reasons I have outlined, we have great difficulty supporting Bill C-86.

Mr. Blenkarn: The Member from Regina East, who I consider a very valued colleague, I think has misplaced the concept of the CDIC, which is really an organization to pick up the chips and clean up the mess after the corporation pays off the uninsured depositors. I was wondering, that being the case, where he saw the huge problems with conflict of interest? After all, it is the member institutions that pay the costs eventually of the losses. It would seem to me that there may be a conflict of interest consideration in even having government members there, because the Government has in many cases stuck the CDIC and, therefore, stuck the member institutions with liabilities, perhaps they might not have had to pay.

I point out that the Bill following the Greymac, Crown affair, where the Government unilaterally without changing premiums or anything just increased the liability of CDIC from $20,000 to $60,000, left the CDIC with all sorts of liabilities that it would not have had to take up. I wonder why he feels there is a conflict of interest?

Perhaps the whole operation should not be private in the sense that the private operators are paying the cost and, therefore, the private operators ought to be out there in the street finding a way to minimize their costs by liquidating in a more effective fashion the assets of CDIC, and so as to recapture not only the money advanced by the Government but the money they have advanced themselves are going to be obligated to pay in premium?

• (1200)

Mr. de Jong: Mr. Speaker, the Hon. Member makes some valid points, some of which I believed I addressed in my remarks. I pointed out that in addition to the conflict of interest by the public representatives, there was no member of the corporation present when the decision on the CCB bail-out was made. The Hon. Member pointed out other examples.

I was calling for a board of directors whose primary concern is to act in the interest of CDIC. I am as critical of past appointees from the public sector as I am in expressing my fears about the appointees from the private sector. The primary concern of the board of the directors of CDIC should be the well-being of that institution, so that it is not used to pick up the pieces after the fact. It should play an active role in preventing failures and preventing self-dealing which could lead to financial failures. Its function should be similar to that of the cop on the block, so to speak, whose directors are strong enough and have the authority to withstand the pressures of Government and to use the CDIC for government purposes that might not be in the interest of the corporation itself.

The Hon. Member believes that the private sector should be in charge of controlling CDIC since the premiums come from the private sector. That is where I differ from him. First, CDIC has access to the Consolidated Revenue Fund. Second, I believe that the Government's role is to act as the protector of the public. The money does not belong to those financial institutions that pay those premiums. The money belongs to the depositors and there should be representatives on the board of directors who have the interests of the small depositors and unsophisticated depositors at heart. If I had my way, the majority of members on the board would be acting in the interest of the public because it is their money that is at risk, not the bank's, the trust company's, or the government's. Therefore, those small depositors should be represented and CDIC should be the guardian of their interests.

Mr. Blenkarn: Mr. Speaker, I suggest that the Hon. Member for Regina East (Mr. de Jong) is confusing the problem. The finance committee believes there should be active involvement, with better inspection, supervisory and clean-up provisions associated with the CDIC. One of the recommendations of the national financial adminstration agency is that CDIC would be a fund of that agency. If we follow that recommendation, of course what he says is exactly the case.

However, he will appreciate that this Bill has nothing to do with that, but is essentially a temporary clean-up Bill to pump some money into the coffers of CDIC. It has nothing to do with addressing the real problems to which the Hon. Member alludes and with which I agree.

In view of the fact that this Bill is essentially a one-year clean-up Bill in order to put some money into CDIC and help pay some of the deficit that already exists and is increasing, why will he not agree to pass this Bill? Not only is it a short-term Bill, the passage of it alone puts the Government under the gun to take action quickly.

Mr. de Jong: Mr. Speaker, I recognize that the purpose of part of the Bill is to pump more money into CDIC. I indicated that we have no problem with that portion of the Bill. However, the Bill also addresses the question of the board of directors and that is where we have some difficulty, because in addition to increasing the premiums, the Government has opened the door to what type of direction CDIC will take in the future. Part of my criticism of this Bill is that it is not accompanied by other Bills which the Government has promised. For instance, we want to see the legislation that the Minister promised last fall.

Part of my criticism involves what is missing from the Bill, rather than its contents. I am concerned about the majority on the board being given to the private sector. I do not believe that the rules concerning conflict of interest are strict enough, or that public sector members of the board can send alternates. I do not like the fact that private sector members of the board can live most of their lives in the United States. Therefore, I am opposed to this Bill because of those several aspects which I do not like.

Canada Deposit Insurance Corporation Act

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, essentially this is a band-aid Bill designed to cover the financing problems of the Canada Deposit Insurance Corporation from now until April 30, 1987. In that sense, while it is not substantial legislation, it is necessary because it increases the premium being charged to banks and trust companies on their insured deposits. It increases those premiums from one-thirtieth of one per cent to one-tenth of one per cent, which reflects the recommendations of both the Wyman report and the Standing Committee on Finance and Economic Affairs in its report of November 6, 1985. In that sense, the Bill is following the recommendations of our parliamentary committee and therefore should be supported.

Indeed, the Bill ought to be supported because it at least tries to deal with the matter in a temporary way until the Government can come forth with comprehensive financial institutional legislation. It is with respect to the need for comprehensive legislation that I want to address the House this morning.

First, it is well known that the Canada Deposit Insurance Corporation was run by part-time directors who alternated from time to time and operated essentially as an arm of the Government, which could direct the corporation to pay on claims that may or may not have been proper. As a result, the corporation has been placed in a financial box. I expect that after the smoke clears from the defaults of the Northland Bank and the Canadian Commercial Bank, the outstanding losses of this corporation will exceed $1.5 billion at the very least. In view of the rather poor prospects for improvement in real estate values in western Canada, it may be that there will be little if any recovery from the assets of those banks. It has been suggested that because of the rather poor economic climate in western Canada the sale of assets in western Canada from the Northland and Commercial banks will result in the Bank of Canada losing money on its pay-outs and advances to those banks prior to their collapse.

One of the problems dealt with by the finance committee in organizing its report on financial institutions was the question of who should be covered for insured deposits and uninsured deposits. You will know, Mr. Speaker, that the Committee on Finance and Economic Affairs endorsed the continuation of the $60,000 limit for insured deposits and made a suggestion that there be an arrangement whereby those who were uninsured might be able to receive an advance payment of the anticipated liquidation value of the financial institution.

• (1210)

In that sense, the finance committee suggested that the Canada Deposit Insurance Corporation change to become a Canada deposit insurance fund, managed by a combined private sector-public sector board of directors under an organization called the National Financial Administration Agency which would include, if necessary, and properly so, perhaps, provincial directors, certainly directors appointed by the Government of Canada through its Public Service, and directors appointed and elected on the recommendation of various organizations whose involvement in the financial industry is to be supervised. The National Financial Administration Agency would be a comprehensive organization looking after the inspection and supervision of life insurance companies, property and casualty insurance companies, banks, trust companies and, perhaps at some time far in the future, security dealers.

It was felt by the finance committee that there is really no distinction in the absolute between any of the four pillars of financial responsiblity—or, perhaps, five, if one includes the credit unions—and that in the supervision of those institutions, which all invest essentially in the same type of security, there ought to be the same class and kind of inspection. That is where some of the difficulties arise with respect to who should be on the board of directors. While there is a very strong public interest to protect, and that public interest must be protected by public sector people on the board appointed by Ministers of Consumer and Corporate Affairs and Ministers of Finance, and so on, there has to be a strong private sector group on the board representing the various organizations being inspected.

What we have to understand is that part of the problem we have run into with financial institutions, particularly the trust companies and banks, is that we have not had the input from the steet which is so important in determining whether there is likely to be a default, what companies are getting into trouble and where we are in fact going in the administration of these institutions. There is not much point in having an inspection system or a board of directors system centred here in Ottawa when there is no head office, except for one life insurance company, in this city. Where we have to have our inspection and our street "smarts" is on the street. Those streets on where the financial business of this country is conducted are in Halifax, Montreal and Toronto, perhaps in London, Ontario, and certainly in Calgary, Winnipeg and Vancouver.

That these organizations should all be supervised, inspected and looked at by people who operate strictly out of Ottawa is one of the major reasons for the financial problem from which this corporation presently suffers and, indeed, the country, as we have had to pay out vast sums of money to protect uninsured depositors. In that sense, it is important that we change our whole attitude towards the inspection and management of deposit insurance and the inspection and management of trust companies, banks and other financial institutions, financial intermediaries generally.

First, as a principle, we must understand that the financial industry is not very much different from any other industry and that the people in the industry know the business. They know who are the bad actors and who are operating sensibly and prudently. They have the ability, with their knowledge, to make sure that those who are not acting prudently are brought into line. When it is just "big brother" looking after things, no one blows the whistle or calls the cops. But if we are looking

after it ourselves, we blow the whistle and do something about it.

It is the closeness by which the inspection system in the Province of Quebec operates with respect to the markets which has enabled the Quebec regulators to point out to the finance committee that no Quebec company, despite downturns and financial problems, has run into difficulties because, having the street knowledge they do, they were able step in early before problems got to the point where they had to bail out the uninsured, the insured and run a large draw on the public account.

It is this whole necessity to be close to the market that demands we have the financial industries themselves represented in the management of deposit insurance, and generally in the management of the inspection system. The knowledge of those organizations which are picking up the freight in terms of the cost of insurance should be there to ensure there is no loss or damage. Second, if the organizations themselves are well represented on the boards, then they will ensure that one of their numbers picks up assets which are perhaps not too marketable in order to fund the organization so it will not continue to have to look to members for losses. It is important in a financial guarantee system which the Canada Deposit Insurance Corporation offers to depositors that the system be managed, directed and inspired by people who know what is going on so that the costs to the public, generally, are not too great.

People mention conflict of interest. Let me point out to you, Sir, that the real conflict of interest is in what the Government and the industry want. The Government and the industries want the public to be protected, otherwise we would not have a deposit insurance scheme and the stockbrokers would not have a scheme to protect those who lose money in the market as a result of the defalcation of a broker; otherwise the general insurance people and the property and casualty people would not be talking that way, and nor would the life and health people. The industries themselves want that protection available because it means they can sell their intermediary activities easier to the public. Consequently, intermediary financial protection, such as the CDIC offers to banks and trust companies, is important and necessary for financial intermediaries in order for them to deal with the public. Therefore, they themselves need the Canada Deposit Insurance Corporation far more than anyone else, because they could not get along without it. The consequence is that they have the real interest to ensure that Canada Deposit Corporation is healthy and well managed.

Often the conflict, if there is one, is with Government which wants to use the money for social purposes, wants to bail out people who perhaps should not be bailed out. So that is a conflict. When we talk about conflict of interest, let us understand what we are into. It is in the interests of the financial intermediaries to ensure that a sound deposit insurance system works. It is in the interests of the property and casualty companies to ensure that when one buys an insurance policy and the company by misfortune goes bankrupt one is covered. These companies want to be able to sell confidence. They want to be able to have that confidence which makes our financial system work. Those in the business, more than anyone, want that confidence there. To suggest they are somehow going to learn things and do things and act against their own self interest is not to understand where the self interest lies. I can assure you, Sir, that self-interest is making the system sound.

• (1220)

Lawyers understand the importance of self-interest to the law profession. They have a Law Society with teeth that can disbar people who do not act properly. Even chiropractors have an arrangement to make sure that when chiropractors act improperly they may lose their licences. Surely to goodness bankers ought to have the same confidence and ability and the same control over how their organization's work and how the public interest is protected. If the public interest is not protected, bankers are out of business pretty quickly, so their prime interest should be to make sure that those in the field operate with discretion and honesty for the benefit of all.

Very rapidly, we must develop a new financial administration in Canada. We cannot carry on much longer with an Inspector General's Office which has only three people working outside of Ottawa while the other 70 are employed in Ottawa. There is no sense in that. We cannot work much longer with an office of the Superintendent of Insurance of which only 55 of 256 employees are stationed out of Ottawa. The financial deals of the country are not made in Ottawa, they are made on the streets, in the business districts and in the banks and trust companies across the country. That is where the defalcations occur, that is where the directors are, that is where the employees are stationed and that is where it has to happen.

The present system leads with its chin. It is a system pointed toward problems. While the offices of the Inspector General and the Superintendent of Insurance are working to try to straighten matters out, without proper legislation and direction, without a new organization and a refurbished Canada Deposit Insurance Corporation and without a central inspection system, we are asking for further problems no matter how hard Bob Hammond and Don McPherson work.

Last, the Canada Deposit Insurance Corporation, which indeed provides premium insurance protection and insurance against the defalcation of life insurance companies and the like, is very important. It is the kind of thing we need to re-establish confidence in our financial system.

Our financial system was damaged badly last year with the defalcation of a number of trust companies and the two western banks. After reading financial publications from around the world and speaking to senior bankers, it is surprising to discover how hurt our international financial reputation was by the problems of the Northland and Canadian Commercial Banks. Perhaps this was even intensified by the dragged

out investigation of this matter by Mr. Justice Estey and the Estey Commission. Indeed, almost every day or every week the financial pages of the newspapers across the world report something about the investigations into the problems of Canadian financial institutions.

We have been a great exporter of financial services. In 1984 the Canadian Bankers' Association indicated to us that their international operations brought into Canada $.5 billion in profits. We have to sell a lot of wheat to make a $.5 billion profit. Canadian life insurance companies told us that 55 per cent of their business came from foreign sales of life insurance product. The management of foreign business represented 27 per cent of their employment in Canada. Foreign financial services are important to us. We cannot carry on without some direct new legislation and some direct new confidence. We were damaged badly last year and we cannot wait and wait for new legislation. This Bill ought to pass immediately, but that should not excuse the Government from getting down to business and producing proper new legislation to cover the entire financial system.

Mr. Gauthier: Mr. Speaker, I agree with what the Hon. Member said last, that it is time we got this legislation passed by the House. It was reported back to us last February and has been on the table for four months without being called by the Government.

As an informed Member, is the Hon. Member aware if the Government is planning to come forward with the further legislation soon? He and I both know that this Bill is to be in effect for only one year and we are about halfway into that year, because the Bill is retroactive to February 1, 1986.

Before the new measures are in place, I take it there will be some reflection by the Hon. Member, his caucus and Members of the House. We will all be thinking about this. Does the Hon. Member have any advance notice of pending discussions or legislation on this matter? If so, could he tell us so that we may all think about this matter over the summer and possibly come forward in the fall with a more thorough and comprehensive approach to the problem?

Mr. Blenkarn: Mr. Speaker, I thank the Hon. Member for the question. I have heard of rumours of Bills but I have not seen them nor have I been allowed to be privy to any discussions leading to those new Bills, nor has the finance committee received a comprehensive response from the Minister of Finance (Mr. Wilson) or the Minister of State for Finance (Mrs. McDougall) to the finance committee's comprehensive report on financial institutions of November 6.

It would seem to me that there is a need for new and comprehensive financial legislation Bills, but that does not excuse the Government from coming to grips with this matter. I appreciate that the Government would like to have the report of Mr. Justice Estey, but how long can we wait and wait and leave the financial condition of the country at risk? That bothers me.

I am surprised that the Government has not replied to the finance committee's report, to the Senate report, to the Dupré report from Ontario, to legislation now before the Quebec Legislature, or indeed to legislation before the provincial Legislature of Ontario. The Ontario legislation will give Ontario trust companies broad lending powers that will almost make them banks, yet the CDIC will still insure those institutions.

I would not fault the Hon. Member for being critical. I know that the financial community is critical, and I say publicly right now that I think it is imperative that the Government get down to business and produce some legislation.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my colleague, the Hon. Member for Regina East (Mr. de Jong), has indicated that members of the New Democratic Party will be opposing this Bill. We are not satisfied with the fact that the Government and its predecessor, the Liberal Government, failed to act, though they should have realized what was happening to the financial institutions. We now have before us an interim Bill, which is a paltry, insignificant, and inadequate response to the very serious problems of financial institutions.

• (1230)

I commend the Hon. Member for Mississauga South (Mr. Blenkarn) in terms of the concerns he expressed. I also commend the finance committee which has taken the issue seriously and has not been prepared to accept the positions put forward by the Minister of State for Finance (Mrs. McDougall) in the Green Paper of a year or so ago. It has also been applying a good deal of pressure on the Government in order to get some more effective action.

However, I point out to the Hon. Member for Mississauga South that sooner or later he will have to make a decision on whether to go along with a Government which refuses to take these problems seriously or to take some other action. Despite his conscientious and very significant hard work in this particular area, the Government has not awakened to the very serious problem. If he takes the latter course, we might see for almost the first time in the history of this Parliament, but certainly since the establishment of the new committee system, a Member of Parliament who concludes that on policy grounds, because of efforts to obtain policy from the Government, he has no choice but to sit as an independent in the House and continue his work there. I would welcome the Hon. Member if he chose to do that. Because of his views on other subjects, I am not sure whether I would totally and immediately welcome him into our caucus, but we would consider it, if he wished to submit his application.

The Board of Directors of the Canada Deposit Insurance Corporation consists of the Governor of the Bank of Canada, the Superintendent of Insurance, the Inspector General of Banks, and the Deputy Minister of Finance. What a chronicle of losers! These people were instrumental in getting the Government to advance $1 billion or more to the two western

banks which failed. These people were in positions of responsibility as public servants and failed to see what was happening, the fundamental change that was taking place in terms of standards of ethics and responsibilities of financial institutions beginning about six years or seven years ago. These people failed to provide the proper advice or, if they did, they should have indicated it publicly. I think one or two of them should have had the guts to resign for the failure of the previous Government and this Government to take their advice when the Crown Trust-Greymac-Seaway fiasco occurred in the Province of Ontario.

During the course of the subsequent investigations of that fiasco, in which I was involved as a member of the Ontario Legislature, we found that the Ontario Superintendent of Insurance, who was also responsible for loan and trust companies in the province and was registrar for loan and trust companies, was a total nitwit. He was dealing with total nitwits at the federal level in the Canada Deposit Insurance Corporation. They could not get to the point of picking up a telephone and talking with each other, let alone meeting and considering serious and growing problems during 1982 and 1983.

I recall during that time that it was common parlance on Bay Street in Toronto the way in which those financial institutions, particularly Greymac and Seaway, were finding ways of getting around normal commercial practice. They were doing such things as bumping up the value of loans, self-dealing, lending to each other, and getting phoney appraisals. God knows why the Appraisal Institute of Canada has not taken disciplinary action against some of its members, because they were clearly complicit in actions which have to be qualified as fraud.

However, when all that started to unravel was any action taken? Did CDIC wake up to what was happening and the potential risk at which its insured deposits were being put by these actions? The answer is, not at all. They simply stayed asleep at the switch. They were so asleep at the switch that when Crown Trust was taken over and very quickly raped, no one within Crown Trust had the wit, the courage, the tenacity, or the fortitude to blow the whistle on what was taking place. The investment of the lending committee in that particular institution was not even discussed or consulted. All that took place in the case of the quick-flips, and all that took place in the collapse of Crown Trust which followed the flip over the Cadillac Fairview properties was nothing—nothing took place. The same techniques which had been pioneered in Greymac and Seaway were simply replicated or repeated in the case of Crown Trust. The individuals responsible took billions of dollars in profits out of that, and the public was left holding the bag.

Subsequently the Government has gone from disaster to chaos to further disaster in terms of the bail-out of western banks, which in many cases were using the same kind of so-called creative financing, financing which is creative at the expense of taxpayers ultimately. Despite what happened in 1982 and 1983, and despite the clear evidence of 1983 and early 1984 when the Ontario Legislature was considering a report on the mismanagement, not only of its own officials but the mismanagement of federal officials who should have had a piece of this particular problem, I find it inconceivable that no action was taken as far as the federal Government was concerned.

One cannot blame the fact that we were going into an election in early 1984; one cannot say that that was responsible. It was open to federal officials who saw what was happening, or should have seen what was happening, to have taken that to the new Government and to have said: "We need action, and we need action now". They could have taken it to the old Government and said: "We need action now". They could have warned the new Government when it was contemplating the bail-out of the CCB and Northland about what happened in those particular cases, to try to ensure that it did not happen again.

Did those things take place? Not at all. If they did, we have not been made aware of them. Instead we have this sorry tale of disaster which has been unfolding over the past few months before the Estey Commission.

The new Government has not taken the necessary measures in order to reinforce the Canada Deposit Insurance Corporation. At the most recent count it had only 23 employees. In 1984, after the collapses in Ontario, it had only 16 employees. If 23 people who, among other things, were responsible for collecting $100 million or more of premiums every year and administering relations with some 150 financial institutions across the country can also adequately oversee the liquidation operations and agency agreements involving $5 billion worth of assets, which are currently in one way or another affecting the future of the CDIC, they have to be superhuman. I do not believe that is the case.

Where have the new Government and this vaunted Minister of State for Finance been in not ensuring that a more effective job was being done to protect the interest of taxpayers in the case of the liquidation of these particular assets? Do we know that we are getting a fair deal? I suspect not. Can 23 people, most of whom have to do other things, adequately oversee the work? I suspect not. Do we know for sure that the liquidators are doing a decent job? I suspect not, because liquidators have a reputation for being ham-fisted, for doing a lousy job, and for often costing a great deal of money or often walking off with huge fees in the process.

We have already been told that the liquidation of one institution which went down in 1970 has taken some 14 years. Time means lost money. A 1 per cent difference in the effectiveness of the recovery of $5 billion of assets would be equivalent to some $50 million, and this is an agency which is currently facing estimated losses of perhaps a billion and a quarter of the $5 billion in assets under administration. In other words, it makes a very material difference in what either the institutions and the depositors will ultimately have to pick up or we as taxpayers will ultimately have to pick up if the

CDIC is given the resources and the mandate to do the particular job which is meant to be done.

There is also the question of social impact. This may be a matter where there is some conflict between getting the top dollar and looking at the social impact of liquidation practices. I know as an Ontario politician that there are some 15,000 apartment units which are under the control of liquidators because of the collapse of Crown Trust. These are the apartments which were in the Cadillac Fairview rental empire before they were eventually flipped into the hands of the federal Government.

Is it appropriate social policy, for example, for the federal Government to be doing as it is doing now, seeking to drive a hole through the rental accommodation policies of the Government of Ontario by trying to obtain various kinds of condominiumizations of those 15,000 properties and thereby very substantially increasing the rent levels on those properties and rent levels within the Metropolitan Toronto area generally, at the expense of the rent review policy in force in the Province of Ontario right now? I have a suspicion that it is not, and I have a suspicion that we may have to look at some other policies. If nothing else, maybe the Cabinet should be called upon to judge between top dollar for CDIC and the social impact of getting top dollar in that particular case, but that question is not being addressed either, Mr. Speaker.

• (1240)

The Hon. Member for Mississauga South, who said that we have $162 billion at risk, said it very well. You have an organization which does not have even a Scout's guard located here in Ottawa. CDIC does not know what the devil is going on. When the Bank of Canada, the Superintendent of Insurance and the Inspector General of Banks were not doing the job, where was the CDIC? Was it off, as any institution or organization should be, defending its vital interests? No way, Mr. Speaker. Was the CDIC even consulted or involved when $75 million of the CDIC's assets were committed to the CCB bail-out? No, they were not. It was simply done by the Governor of the Bank, I suppose, who said: "Well, we will get the CCB to give a bit of money from the pot." He assumed he could treat that almost as a personal treasury.

The change that is being proposed in the board of directors would change that position slightly. It would not be possible, I presume, to do that without reference to the Board of Directors, given that the board will have a majority not from the private sector. There is no mandate in the CDIC to start to act in order to ensure that it does not have premiums which are excessively high because it failed to do the job or because the Government failed to do the job. There is a very severe conflict of interest there.

I recognize that part of the premium income from the CDIC comes, as probably should be the case, from the profits of financial institutions. A lot of it comes from the pockets of ordinary depositors who get a slightly less substantial return from their deposits because a certain amount is taken off the top to pay the premiums to the CDIC, but the depositors get something very valuable in return. They get the assurance that, if their deposits are less than $60,000, they will get repaid. That is good for them, but at the same time it seems to me that the depositors on whose behalf CDIC may presume to be acting have the right to ensure that CDIC is trying to make a point of not taking a higher premium than it has to.

This Bill is ridiculous. It raises the premiums by a three fold margin but only for one year or two years. After that it reverts to a level which cannot even cover the interests on CDIC's current outstanding losses. Goodness knows what CDIC is going to do about that. We have seen no policy enunciated from the Government, nor has CDIC taken any independent action on that measure. For God sake, Mr. Speaker, why can we not get these problems solved rather than deferred?

It reminds me of other people who have been prominent in Government under the previous regime who used to skip gaily on to another Ministry just before the next disaster struck. I do not know how "Billion Dollar Barbara" gets away with it, but she has been the Minister responsible through this fiasco. She has yet to come up with a coherent and acceptable policy. She has not yet come to terms in recognizing the concerns ably expressed by members of all Parties from the Commons finance committee on these issues, and yet in a few months she is likely to be promoted to some other position and will go, presumably, with halos of glory around her, despite the wreckage she will have left.

I want to suggest that the changes needed are a great deal more substantial and are needed more quickly. One thing we need to look at is whether the concept of insurance has gone too far. We have "quick buck" operators out there, and God knows, the ethics and the morals of a lot of people running our financial institutions would make the average alley-cat blush with shame. There is a profound absence of morality and ethical conduct on the part of people who like to preach to ordinary Canadians because they are running financial institutions. Some of those "quick buck" artists have been able to get total guaranteed repayment if they happen to blow $60,000 in deposits which were put with their institution because of CDIC. That concept very sincerely needs to be reconsidered.

Perhaps we could insure totally $10,000 worth of deposits and then give 90 per cent or 85 per cent of insurance on the next $90,000. I believe there has to be some risk. I suspect there has to be some kind—and I am a New Democrat saying this—of a market test in these cases so that "quick buck" operators who are offering interest rates 1 per cent, 2 per cent or even 3 per cent higher than the established institutions with total guarantees would have to face a market discipline, because people would say: "Look, we love your interest rates but we are not sure about your standards. We will look at you a lot more closely than we have in the past." We have to avoid that. Maybe the only way is that people who want to behave that way with low standards will find out they cannot get the necessary money to handle what it is they are meant to do.

This concept of outside directors will not be effective if you simply have a few people who come from outside financial institutions. There should be some people who represent consumers, and maybe who represent labour, on the CDIC board of directors, not just a few patronage friends of the existing Government. I would like to have had a commitment, which I understand has not yet been given, from the new Government.

This is an inadequate Bill, and that is why we are opposing it. If a Government cannot learn from the errors and the problems of the past few years it will never be able to learn. The Neanderthal, the troglodytes, the people whose lack of comprehension has cost the Canadian taxpayer more than $1 billion in the case of the collapse of two western banks, are currently in office.

We were promised a breath of fresh air, a new approach when the new Government came to power. That has not occurred. We have had delay following obfuscation following delay. One cannot help feeling that the Governor of the Bank of Canada, the Inspector General of Banks, the Superintendent of Insurance and the Deputy Minister of Finance or their successors have been trying to cover their own rear ends. They have been bedazzling the appointed political Ministers with all of the problems of taking the necessary action in order to get tough and ensure that we really have effective regulation.

It has been pointed out that the agency in the United States which is responsible for looking at deposit insurance has something like 100 times the staff of the Inspector General of the CDIC. I am not sure whether those proportions are entirely justified; some of the responsibilities are different. It seems to me that an agency which in the past has been cocooned in an office building in Ottawa, whose directors have also been cocooned here, who seemingly heard no evil, spoke no evil, saw no evil and blinded themselves to what was going on in the financial market, is not an adequate agency.

These reforms in Bill C-86 are so paltry, picayune and inconsequential that I do not know why the devil the Government even chose to take up the time of the House of Commons in this debate or of our Commons committees in putting these amendments through. These reforms could possibly and conceivably have been handled, in my opinion, at a time when the Government came along with the fundamental reform needed. As far as I am concerned, deposit insurance today is as weak as it was when the CCB and the Northland Banks went down. It is as weak as it was when Crown Trust, GreyMac and Seaway went down. It seems as though this is a Government, like its predecessors, that has learned nothing from the sorry and very expensive experience.

Speaking on behalf of ordinary taxpayers in Ottawa Centre, and on behalf of many people across the country who are ordinary taxpayers as well, I am fed up with that approach. I think it is about time that we had a Government that paid more regard to the needs of ordinary Canadians and less regard to the special pleadings of the financial institutions.

• (1250)

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I have a few comments to make on Bill C-86, and I may say the subject addressed by this Bill is of considerable importance, when we look at the total deposits held by credit unions, banks and trust companies in Canada, as indicated in the Wyman report published at the end of December 1984. These deposits totalled $400 billion, of which $161 billion were ensured by the Canada Deposit Insurance Corporation.

Mr. Speaker, when we look at these figures, we realize the impact this Bill can have on so a great many Canadian men and women.

Bill C-86 is a temporary Bill. It is valid for only one year, and it is also a money Bill, for all practical purposes, because it is essentially aimed at raising the premium to be paid by the institutions to the Canada Deposit Insurance Corporation, in order to cover part of the deficit.

Mr. Speaker, we have had the Wyman report, which the Government has had in its possession for many months. As far as the House is concerned, we have had hearings on the Green Paper tabled by the Minister of State (Finance) (Mrs. McDougall), hearings that were held across the country, with the committee travelling from place to place. The Standing Committee on Finance, Trade and Economic Affairs submitted a report to the House last year, and today, we have before the House a Bill that is no more than a bandaid solution. The fundamental questions are not addressed, and basically, all this Bill does is raise the cost of the premiums paid by the companies, including the banks and lending institutions. The increase is quite considerable because the premiums have tripled, which means the total premium amount paid by financial institutions, which is now $54 million, will have to be multiplied by three, and if we also consider the increase in deposits in 1985 over 1984, we are talking about an increase from $54 million to $174 million.

Mr. Speaker, I would have hoped that the Government, after receiving reports or comments from the financial institutions and from Members of this House through the Committee on Finance and Economic Affairs, and after receiving suggestions from the committee that tabled a report on the Canada Deposit Insurance Corporation, I would have hoped for a more definitive solution. We still do not know who in the public sector is to be responsible for inspecting financial institutions according to the following criteria: legal aspects, financial soundness and capitalization.

The Standing Committee of the House on Finance and Economic Affairs suggested an approach with which we of the Liberal Party could not agree. But at least a proposal was made.

I was listening earlier to my hon. friend from the New Democratic Party who suggested that the CDIC should have an extensive staff to carry out inspection activities.

Mr. Speaker, it is my humble opinion that vastly increasing the number of inspection offices is not going to enhance the quality of inspection itself. Hiring more staff is not necessarily going to improve the quality of inspection. Nor are we going to do that by establishing the CDIC's office in Toronto or Montreal or Halifax or Vancouver.

I would suggest that a whole series of questions comes to mind: What role are the external auditors expected to play? What kind of mandate will the deputy minister and the officials responsible for inspecting the institutions be given under the Government legislation? What kind of mandate will they be given by the Government? What kind of mandate will they give the external auditor so as to fulfil the various requirements to achieve adequate funding and sound management of the financial institutions, and to avoid bankruptcies such as we had last year in the case of the Northland Bank and the Canadian Commercial Bank, the two western financial institutions that went belly up and gobbled up millions of dollars of taxpayers' money?

Mr. Speaker, Bill C-86 will triple the premiums, and I have some questions pertaining to the idea behind this measure, for instance whether this might not be the quickest way to make up for the Canada Deposit Insurance Corporation deficit.

Pursuant to the Wyman report recommendations, increasing premiums in two stages and less drastically than what is being proposed here would have eliminated the Canadat Deposit Insurance Corporation by 1990.

In the realm of insurance I have no idea whether it is advisable to proceed so quickly to wipe out the deficit because, obviously, today's depositors will be expected to run risks incurred by yesterday's depositors who might well become tomorrow's depositors as well. This is why I find rather strange that the Government would choose to raise premiums without making any changes likely to improve the financial institution inspection system. Seen in this light the Bill amounts to nothing more than a band-aid operation which does not solve anything; all it does is guarantee additional funding.

The way I look at it, the Government is not proceeding with sufficient dispatch nor with enough sense of responsibility, given the many recommendations made and numerous reports drafted not only by members of the industry but also by observers and various interested parties that submitted briefs to the Standing Committee on Finance, Trade and Economic Affairs.

And then there is the other aspect of this Bill which more specifically relates to the make-up of the board of directors of the Canada Deposit Insurance Corporation.

In my opinion, Mr. Speaker, it is extremely dangerous that the possibility of conflict of interests be included in the Bill as a matter of principle. In other words, just imagine the turn of events had the Canada Deposit Insurance Corporation been governed by Bill C-86 and listed the president of the Canadian Commercial Bank or of the Northland Bank on its board of directors! I think this amounts to putting people in an unacceptable conflict of interests position. In this sense Bill C-86 leaves the door wide open for that eventuality since it provides that the board should include people from the industry. True enough, in her remarks the Minister did seem to indicate she would give preference to competent people who have retired and are no longer tied in with a financial institution as such. Should that turn out to be the case, then of course my remarks may not be quite as relevant. However, in its present form, the Bill allows the Government to appoint to the Board of the CDIC people who might one day have to make decisions about their own financial institutions.

This is why we believe that Bill C-86 was prepared too hastily and that it does not meet the expectations of the financial institutions, of consumer groups, of the depositors, and of the Members on this side of the House. This is why, while we may agree with the principle of the Bill, it will be agreed to on division. What we have to point out is the inability of the Government, the Minister of Finance (Mr. Wilson) and the Minister of State (Finance) (Mrs. McDougall) to settle a matter which has been dragging on for months and on which there have been all kinds of reports.

Mr. Speaker, it should also be pointed out that there is a relation between the ownership of financial institutions and the way that Bill C-86 will protect consumers. I think that it is about time for the Government to make up its mind and to present much more comprehensive legislation than Bill C-86, which provides only a temporary solution, over a period of one year, to a financial problem which deserves much more attention than that.

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

At one p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

TRADE

U.S. TARIFF ON CANADIAN CEDAR SHAKES AND SHINGLES—GOVERNMENT RESPONSE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, 10 days ago, when the U.S. announced a 35 per cent tariff on shakes and shingles, threatening 4,000 jobs in British Columbia, the Prime Minister (Mr. Mulroney) and his Secretary of State for External Affairs (Mr. Clark) huffed and puffed, sent off a telex to President Reagan, threatened retaliation, and talked about a range of economic responses if the U.S. would not back off. Then the Government talked about compensation by

the U.S. Everybody held their breath, until Canadian officials came back from Washington empty-handed. Today we know that there is no retaliation, no compensation, and no removal of the tariff.

What happened to the Prime Minister's special relationship with President Reagan? Does it really exist or is it tacky Tory public relations? Another page of incompetence and ineptness in the history of the Government was written over the past 10 days. What a sham.

* * *

EXTERNAL AID

SOUTH AFRICA—UNITED NATIONS SPECIAL SESSION—CANADIAN CONTRIBUTION

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, last week Canada played a helpful role in the UN Special Session on Africa. The Minister for External Relations (Mrs. Vézina) set a good tone when she announced a 15-year moratorium on the debt of sub-Saharan countries. Our Ambassador, Stephen Lewis, chaired a special committee which worked night and day to produce a document which "recognized the magnitude of Africa's debt and the severe and restrictive burden this has placed on many African countries". However, there are no dollar figures attached to that vague commitment to help.

In the face of African need, Canada cannot rest content with a minimal program, even if that program looks good in comparison to the programs of such bush league countries as Albania and the United States which were long on analysis but short on funds.

* * *

CURRENCY

PORTRAYAL OF MONARCH ON NEW DOLLAR COIN

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, in January of 1987, 300 million new one dollar coins will be struck by the Royal Canadian Mint at its Winnipeg facility. They will then be distributed throughout Canada. The bronze-plated nickel coin will have 11 sides, be slightly larger than a quarter, and last 19 years longer than the dollar bill. The traditional dollar coin voyageur design will be imprinted on one side, while the other side will picture Queen Elizabeth II.

As a descendant of United Empire Loyalists, and as one who takes pride in our country's history and heritage, I am pleased to know that our Queen is represented on this new coin. This country was built by our forefathers who were loyal subjects of the Monarchy. It is only fitting that our history be preserved and represented on our currency. I urge all Members of

Parliament to support the continued use and portrayal of our Queen on Canadian coins.

* * *

ENVIRONMENTAL AFFAIRS

HEARINGS CONDUCTED BY WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT

Mr. Stan Darling (Parry Sound—Muskoka): Mr. Speaker, this is Environment Week in Canada. It falls in the wake of the World Commission on Environment and Development hearings held last week in Ottawa. Canada's Minister of the Environment (Mr. McMillan) opened the Commission hearings with a rousing speech last week and appeared on *The Nation's Business* last night, as well as officially opening Environment Week on Parliament Hill this morning. The Commission, composed of representatives from around the world, was chaired by Norway's new Prime Minister, Mrs. Gro Harlem Brundtland.

The World Commission on Environment and Development may constitute the last international hearings of this nature before the turn of the century. It is most fitting that Environment Week in Canada should immediately follow these important hearings. Every Canadian must become involved in securing a more wholesome environment for ensuing generations. For the common good the Government must forge ahead and push for greater environmental and developmental security world wide.

* * *

• (1405)

CANADIAN NATIONAL RAILWAYS

JOB LOSSES IN ATLANTIC PROVINCES

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, CN announced on Friday that 105 jobs will be lost in the Atlantic provinces. Sixty-two of these jobs will be lost in New Brunswick. This is in addition to the 225 persons who were laid off at the CN shops in Moncton last fall.

These 105 jobs are lost because CN is in the process of consolidation and rationalization of its system. The end result of this process is that we are losing more jobs in New Brunswick than anywhere else in the country. What kind of rationale is this? How much more will we have to endure? Is that a reflection of the kind of presence we have in the Cabinet? Why does someone not react and say "Enough is enough"? I call on all the New Brunswick Members, and especially the Minister of State for Forestry (Mr. Merrithew), to stand up and reject this unfair rationalization.

S.O. 21

EDUCATION

FEDERAL FUNDING OF POST-SECONDARY EDUCATION

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, Chief Justice Brian Dickson took the convocation platform Friday at the University of British Columbia to implore Governments to save the higher education system before it begins producing second-class teachers, students, and, ultimately, a second-class nation.

He went on to note that while education may be too important to leave solely to educators, it is also true that education is too important to be left to Ministers of Finance.

The wisdom offered by Chief Justice Dickson should be heeded by the Government. The judge was speaking directly to the federal Minister of Finance (Mr. Wilson) who has taken over the post-secondary education portfolio and introduced legislation that will devastate the system. When a Chief Justice deems it necessary to speak out against Government policy the Government would do well to listen and, in response, provide with the provinces resources to post-secondary education commensurate with the key role they must play in ensuring Canada's economic, political and social future.

* * *

VETERANS AFFAIRS

CEREMONY HONOURING SGT. AUBREY COSENS, V.C.

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, on May 31, in the Town of Latchford, in my riding of Timiskaming, I joined, with over 2,000 people, to honour the memory of Sergeant Aubrey Cosens.

A bridge spanning the Montreal River, along with a cairn and park, were dedicated in Sergeant Cosens' name to pay tribute to his outstanding efforts during the Second World War.

It was in Germany in 1945 that Sergeant Cosens led an attack against three enemy strong points, which he eventually captured. He was later awarded the Commonwealth's highest declaration for valour, the Victoria Cross.

To honour this native son the people of Latchford went out of their way to make these dedication ceremonies a success. I also want to mention Branches 629 and 344 of the Royal Canadian Legion which played a major role in organizing this event. Their combined efforts to honour the memory of Sergeant Cosens made this day a special one.

Some Hon. Members: Hear, hear!

[*Translation*]

FIRES

HELP GIVEN TO FIGHT FIRES IN ABITIBI

Mr. Guy St-Julien (Abitibi): As a result of an intense forest fire, Mr. Speaker, a state of emergency was declared in Abitibi on Thursday, May 29, 1986, namely at the Waswanipi Cree village and the Shortt Lake Falconbridge Mine. Winds are strong in the region and the flames nearly reached the village. All residents were urgently evacuated to Lebel-sur-Quévillon and Chapais. Chief Abel Kitchen, Jean Blouin and I flew over the region on Friday, and more than 50,000 hectares of forest timber have been destroyed. Day and night, workers fought the fire under trying conditions.

Mr. Speaker, personally and on behalf of Great Chief Ted Moses and Chief Abel Kitchen I want to thank the Government of Quebec, the Quebec Police Force, the Lebel-sur-Quévillon Civil Protection, the towns of Chapais and Lebel-sur-Quévillon as well as the Domtar Company and our courageous Canso water bomber pilots who fought the flames calmly and skillfully. The fire was brought under control yesterday, and today the Waswanipi Cree Amerindians and the Shortt Lake workers are back home.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

CALL FOR INTRODUCTION OF NEW LEGISLATION

Mr. Alan Redway (York East): Mr. Speaker, this week, Environmental Week, is a time for all Canadians to focus on the grave environmental problems threatening our air, our water, and our health.

Unfortunately some of these problems are clearly beyond our control. We can shout, scream, and threaten, but realistically there is no way Canada can force the United States to clean up their acid rain or their waste chemical dumps.

Many of these problems, however, are within our own control. We have imposed new emission controls on automobiles and started to phase out leaded gasoline. But much remains to be done.

We need a new Environmental Protection Act. We need new penalties, including jail terms for polluters, and we need to spend the $150 million we promised to spend on cleaning up acid rain sources in Canada. It is time to get on with it, and Environmental Week is a good time to start.

• (1410)

SPORTS

CANADIAN SOCCER TEAM'S PARTICIPATION IN WORLD CUP TOURNAMENT

Mr. Sergio Marchi (York West): Mr. Speaker, I believe a special note of recognition from the House id deemed for our Canadian national soccer team. As Members know, our country has qualified to play in the prestigious World Cup for the first time in our history. However, one would not have known this from our first match yesterday against France. While we came out on the losing end in the scoring statistic, our players played with great heart, determination, and skill. They gave the French, a leading team in the tournament according to all reports, a most challenging opener.

Their efforts were truly reflective of the spirt and determination that drove this group of Canadians to achieve this very historical milestone. In short, they are deserving of our fullest support, as are the game and development of soccer in this country.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

CANADIAN ENVIRONMENT WEEK

OPPORTUNITY FOR CANADIANS TO PARTICIPATE IN ACTIVITIES TO PROTECT AND IMPROVE QUALITY OF ENVIRONMENT

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, the June 1-June 7 week has been proclaimed Environment Week in Canada. Under the theme "It's up to all of us", all Canadians are invited to participate in activities related to the protection and improvement of our environment.

Needless to say, Mr. Speaker, environmental problems are a major concern of the residents of Témiscamingue. This week therefore is a golden opportunity for industries which pollute our air, our forests and our rivers to become fully aware of their responsibilities, and I would urge them to react by taking the steps required to put a stop to this harmful pollution.

I also urge my fellow Canadians and community organizations to continue to make representations to and put pressure on the authorities involved and, especially this week, to undertake embellishment projects in their immediate neighbourhood. And then, why not park the car and ride a bicycle or take a walk, or even quit smoking if only for one day?

This way, Mr. Speaker, we would all be doing our share to improve the quality of life for all Canadians.

S.O. 21

[*English*]

CHILD CARE

PUBLIC FUNDING COMMITMENT SOUGHT

Mr. Neil Young (Beaches): Mr. Speaker, today the National Action Committee on the Status of Women, representing over 3 million women in this country, asked the Government for a commitment to direct funding for a comprehensive publicly funded child care system for Canada. They asked that the Government put child care on the agenda of the upcoming First Ministers' Conference. They asked that the Government recognize that child care has been adequately studied and that it adopt the most recent recommendations put forth by the task force on child care, chaired by Katie Cooke.

They were told that the Government will not adopt the recommendations of the Katie Cooke task force because the Government is not committed to public funding.

Without public funding, child care services will continue to be in crisis. Eighty-one per cent of the children of Canada needing child care will continue to receive unlicensed, unmonitored care. The Government is making a mockery of its equality promise to women.

* * *

TRADE

U.S. TARIFF ON CANADIAN CEDAR SHAKES AND SHINGLES—POSITION OF UNITED STATES PRESIDENT

Mr. Gerry St. Germain (Mission—Port Moody): Mr. Speaker, I rise today in the House on behalf of the shake and shingle workers of British Columbia. I draw special attention to the area of Mission—Port Moody. This past weekend I spoke to labour and industries on the West Coast and they clearly enunciated that they support our Government's tireless efforts to handle the cedar shake and shingle issue.

I want to say before the House that I offer my wholehearted support for President Reagan's statement to the American Manufacturers' Association last week. He told this group: "Protectionism is destructionism." It is important that the President sit back and look at the issue of the cedar shake and shingle tariff in this light.

To date, the President's statements and his actions have been highly contradictory. I only hope that President Reagan lives by his words, that "Protectionism is destructionism", as we reach a critical stage in the softwood countervail petition.

Oral Questions

PENITENTIARIES

COSTS OF KEEPING INMATES IN PRISONS

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, for many years Canada has spent more on prison inmates per capita than on any other individuals in the country, and with fewer results. The average cost per inmate is $62,000 a year, and 70 per cent of inmates are repeaters. Our 2,000 minimum security inmates, for example, cost $40,000 a year to be kept under lock and key, even though they are not considered dangerous on the outside.

Alternatives to incarceration for some offenders should be found. I am greatly encouraged by the progress being made by our Solicitor General (Mr. Beatty) in taking a lead in this field.

The State of Georgia, for example, has experimented successfully with the kind of program that should be considered here. The offenders are self-supporting throughout the program which provides for much better development for returning to society. This program has an 85 per cent success record, in contrast to Canada's 70 per cent failure record. This is the direction in which our country should be heading in the treatment of offenders.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF NEW BRUNSWICK MINISTER OF FISHERIES

Mr. Speaker: I wish to draw to the attention of Hon. Members the presence in our gallery of the Hon. James Tucker, Minister of Fisheries for New Brunswick.

Some Hon. Members: Hear, hear!

• (1415)

ORAL QUESTION PERIOD

[*Translation*]

EXTERNAL AFFAIRS

REQUEST THAT DIPLOMATIC RELATIONS WITH SOUTH AFRICA BE SEVERED

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of External Affairs. I believe we were all affected by Bishop Desmond Tutu's appeal to Canada, asking this country to show its moral leadership in order to put an end to the plague of apartheid.

Mr. Speaker, I realize that Canada has already introduced a number of sanctions, but I wonder whether the Government is prepared to respond to Bishop Tutu's request and do even more.

Is the Government prepared to order full sanctions against South Africa and break off diplomatic relations with that country?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, this is a very important question.

I was in Toronto Friday night with Bishop Tutu, and I heard his speech. The Canadian Government's position is quite clear. As the Leader of the Opposition just said, we have already taken certain measures. We have shown leadership, not only by our actions here in Canada but also through the Commonwealth. One result has been to form a group of eminent persons who are to try, on behalf of the Commonwealth, to find an approach that might be effective. This group intends to go on working on its report. I believe it is in Canada's interest as one of the countries that helped to create this Commonwealth group, to respect its work. There will be a report at the end of June, which will give us a chance to decide what kind of action could be taken by Canada—

Mr. Speaker: Order! Supplementary question.

[*English*]

CANADIAN POSITION IN ADVANCE OF COMMONWEALTH MEETING

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, Bishop Tutu, in his address in Toronto, did not have too much confidence that the Group of Eminent Persons still had legitimacy with the Union of South Africa. I can understand that the Government may not at this stage be willing to impose total sanctions, wishing to wait for some joint action by the Commonwealth. Would the Minister not think it appropriate to respond to the suggestion of the Rev. Bishop Tutu that, in order to show leadership, Canada might move toward a more definitive and firmer action in order to set a tone for that Commonwealth meeting?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, most commentators, I think, would agree that the actions taken by the Government of Canada over the last year to cut off the Export Development Corporation applicability, to end our double taxation agreement, and actions taken on a wide range of other fronts, not only inspired other countries to take similar actions but created a climate in which it was possible for the Commonwealth, when it met in Nassau, to establish the Eminent Persons Group.

I agree with the Right Hon. Leader of the Opposition that we should wait the remaining 29 or 30 days for the Eminent Persons Group to have the opportunity to report. Canada has made it clear that while it would not be our preference to disrupt economic and diplomatic relations with South Africa, if other alternatives do not work then we will do that. Canada will also maintain on this issue the active leadership we have demonstrated since the election of this Government.

SUGGESTIONS MADE BY BISHOP TUTU

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I want to recall to the Minister the strong rhetoric of the Prime Minister before the United Nations six months ago. He said the Government was ready to impose total economic sanctions and, if necessary, break off diplomatic relations with the Union of South Africa. Would the Minister not agree that, because of the worsening situation in South Africa, the Bishop had a good suggestion, that either Canada ask for the acceleration of the Commonwealth Heads of Government meeting to be held in August, moving it up to June, or set a moral tone and some leadership before that meeting is held?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, Canada has been setting precisely that moral tone and that leadership by way of the actions and statements by the Prime Minister and our Ambassador, Stephen Lewis, at the United Nations, by way of the role we have played in the Commonwealth, and the work of Archbishop Ted Scott, the Canadian member of the Eminent Persons Group. That group is in place. It faces a prospect that is much less optimistic than all of us had hoped. Nonetheless, the group is preparing a report as quickly as it can. This morning I was informed that it expects to have the report ready by the end of June.

• (1420)

I think that would then be an appropriate time for us to consider what other timetables would be followed and if it makes sense to move ahead the meeting now set for August 3 to 5. In my judgment it would most unfortunate for us to take the Eminent Persons Group, which has worked so hard and effectively to this point—

Mr. Speaker: Order, please.

Mr. Clark (Yellowhead): —and cut off its work before it has been concluded.

Mr. Speaker: Order, please.

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EMPLOYMENT EQUITY

PROVISIONS OF PROPOSED LEGISLATION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is directed to the Minister of Employment and Immigration and it is about the Prime Minister's firm commitment made during the women's debate of August, 1984, to protect the equality rights of women by including provisions of equal pay for work of equal value in contracts granted by Government to the private sector, and his further undertaking of affirmative action as the highest of priorities. These promises are not being met by Bill C-62 as it has no mandatory application.

Mr. Speaker: Order. That is a long preamble. Question, please.

Mrs. Finestone: Mr. Speaker, why will the Minister not listen to the women of Canada who say that the Bill has no teeth, and bring the Bill back to the House amending it through the Senate before it passes into law, thereby fulfilling the Prime Minister's promises to the women of Canada?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Bill on employment equity, the first such piece of legislation ever introduced in Canada, provides for a mechanism to enforce the rules of the Bill. That mechanism, as suggested by Judge Rosalie Abella in her report, is the Canadian Human Rights Commission. It will be provided with information as a result of this legislation which will enable it to initiate action to eliminate systemic discrimination in a way that has not happened before. The other night before the committee, the Commissioner of the Human Rights Commission asked that this Bill proceed with all speed.

[*Translation*]

INQUIRY WHY GOVERNMENT WILL NOT AMEND PROPOSED LEGISLATION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, why, during the famous debate on women and women's issues, did the Prime Minister claim the political will to improve the status of women? This is not reflected in the Bill. There is no mandatory application. There is simply window dressing instead of legislation with teeth which could really improve the situation of women, minorities and the handicapped.

Can you tell me why you do not want to amend the Bill in the Senate and refer it back to the House?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, obviously we have a disagreement. Of course we had a disagreement when the Liberal Party voted against employment equity. That does not surprise me.

Some Hon. Members: Oh, oh!

Miss MacDonald: For 14 years, Liberal Members did nothing about employment equity. I am not surprised that they are still arguing against it. I want to assure you, Mr. Speaker, that we are implementing employment equity under the Canadian Jobs Strategy, and already we have seen that 46 per cent of the positions under the Job Development Program have gone to women.

Oral Questions

APARTHEID

SOUTH AFRICA—REQUEST FOR MEETING OF COMMONWEALTH LEADERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Secretary of State for External Affairs and it is also on the subject of South Africa. The Government of South Africa not only insulted the Eminent Persons Group by attacking countries on its borders while the commission was in South Africa, but it has subsequently not met a deadline proposed by the Eminent Persons Group, and as recently as 48 hours ago it launched a police attack on white students exercising their civil liberties. In short, the situation in South Africa has intensified and worsened. Will the Government publicly acknowledge that, and make a very specific request to all other leaders of the Commonwealth to have a meeting at the leaders' level before the end of June rather than waiting until August?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I will certainly agree to half of the request made by the Hon. Leader of the New Democratic Party, and that is to express not only the grave disappointment but the growing sense of pessimism about a constructive result in South Africa as a result of the behaviour of that Government. I think all of us who are looking for a solution which respects peace, let alone human dignity, are depressed by the response of the Government of South Africa.

• (1425)

With regard to the second part of the Hon. Member's question, the Eminent Persons Group is in place. I am advised, as recently as this morning, that it will take them until near the end of June to submit their report. They have been the most effective instrument found, albeit their results have not been what we would have wished. I think we owe it to that group to let them continue their work, and then proceed as speedily as we can once the report is in.

Mr. Speaker: Order, please. Answers and questions are long today.

REQUEST THAT FURTHER SANCTIONS BE IMPOSED

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I am sure the Secretary of State for External Affairs would recognize not only the eminent moral authority but the sound sense of judgment of Bishop Tutu on such matters. In my discussions with him on the weekend, I proposed in the context of the Eminent Persons Group recommendations that Canada show some leadership by calling for a meeting in June instead of in August and by announcing some sanctions now. He was in agreement that such leadership in concrete form was desirable. Why would the Secretary of State for External Affairs not now join with Bishop Tutu in taking this concrete action which could force that racist Government in South Africa finally to respond?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am not surprised that Bishop Tutu would respond in that way. He has lived through an almost unendurable set of circumstances and is making his case very compellingly. The issue before us is how we best respond as a nation, and as a nation which is part of the Commonwealth, to try to bring an end to that regime which we all revile. That is the issue for us.

In our judgment one component of that response must be to encourage and give heed to the strong recommendations of people like Bishop Tutu. The other part is to try to make the most effective use we can of the instruments open to us, whether they are economic sanctions which Canada might continue to apply or bring pressure to bear on the Commonwealth. We will continue to do that in a steady way. We have made clear that if these other steps do not work, Canada will ultimately—

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

GOVERNMENT ACTION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I understand the Government's desire in its original schedule to meet the proposed scheduling of events of the Eminent Persons Group. Since that was established, the Government in South Africa has become worse, if I may put it bluntly, not better. Since racial tensions have worsened instead of improved, does the Government not see some urgency to act now? If so, will the Government now show some leadership by calling for an early meeting of Commonwealth leaders and demonstrating action by Canada, by announcing prior to that meeting some concrete sanctions by our own Government?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there have been a number of concrete sanctions by the Government. In many ways we have led the western world in terms of the concrete sanctions we have brought in.

We are talking about two timetables here. One is the timetable of the Eminent Persons Group, which is preparing a report. It is their own judgment that it will take them toward the end or near the end of June to finish that report. We want that report to be thorough, not to be rushed. The other timetable is how quickly will the Heads of Government meet after the report is in place. That is a matter which I think it would be wise to consider when we have a clearer idea of the nature of the report. We are talking here about a matter of 30 days to 35 days. We are talking about that matter in the context of a Canadian Government which has already shown leadership and has indicated that we intend to show leadership against apartheid toward the end of having it removed as a system.

TRADE

COD EXPORTS TO EUROPEAN ECONOMIC COMMUNITY

Mr. George Baker (Gander—Twillingate): Mr. Speaker, after talks with the EEC Trade Commissioner, the Minister for International Trade said: "As a result of that trawler problem, we are having a problem on cod with the EEC. They are blocking the sale of our headless cod". Could the Secretary of State for External Affairs inform the House on the accuracy of the Minister's statement, since the EEC denied today having taken any such action against our headless cod? Perhaps it is the Minister who has lost his head.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we have been making representations to the European Community in respect to the question of cod for some time. We are continuing those representations. There is no doubt at all that the incident with regard to the Spanish trawlers has aggravated the sense of relations between Canada and the European Community *en gros* in respect of fisheries issues, including the cod issue.

• (1430)

GOVERNMENT POSITION

Mr. George Baker (Gander—Twillingate): Mr. Speaker, if the EEC moves to block any of Canada's cod exports to EEC member countries, will the Government take the logical action and cancel the entire EEC cod-fishing quota in Canadian waters?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, in answer to the Hon. Member I can tell him that we have at this point no evidence that the EEC is blocking the importation of cod from Atlantic Canada, nor under the rules of GATT would it be able to do so. I can only say to the Hon. Member that if he is suggesting we should not enforce our Canadian fishing zone to the extent of the 200 mile limit then he should go home and say that to the people of his province.

Mr. Gauthier: That is a red herring.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

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APARTHEID

SOUTH AFRICA—REQUEST FOR EMBARGO ON AGRICULTURAL IMPORTS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is for the Secretary of State for External Affairs who, as did I, heard Bishop Tutu on Friday night making an urgent plea for help for white and black South Africans, a plea for help which is supported by tens of thousands of Canadians and the NAC delegates meeting here today. The Secretary of State for External Affairs has said that Canada has inspired others to invoke sanctions. Is it not time for inspiration again by immediately imposing an embargo on agricultural shipments into Canada that the rest of the Commonwealth will emulate?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, indeed one clear lesson that was taught us in the context of the Commonwealth years ago in 1979, when the question of Zimbabwe was resolved, was that if there is a chance for the Commonwealth to act together it is in the interests of the world that we build toward that common action, and not resort simply to individual actions by states that others might not follow. We are trying to ensure that the Commonwealth can be effective in 1986 as the Commonwealth was effective in 1979. It may not work, but we want to give it a chance to work before Canada takes independent actions that would undercut the agreement to which we subscribed at Nassau.

CANADIAN LEADERSHIP

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, may we have the assurance of the Secretary of State for External Affairs that it will be our standard of leadership that applies, not the kind of leadership that is implied by an agreement with Great Britain not to act in advance of August, and to have another meeting next year sometime, while people are dying in Africa? We should be taking decisive action which would be a model for the Commonwealth.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the agreement at Nassau was not with Great Britain alone. The agreement at Nassau was with all the members of the Commonwealth. Canada, India, and Australia were instrumental in establishing that agreement at Nassau. We intend to honour it as the best means of ensuring that the Commonwealth might be able to move effectively in the future. Obviously that would require some movement on the part of the Government of Great Britain, as it would on the part of other countries.

* * *

TRADE

COD EXPORTS TO EUROPEAN ECONOMIC COMMUNITY

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is for the Deputy Prime Minister. We have just had a statement by the Minister of Fisheries and Oceans that there is no evidence there is any problem at all with the EEC in relation to the cod fishery, yet the Minister for International Trade has said that, as a result of the trawler problem, we are having a problem with the EEC on cod. Do you think the Deputy Prime Minister might arrange a meeting

between the two Ministers, so they might decide which evidence and which facts are correct, considering that this is a $55 million export market bearing very heavily upon the economic well-being of the area? Do you think they might try to arrange to get their act together, Mr. Speaker?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member's hearing is perhaps failing.

Mr. Turner (Vancouver Quadra): You just read the story.

Mr. Clark (Yellowhead): The facts as they have just been indicated in this House are that there has been discussion for some time with the European Community with regard to the cod question. Any discussions regarding fish with the Community, of which Spain is a member, are naturally going to be exacerbated by the controversy over the trawlers. That is the case that was alluded to by the Minister for International Trade.

GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, we have now had a sort of confusion compounding the complexity. We now have a third version. The Minister of Fisheries has said there is no evidence. The Secretary of State for External Affairs has said there is evidence to compound the problem. What action does the Government intend to take when the Minister for International Trade returns so that we can make a properly unified case to the Europeans to stop any harassment or any action that they are taking to stop our fish exports to the European Economic Community?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we are taking a unified approach.

Some Hon. Members: Oh, oh!

Mr. Nystrom: It is fishy.

Mr. Clark (Yellowhead): The Hon. Member is trying by introducing information that is not true into this House to suggest that there is confusion here, when the only confusion, as usual, resides in what some would call the mind of the Hon. Member for Winnipeg—Fort Garry.

Some Hon. Members: Oh, oh!

* * *

TRADE

U.S. TARIFF ON CANADIAN CEDAR SHAKES AND SHINGLES

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of State for Forestry regarding the shake and shingle matter. As the Minister knows, the issue of compensation was always a non-starter. Unfortunately, there has been no request from the Prime Minister to lift the 35 per cent duty which comes into effect on Friday, and retaliation is about to be taken. Does the Minister not agree that there should be fast track negotiations undertaken right now regarding market share, which could lead to the lifting of that duty and save the B.C. shake and shingle industry?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the whole country was shaken by the decision—if I may use that term—

Some Hon. Members: Oh, oh!

Mr. Axworthy: We have a bad case of shingles, too.

Mr. Clark (Yellowhead): —made by the President of the United States with regard to the 35 per cent tariff. We have been following steady and strong action since that tariff was announced to see if there were some remedy available. The Minister of Finance will be making a statement later today, I would hope if the New Democratic Party agrees, in this House of Commons, indicating the economic response by Canada to the United States in consequence of that action.

SOFTWOOD LUMBER EXPORTS

Mr. Jim Fulton (Skeena): Mr. Speaker, the actions taken to date have done nothing to preserve the shake and shingle industry.

Could the Secretary of State for External Affairs give us the name of any person in his Government who sent, and the date on which any kind of a response was sent to Secretary of Commerce Baldrige regarding today's deadline in relation to the forthcoming countervailing action against Canadian softwood? Has the Minister done anything on that or is that just another case by which he is going to be shaken?

Mr. Blackburn (Brant): And shingled.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that question, among others, was raised by me in my meetings on Friday with Secretary Shultz in Halifax. The question with regard to the proposed countervail has been raised on innumerable occasions by Members of this Government. I would suggest to the Hon. Member that he should not so quickly give up hope of action proving effective on the shakes and shingle question, nor should he cast such an atmosphere of despair on the question of softwood.

An Hon. Member: Keep scratching.

Mr. Clark (Yellowhead): These are difficult questions. They demonstrate, among other things, how essential it is that we have a better trading arrangement with the United States to protect Canadians against this kind of action.

CANADA-UNITED STATES NEGOTIATIONS—POSITION ADVANCED BY NOVA SCOTIA

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Secretary of State for External

Affairs regarding the free trade issue. The Minister of Development in the Province of Nova Scotia stated:

> We want negotiated immunity from U.S. trade law for resource industries and other sectors benefiting from regional development and other government support programs.

Would the Secretary of State for External Affairs inform the House whether or not the Government of Canada is in agreement with the position being advocated by the Province of Nova Scotia, and if he is in agreement, has he communicated that agreement in writing to the Government of Nova Scotia?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as I think the House knows, there will be a meeting later today involving the First Ministers of the provinces with the Prime Minister of Canada to discuss the quite substantial progress that has been made in federal-provincial co-operation on trade matters and to carry that co-operation forward. It may well be that the Government of Nova Scotia will raise that question during those discussions.

• (1440)

FEDERAL POSITION

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, that answer is totally unacceptable. By virtue of its incompetence and flip-flopping on the free trade issue the Government is jeopardizing the very, very fundamental principle of national unity in our country. Where does the Government of Canada stand with regard to the request being made by the Province of Nova Scotia? Is it for it or against it?

Mr. Berger: Yes or no?

Mr. Nystrom: Both.

Right Hon. Joe Clark (Secretary of State for External Affairs): The request was made by the Government of Nova Scotia. The answer will be given to the Government of Nova Scotia. As someone who saw this country very nearly torn apart during the long constitutional debates by that Member and the Party with which he is associated, I am not going to accept lectures from him as to aspects of national unity. That Party nearly destroyed this country. This Government is bringing it back together.

Some Hon. Members: Hear, hear!

Mr. Rossi: Your own Members gave you a good lesson a few years ago.

Oral Questions

AIR CANADA

SUSPENSION OF FLIGHT ATTENDANT

Mr. Les Benjamin (Regina West): Mr. Speaker, fair-minded Canadians realize that Toni Corrado, the flight attendant suspended for answering questions concerning politics from one or more of a group of Tory delegates, has received special treatment by way of a 30-day suspension for not breaking any known rules.

I would like to direct my question to the Minister of Transport. Is it true that the original letter of complaint beginning "Dear Don", was from a member of the executive and secretary of the Conservative constituency association of Williams Lake and was written on Conservative Party stationery? Will he show us the original of the letter of complaint?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I first want to take issue with a couple of statements that have been made in the House with the implication that I had personally instructed Air Canada to take this kind of action.

Mr. Benjamin: Nobody said that.

Mr. Mazankowski: Well, it has been referred to time and time again. I categorically deny that.

Mr. Rodriguez: Nobody said that.

Mr. Mazankowski: If the Member has any proof to substantiate that, I wish he would present it.

Mr. Benjamin: Nobody said it.

Mr. Mazankowski: Mr. Speaker, I have before me the letter which was received, along with the instructions. For the benefit of all Hon. Members I would be prepared to table it so that Hon. Members can see precisely what actually took place.

Mr. Benjamin: Is that the original?

Mr. Mazankowski: They are photocopies. I will check to see if there is an original around. I will find out. I usually stick to my word.

Mr. Broadbent: Right, right.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Mr. Mazankowski: This is not a matter of freedom of speech.

Mr. Speaker: Order, please! The Minister is being a little long.

Mr. Benjamin: Mr. Speaker, I want to assure you that no one in this House that I am aware of ever said that the Minister politically interfered. Certainly I did not.

Some Hon. Members: Oh, oh!

PROCEEDINGS DURING DISCIPLINARY HEARING

Mr. Les Benjamin (Regina West): Mr. Speaker, I would like to remind the Minister that I asked for the original of the letter. In view of the fact—

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

Mr. Benjamin: Of course, Mr. Speaker, of course. The Minister says that this is an internal matter for Air Canada management. Therefore, why was it that during the disciplinary hearing for this flight attendant, in the presence of two members of the union the meeting was recessed and Air Canada management went to another room and viewed tapes of the House of Commons and the Minister of Transport in particular?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, obviously the Member must have had someone in attendance because he has more information than I have. I choose not to interfere with that process. There is a collective agreement. There is a multifaceted grievance procedure, and I am surprised that the Hon. Member would take it upon himself to interfere with the collective agreement.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: Furthermore, to respond to the first part of the question, I will accept the Hon. Member's suggestion that he did not imply that I intervened directly. In consideration of that element of fairness, he might want to ask his House Leader to consider withdrawing the statement he made as reported at page 13768 of *Hansard*. He said:

> It wouldn't have happened if it had not been for Maz.

If that is not laying the complaint on the shoulders of the Minister of Transport, I'm not sure what is.

Some Hon. Members: Hear, hear!

* * *

REFUGEES

PRESENCE IN CANADA OF INDIVIDUAL WANTED BY ITALIAN GOVERNMENT

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, my question is for the Minister of State for Immigration. On May 6 in response to a question the Minister said that there are security measures in place to detect potential terrorists and that they would not receive the same treatment as *bona fide* refugees.

Could the Minister explain why, since 1981, Canada has been the refuge of an individual wanted by the Italian Government in connection with the kidnapping and murder of Premier Aldo Moro and for allegedly being a Red Brigade terrorist? Can the Minister assure the House that our new refugee determination system will deal with this particular case promptly?

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, I want to assure the Hon. Member that the aim of the immigration program and the particular reforms which are being brought to the refugee program are designed to ensure that there is a fair as well as speedy determination of cases. The Hon. Member raises an embarrassing situation in which, because of the present system, people abuse the situation. One hopes that, particularly in the refugee stream, these matters will be able to be dealt with fairly but more speedily.

* * *

AIR CANADA

SUSPENSION OF FLIGHT ATTENDANT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is for the Minister of Transport. Air Canada claims it suspended flight attendant Toni Corrado not because of what she said but because of the tone of her remarks. Is the Minister aware that Nova Dickie, an assistant to the Conservative Member for Cariboo—Chilcotin, witnessed the Air Canada discussion and describes Mrs. Corrado's manner as neither abusive nor rude?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the Hon. Member is expecting us to get involved in the grievance procedure on the floor of the House of Commons.

Mr. Deans: You are involved.

Mr. Mazankowski: I choose not to do that. There is a collective agreement in place. There is a process in place. It is an Air Canada decision and there is a grievance procedure which is to be followed. I do not know why one would want to engage in interfering with that process which has been agreed to through the collective bargaining process.

Mr. Tobin: Mr. Speaker, the Minister is already involved when his office sends a copy of a letter it received to Air Canada.

Some Hon. Members: Hear, hear!

REQUEST THAT MINISTER INTERVENE

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, will the Minister use the power which he has over Crown corporations under Section 99 of the Financial Administration Act to intervene and instruct Air Canada to reinstate Toni Corrado and to see that she is compensated for

this injustice which has been perpetrated upon her? Will he do the right thing now?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I hope the Hon. Member will reflect upon just precisely what he is requesting me to do. He is asking that a Minister of the Crown become involved in the day-to-day management operations of a Crown corporation. He would be the first one to cry "foul" if that were to be the case. There is a clear arms length relationship. As I said in the House earlier, we receive many, many letters of complaint and many, many letters of commendation which are forwarded by the Department of Transport correspondence unit. That involves Members of Parliament and everyone.

The issue is not freedom of speech or whether a flight attendant has the right to criticize me or not. I do not mind that at all. I have taken lots of criticism. I have talked about working conditions and about the operations of Air Canada with many flight attendants and many pilots, and I will continue to do that.

Mr. Speaker: Order, please.

LETTER ADDRESSED TO MINISTER

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I also have a question for the Minister of Transport. Does the Minister not realize that when the Minister or his staff sends a letter which is addressed personally to him, "Dear Don", to Air Canada, that the immediate inference would be drawn that the Minister would have known about and been involved in the matter?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, if the Hon. Member is suggesting that every time he writes me a letter addressed "Dear Don", I am supposed to ignore it, I would not do that.

Mr. Broadbent: No, just the opposite.

Mr. Deans: I will point out to the Minister that I address all my letters to every Minister "Dear Mr. Minister".

Mr. Clark (Yellowhead): Surely not to Flora.

TERMS OF SUSPENSION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, does the Minister not think that 30 days without income is a very severe penalty for having criticized the Government?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am not sure whether the Hon. Member is privy to all the details—

Mr. Deans: Are you?

Mr. Mazankowski: No, I am not.

Mr. Deans: Well, answer my question. Do you think that's a fair penalty?

Mr. Mazankowski: There is a multifaceted grievance procedure which has been agreed to and negotiated under the collective bargaining arrangement which is part of the collective agreement. As far as we are concerned it is a matter between Air Canada and its employees. It is interesting to note that the unions are not expressing a point of view on this particular issue, at least not publicly and officially.

• (1450)

I just want to say one thing. Hon. Members across the way—

Mr. Speaker: Order. This is too long.

* * *

[*Translation*]

EXTERNAL AFFAIRS

EMERGENCY SITUATION IN AFRICA—CANADA'S ROLE

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, my question is for the Hon. Minister for External Relations.

Following the extraordinary session of the United Nations last week to examinie the emergency situation in Africa, how does the Minister evaluate the consensus reached last weekend and the role of Canada?

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, Africa made a giant step forward last week. The action program accepted yesterday morning by the 159 countries is a historical event. The international community has accepted to look lucidly and frankly at the problems facing Africa. Canada played an important role in this issue thanks to the special attention brought to it by our Prime Minister during the months before the Tokyo Summit.

* * *

FEDERAL-PROVINCIAL RELATIONS

FISCAL AGREEMENTS WITH PROVINCES—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is for the Minister of Finance.

[*English*]

Last Friday Chief Justice Brian Dickson deplored the disastrous cuts proposed by the federal Government in transfer payments to the provinces which will severely damage Canada's universities. Does the Minister agree with Chief Justice Dickson who said that second class funding of universities will inevitably lead to second class teachers, second class students and, ultimately, a second class nation?

Oral Questions

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, federal government transfer payments to the provinces are growing at one of the fastest rates of any element of federal government spending. The increase in the next five years over the last five years is going to be $25 billion. It will increase from $65 billion to $90 billion over the next five years. That is a very, very substantial increase and will provide the provinces with a good deal of funding in order to assist them in their responsibility for financing post-secondary education.

[*Translation*]

REQUEST THAT GOVERNMENT WITHDRAW BILL C-96

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, Chief Justice Dickson obviously disagrees with the Government, as do all those who appeared before the Parliamentary Committee on Finance and Economic Affairs. Will the minister meet the wishes of everyone involved and will he withdraw Bill C-96 and undertake real consultations with the provinces about the financing of universities and post-secondary education in general?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have discussed this matter with provincial government representatives on, I think, four separate occasions. I can understand the position the provinces might take. However, they also understand very clearly that we have a very, very serious financial problem. We are not backing away from it, we are dealing with it in a broad way. This is one element of the over-all program to get the debt under control so we can have lower interest rates, create more jobs, and have a healthier economy. That is the policy of this Government and we are going to hold to it.

* * *

NUCLEAR ARMAMENTS

SALT II—CRUISE MISSILE TESTING

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Is the Government of Canada prepared to cancel Cruise missile testing in Canada if the U.S. violates SALT II by deploying the air-launched Cruise on B-52s later this year?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we are very concerned, as I indicated in the House the other day, about the implications of President Reagan's most recent statement. Insofar as the scrapping of two Poseidan submarines is concerned, that is a very helpful development. He has indicated that unless there is some response by the Soviet Union to indicate they are finally prepared to begin to respect SALT II, then it may no longer be possible for the U.S. to respect the limits set out in SALT II. We would hope that the President's statement on May 27 is not the last word on this subject and that we will hear from both the Soviet Union and the U.S. that they intend to respect the limits under SALT II.

CANADIAN POLICY

Mr. Derek Blackburn (Brant): Mr. Speaker, if Canada continues to develop the air-launched Cruise, regardless of what transpires in the meantime, is it not supporting the Reagan administration's policy that SALT II should not be considered in determining deployments?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the short answer to that is no, because the ultimate decision on SALT II limits has yet to be taken. If I may just underline, on behalf of those Canadians who are genuinely interested in having the SALT II limits respected, the importance of making the case to both the Americans and the Soviet Union, there is an expectation on the part of Canadians that both of them will respect the treaty. The Americans have, the Soviet Union has not. We should be making the case to the Soviet Union, on questions such as, for example, the way they are encrypting telemetry and on the way they have moved into a second system, that they are in violation of the SALT II limits. If they believe they are not, they should respond to the representations of Canada and other countries and make that evidence clear.

* * *

ENVIRONMENTAL AFFAIRS

EVACUATION OF CANNING, N.S., FOLLOWING CHEMICAL FIRE

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, my question is directed to the Minister of the Environment. Can he bring us up to date on the unfortunate and suspicious fire which caused the evacuation of the village of Canning, Nova Scotia, in my riding?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the federal Government is treating the chemical fire in Canning with the utmost urgency. Some six Departments or agencies of the federal Government are involved, including my own Department, the Department of Fisheries and Oceans, Agriculture Canada, right through to the National Research Council. They are involved in analysing soil, water and food samples, providing decontamination equipment to the province of Nova Scotia, monitoring local fish populations, and generally giving whatever backup we can to the lead Government which, of course, because of jurisdictional considerations, is the Government of Nova Scotia. The situation is totally under control largely because of the co-operation of all concerned, including the Hon. Member who has taken a special interest in this issue.

TRADE

SALE OF U.S. SUBSIDIZED BARLEY TO SAUDI ARABIA

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. On May 23 he told me that he would raise the matter of the U.S. grain bonus program with Secretary Shultz at a meeting in Halifax last weekend and the question of the U.S. withdrawing its subsidy on 500,000 tonnes of barley sold to Saudi Arabia, a traditional Canadian market. Did the Minister get agreement from the U.S. Secretary of State to withdraw the U.S. subsidy on this sale of grain?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I raised that matter, as did the Prime Minister in Tokyo, and as this Government has been raising the question of the impact of the U.S. Farm Bill on Canadian producers with regularity. We both raised it specifically and I indicated to Secretary Shultz that I would want to have a specific response. We raised it in terms of the need for countries like Canada to begin to take action which will allow us to break the cycle of subsidy which is causing so much damage in the Canadian agricultural industry. My colleague, the Minister of State for the Wheat Board, will be meeting with grain producers from other contries this week in Vancouver to carry forward this Canadian Government initiative to try to create better conditions for Canadian farmers.

CANADA-UNITED STATES NEGOTIATIONS

Mr. Maurice Foster (Algoma): Mr. Speaker, if the Minister is not able to get the U.S. to stop raiding our traditional grain markets, how does he plan to get an agreement for a fair deal for Canadian farmers in the Canada-U.S. free trade discussions?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I thank the Hon. Member for raising the question because I think what is happening in agriculture indicates the very real degree to which Canadians with vital interests to protect are to some degree at the mercy now of international trading arrangements. We are threatened now by the practice of subsidies in the U.S. and the European Community which are making it very difficult for our producers to stay in business. We need some changes in those international arrangements. The Prime Minister worked on this at Tokyo. We are working now in trade negotiations with the world through GATT, and with the U.S. through discussions which began two or three weeks ago, to put a better system in place. The one thing that is clear is that the system in place now does not work to help Canadian farmers. We need one and are working towards one that will.

• (1500)

POINT OF ORDER

ALLEGED USE OF UNPARLIAMENTARY LANGUAGE

Mr. Speaker: I was going to make a ruling today but I gather the Minister of Transport (Mr. Mazankowski) wishes to say something before I do.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I have had the opportunity of reviewing your comments and comments of other Members on May 28 at pages 13722 and 13723 of *Hansard*, and I gather from the thrust of the comments that some Members appear to have drawn an implication that I was accusing another Member of deliberately misleading the House. I want to assure you, Sir, and all Members of the House that I meant no such thing. In order to clear the matter, hopefully once and for all, I will unequivocally withdraw any such implication.

Mr. Speaker: I thank the Hon. Minister. I had intended to rule with regard to both matters, but I have been waiting until both Members were present. I thought they were both going to be present today. I will wait one more day and see if the Hon. Member for York South—Weston (Mr. Nunziata) is ready to hear the ruling. I think that is the only fair way to do it.

* * *

BUSINESS OF THE HOUSE

DESIGNATION OF ALLOTTED DAY

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Two items, if I may, Mr. Speaker. First, I would advise the House that it is the intention of the Government to designate Tuesday, June 3 as an Opposition Day.

PROPOSED STATEMENT BY MINISTER OF FINANCE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): There have been discussions among the Parties, and I believe if you put the following draft order before the House you would find that there is unanimous consent.

That notwithstanding any Standing or Special Order of this House at 4.30 o'clock p.m. this day the House shall revert to Tabling of Documents for the purpose of permitting the Hon. Minister of Finance to lay upon the table and immediately thereafter shall proceed to Statements by Minsiters for the purpose of receiving a statement by the aforementioned Minister. Provided that Standing Order 19(6)(a) shall be deemed to be in force for the purpose of this order.

Mr. Deans: Mr. Speaker, I am pleased to confirm that there were, in fact, the discussions that the Parliamentary Secretary indicates. I can hardly wait to see the Minister of Finance laying on the table.

Mr. Gray (Windsor West): I can confirm that there were consultations and the order in question will be accepted if it is moved.

Canada Deposit Insurance Corporation Act

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

Some Hon. Members: Agreed.

Mr. Speaker: Agreed and so ordered.

GOVERNMENT ORDERS

[*English*]

CANADA DEPOSIT INSURANCE CORPORATION ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mrs. McDougall that Bill C-86, an Act to amend the Canada Deposit Insurance Corporation Act, be read the third time and passed.

Mr. Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to and Bill read the third time and passed.

* * *

INCOME TAX ACT

MEASURE TO AMEND

Hon. Don Mazankowski (for the Minister of Finance) moved that Bill C-109, an Act to amend the Income Tax Act, as reported (without amendment) from a legislative committee, be concurred in.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Mr. Speaker: When shall the Bill be read a third time; by consent now?

Some Hon. Members: Now.

Hon. Don Mazankowski (for the Minister of Finance) moves that the bill be read the third time and passed.

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am pleased today to speak again on the subject of Bill C-109, an Act to amend the Income Tax Act.

As you know, when this Bill was introduced for first reading only a few short weeks ago I emphasized the importance of a speedy passage of this Bill. I am pleased to note that already this Bill has been approved by the legislative committee and has reached report and third reading stages today. I am encouraged by this quick progress, and I look forward to early passage of this Bill in order that this unjustified potential revenue drain may be stopped.

Bill C-109 relates to the controversial Scientific Research Tax Credit Program introduced by the previous Government, and which was designed to allow corporations to transfer the benefit of tax deductions and credits to outside investors. A special tax equal to the SRTCs sold is payable by corporations which have utilized this measure and is refundable as the corporation actually performs research and development. This tax is provided for in Part VIII of the Income Tax Act and is payable 30 days after the end of the month in which the SRTCs were sold.

The intention of the Part VIII tax is to protect the Government from corporations which would drain the public purse without actually doing any research and development. I agree with the purpose behind these provisions.

[*Translation*]

As you know very well, Mr. Speaker, the purpose of Bill C-109 is not to change the original intent of the legislation. I think it is important to emphasize this because on several occasions in the House Members have tried to say that such was the purpose of Bill C-109. The main purpose of Bill C-109 relates to scientific research assistance and nothing has changed.

As I said a few minutes ago, Mr. Speaker, Bill C-109 will enable us to stop the senseless redistribution of public funds. This was legal since the legislation was so drafted but, in practical terms, what I would call almost illegal is the fact that, as some Opposition Members have noted, the previous Government had not intended taxpayers to receive huge amounts of money without abiding by the provisions of the scientific research and development tax credit.

[*English*]

As I have previously informed this House, however, this intention has been undermined by recent and conflicting case law. Notwithstanding the fact that Part VIII tax is payable within 30 days after the end of the month in which an SRTC is issued, a court decision has held that the tax cannot be collected as it becomes due but, rather, may be collected only after the corporation has filed its income tax return for the year in which the SRTC was issued. This could be well after the corporation's year end.

[*Translation*]

I repeat, Mr. Speaker, I have no intention of dwelling on the abuses of this program which led to its abolition in the May 1985 Budget. Still I might remind the House that the temporary relief provisions which were implemented after the

program was abolished did allow for some scientific research tax credits until the end of 1985. It is therefore imperative that Bill C-109 be passed quickly. I think I should emphasize again that this will make it possible for the Government to avoid refunding taxes collected pursuant to Income Tax Act Part VIII and which might be rather difficult to recoup later on.

• (1510)

[*English*]

The House will recall from my earlier comments in support of this Bill that in the absence of these amendments, $225 million of Part VIII tax previously collected as the result of 576 audits—mainly by legal action, seizing assets or accepting security—may have to be refunded by Revenue Canada. In addition, Revenue Canada cannot proceed with collection of 866 additional assessments now being monitored, nor can assessments be issued for approximately 100 SRTC designations received since the court decision.

These amendments do not change the intended application of the Part VIII tax as approved by the House, as I just mentioned, nor are they the subject of any difference of opinion in this regard.

[*Translation*]

Mr. Speaker, these amendments should have the support of Hon. Members because they are in line with the objectives stated when Income Tax Act Part VIII was adopted by the House of Commons.

[*English*]

The amendments in the Bill also exclude the Part VIII tax from the taxes in dispute legislation contained in the Income Tax Act. The taxes in dispute legislation was introduced as one of the first acts of the Government in order to protect taxpayers who have legitimate disputes with Revenue Canada as to the amount of regular income tax owing.

As I have indicated to the House in the past, however, these provisions are not appropriate in the case of the Part VIII tax which merely offsets credits already issued by the corporation, and which the Government is bound to honour.

Bill C-109 ensures that corporations cannot delay the recovery of Part VIII tax by the simple act of filing a notice of objection to an assessment. As I assured the House before, however, Revenue Canada's practice is to collect Part VIII tax during the course of a corporation's taxation year only when it has reason to believe that the SRTC funds will not be expended on research and development. Accordingly, the provisions of this Bill will in no way hamper the business operations of legitimate research and development performers.

The amendments proposed in this Bill are not retroactive but are effective for assessments made after March 28, 1986, the day on which these proposals were announced. Nevertheless, in cases where Government funds are at risk, new assessments can be issued and Part VIII taxes collected as soon as it is appropriate in the circumstances.

I need not dwell on the abuses that have been reported to this program. It is for this reason that the SRTC was discontinued in the May, 1985 Budget. Nevertheless, under transitional relief provisions, it was possible for some SRTCs to have been issued up to the end of 1985. I cannot overemphasize that it is imperative that Bill C-109 be implemented quickly in order that the Government not find itself in a position of having to refund taxes collected under Part VIII which may be in danger of being subsequently uncollectable.

I look forward to the co-operation of all my colleagues in the House for speedy passage of these important measures.

The Acting Speaker (Mr. Charest): Questions or comments? Debate.

[*Translation*]

Debate. The Hon. Member for Laurier (Mr. Berger).

Mr. David Berger (Laurier): Mr. Speaker, this Bill was adopted at the committee stage, without study, because it is a technical Bill that deals with monitoring and is aimed at authorizing Revenue Canada to go and get money owed under the Scientific Research Tax Credit, or rather, to protect the public interest when taxes may be owed under Part VIII of the Income Tax Act.

Today, I simply want to point out our concern. At the second reading stage, I already said that abuses of the scientific research tax credit program should not be allowed to affect other programs aimed at increasing or promoting research in Canada.

Mr. Speaker, I would like to comment more specifically on the guidelines Revenue Canada is formulating. A few weeks ago, the Standing Committee on Research, Science and Technology heard representatives of the Canadian Advanced Technology Association. These representatives from the hi-tech sector informed us they had not been asked to help develop these guidelines. It seems this task was given to experts who may not have the requisite practical experience to understand the impact these guidelines could have on the industry. To date, the Minister of National Revenue (Mr. MacKay) has refused to release the preliminary version of these guidelines.

Once again, I would like to ask the Minister today to release these guidelines so that all parties concerned can examine them and comment accordingly.

Another concern expressed by the Association's representatives who appeared before our committee was that Revenue Canada, under the new program providing a refundable tax credit on research and development, wanted to proceed with an audit of all requests for refundable tax credits prior to any payment of the tax credits. We were told this might delay payment of credits to small companies whose survival is at stake here.

So we see that because of the abuses that have been mentioned here in the House several times, because of past

abuses the Government and Revenue Canada are perhaps going too far in the other direction by imposing measures or controls unjustified under a new program that is entirely different from the program the Government terminated in its Budget of May 1985.

Mr. Speaker, after these comments I wish to express the support of my party for the Bill before the House today. I hope we will have a chance to get back to the new points I have raised very shortly, because we must ensure, Mr. Speaker, that we get more research in Canada and not less.

• (1520)

[*English*]

Mr. Simon de Jong (Regina East): Mr. Speaker, I will also say just a few words on third reading of Bill C-109. I believe most of my comments were made during the debate on second reading.

Let there be no doubt, Bill C-109 is an affront to justice. It admits that the policies regarding the SRTC were a mistake, that the whole episode was a tremendous blunder and that major Government revenues were hemorrhaging out of the public treasury. Estimates run to well over $1 billion of revenue which should have gone to research and will not go to research.

Why I say this Bill is an affront to justice is because all the things the Conservative Party, when in opposition and since forming a Government, have claimed it was doing on behalf of taxpayers is just wiped out by Bill C-109. Clause 1 will permit the assessments of Part VIII taxes prior to the filing of a return. The Revenue Department will do the assessment prior to the company filing a return. Clause 2 will permit the collection of assessed taxes prior to the filing of a return. The Government will be able to collect the assessed taxes even before a return has been filed. Clause 2(2) will permit action to be taken to collect taxes within the 90 day period usually accorded taxpayers who consider filing a notice of objection. As of March 11, 1986, 53 corporations owing $266 million have filed notices of objections to the asssessments. In other words, the taxes will be collected within that period which normally a corporation or individual has a right to file notice of objection. Clause 2(4) will permit the collection of Part VIII tax regardless of an appeal by the taxpayer to the tax court or federal court.

The Conservatives in their task force on Revenue Canada demanded a different code of conduct. They said that when an assessment is issued a taxpayer should not have to pay taxes which are in dispute until the time for a formal objection has past. If the taxpayer appeals, no payment of those amounts should be required until the appeal is finally resolved. That is what the Conservative task force stated before the election. What Bill C-109 does is wipe it all away.

The Government feels it has to act, and in this sense I do not disagree—it does have to act. Many unscrupulous operators in the corporate sector took advantage of the scientific research tax credit and fleeced the public treasury of hundreds of millions of dollars. It was the stupidity of the Liberal Government which conceived this concoction in the first place. It was one of those billion dollar mistakes for which the Liberals were noted. On the one hand the Liberal Government cut back on old age security pensions, unemployment insurance benefits and social programs and, on the other hand, it doled out billions of dollars to its corporate friends.

We now have the Conservatives who came in in 1984. They were going to rectify this. In fact, on October 10 they issued a moratorium on the scientific research tax credit scheme. By that time it had become obvious what an unforgiveable scam the SRTCs had become. So the Conservative Government decided it would put a stop to it. On October 10, 1984 the Conservative Government introduced its moratorium but left a loophole. It allowed a grandfathering clause. In other words, if you and I, Mr. Speaker, had an agreement on the back of an envelope that we were going to do some dubious research together the Government had to honour that as a contract.

What we find is that after the October 10 moratorium introduced by the Government an additional $3 billion in SRTCs received approval. Of these moneys, $1.8 billion was submitted to the Department of Revenue by various corporations to ensure that they met the grandfathering provision of the moratorium. One of these SRTCs was going to study whether red and brown Holsteins gave more milk than white and black Holsteins. There was one outfit approved by the Government to research miniature submarines. It turned out that these people were in fact a group of drug smugglers and gun runners who knew nothing about researching miniature submarines. Yet, they were able to fleece the Government out of a few million dollars under the SRTC program.

The Government claims it closed one of the major loopholes and abuses of our tax system. It should hang its head in shame because the abuse under this program continued well into 1985 and even into 1986. When the Government finally decided it could not control this program any longer, it finally shut it all down, but it was a program which should never have seen the light of day. By the time the federal election was over in 1984 it had become obvious it was a scam and should have been closed down right at that time.

An Hon. Member: It was.

Mr. de Jong: It was not. The Government allowed the loophole, the grandfathering clause, which allowed more abuses to continue. The shame, of course, is that while the taxpayers have lost hundreds of millions of dollars in revenue, research and development is crying for funds. Our universities are in a deplorable state. Equipment is totally outdated. There are no proper scholarships in place to encourage students to take graduate studies. Outfits like NSERC and the National Research Council are starving for funds. They are being asked to cut back and cut back. Legitimate research is suffering while we have squandered hundreds of millions of dollars on this program.

It is not surprising at this time that the Government asks for really extraordinary powers in an attempt to recoup some of these lost millions of dollars. I am sure there must be the odd Member of the Conservative Government who is somewhat embarrassed because, after all, the Conservative Party made a big to-do about the injustices and inequities of some of the tactics being employed when the Liberals were in power. I think a fair number of them want to see some honest reform and changes in Revenue Canada and in the tax collection procedure. With this particular Bill, they have had to revert to some of the Gestapo tactics used in the past.

I understand the Government needs some extraordinary powers in order to save some of those lost revenues. Every day we read about another scandal. In today's *Globe and Mail* there was an article about two computer companies. One company was apparently from somewhere in the United States. It set up a dummy company in Canada with a Canadian front person and was able to collect millions of dollars in tax credits from the federal Government. Apparently, the whole thing was a total scam. The Government wants these extraordinary powers in order to be able to go out and collect as much of that money it can before the money flees the country. We cannot oppose the Government on that. The more money the Government can recover from that program, the better it is. However, the point I want to make is that it was a scandalous program to begin with. The Tory half cure of October 10, 1984, did not help matters at all. We are now faced with giving the Government in this particular instance those extraordinary powers. It is a sad situation. It is sad for the Government, it is sad for Parliament and it is sad for the country. I do not think there will be much debate on this matter nor do I think there will be much disagreement, but I did feel it important that these points be raised in debate.

• (1530)

The Acting Speaker (Mr. Charest): Questions or comments? Debate? Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to and Bill read the third time and passed.

* * *

COMPETITION TRIBUNAL ACT

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-91, an Act to establish the Competition Tribunal and to amend the Combines Investigation Act and the Bank Act and other Acts in consequence thereof, as reported (with amendments) from a legislative committee.

The Acting Speaker (Mr. Charest): As Hon. Members are aware, there are 14 report stage motions on the Notice Paper in amendment to Bill C-91, an Act to establish the Competition Tribunal and to amend the Combines Investigation Act and the Bank Act and other Acts in consequence thereof. Motions Nos. 1, 2 and 6 were moved and negatived in committee. After reviewing the committee proceedings, the Chair will select Motion No. 6 and Motions Nos. 1 and 2 will be dropped from the Notice Paper.

Motions Nos. 4 and 5 attempt to reach into the parent Act and appear to be beyond the scope of the Bill. It would be my intention to rule these motions out of order. Therefore, Motions Nos. 1 and 2 are not selected. Motion No. 3 will be debated and voted on separately. Motions Nos. 4 and 5 give the Chair procedural difficulty.

Motions Nos. 6, 7 and 8 will be debated and voted on separately. Motions Nos. 9 and 10 will be grouped for debate but voted on separately. Motions Nos. 11 and 12 will be debated and voted on separately. Motions Nos. 13 and 14 will be combined for debate. A vote on Motion No. 13 will be applied to Motion No. 14.

If Hon. Members wish to make procedural arguments on Motions Nos. 4 and 5, it would be my intention to hear such arguments when those motions would otherwise be called.

Mr. John R. Rodriguez (for Mr. Orlikow) moves:

Motion No. 3

That Bill C-91, be amended in Clause 21 by striking out lines 33 to 35 at page 9 and substituting the following therefor:

"persons but not in respect of commercial activities engaged in by the corporation that are subject to specific regulation under federal or provincial statute."

He said: The purpose for introducing this particular amendment is to ensure that operations that fall under provincial regulatory bodies would remain outside the purview of this Act. When the Bill was in committee, it was suggested by departmental advisers that the existing jurisprudence with respect to this matter supported the view that provincial regulatory bodies would be outside the Combines Investigation Act under the regulated conduct exemption. We accepted the Government's legal opinion, but why not put in writing what the Government so obviously intends?

We have attempted to put forward an amendment that spells out the intentions of the Government. Our amendment would ensure that provincially or federally-regulated Crown corporations would continue to answer to their own regulatory authorities as it pertains to competition issues. For example, the Manitoba Telephone Company is regulated by provincial regulations and by federal regulations. Therefore, this particular Act ought not to supersede those regulations that are in force and provide protection for consumers.

We have heard a lot about the Government respecting the rights of provincial jurisdictions. Government Members are great on provincial rights rhetoric. They should accept the right of the provinces to continue to regulate their own public utilities and agencies. In fact, the amendment does respect the right of the provinces to regulate their own public utilities and agencies, so that there would be no requirement for the provisions of this Act to apply. It seems to us that if it were to apply, it would interfere in provincial jurisdiction. That certainly was the view of the New Brunswick Telephone Company, for example, which wrote to the committee.

At the moment, a court case on this very issue is proceeding. Is it really wise at this point in time to push ahead with this intrusion when the courts have not yet ruled on that case? It seems to me that that is another reason for this amendment to be supported by the House. We would urge Hon. Members to support Motion No. 3 which clearly respects provincial jurisdiction over regulatory authority for public utilities and agencies under their jurisdiction.

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, there is absolutely no need for this proposed amendment to Clause 21. Clause 21 only provides that Crown corporations engaged in commercial activities in competition with other firms will be subject to the competition Act.

I can assure the House that regulated or regulatory bodies acting pursuant to valid federal or provincial legislation will continue to be exempt from competition law. The proposed motion runs the risk of bringing a great deal of uncertainty to this important area, and therefore I recommend that it be rejected.

• (1540)

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I heard the Parliamentary Secretary's point, and I do not think that his defence of Clause 21 is at all convincing. The Act, as it is proposed right now, would create the kind of uncertainty about which he spoke. The proposed clause would make the Act binding upon Crown corporations "in respect of commercial activities engaged in by the corporation in competition, whether actual or potential, with other persons". How can that be defined? In fact, it is similar to asking how many angels can stand on the head of a pin. Is a Crown corporation, which currently occupies some form of monopoly and therefore is not in competition at this time, not in potential competition should rules and regulations change to allow competition in the future? Is it perhaps not in competition because it is providing goods or services which are competing for the dollars of consumers in a particular province, dollars which might be spent on some other products, goods or services?

For example, let us look at Ontario Hydro and Hydro Quebec. We could start by saying that those corporations are not in competition with other persons, neither actual nor potential, because of the monopoly over hydroelectric generation in those provinces. On the other hand, looking at it from a different perspective, hydroelectric energy is in competition with every other factor in the energy field. It is in competition with diesel oil for bus transportation in the cities. It is in competition with gasoline for the generation of power in rural areas. It is in competition with gasoline, potentially, if we consider the development which is now taking place in the area of electric automobiles. Certainly it is in very vigorous competition with natural gas and fuel oil in the case of home heating. Therefore, what is being stated here is that the federal Government is seeking to pass a Bill which would put it in a position to regulate, to prosecute, to fine heavily, and to influence otherwise the activities of Crown corporations such as Ontario Hydro and Hydro Quebec which have never come under combines regulations before because they have in fact been Crown corporations and have not been treated in the same way as private sector corporations.

We could put together quite a strong case. We are talking about the largest Crown corporations which in Ontario, for example, come under the regulation of the Ontario Energy Board. Quebec has its own mechanisms, and I am sure other provinces have similar mechanisms for controlling their hydroelectric utilities.

We are talking about businesses which are in the public sector for reasons every Canadian knows. We are talking about businesses which are extremely close to provincial Governments and are reviewed and surveyed very closely by provincial Governments since their heavy borrowings form a charge on the borrowing capacity of provincial Governments. For example, there are precedents in Ontario where the provincial Government has stepped in on the hydroelectric utility and said that it must cut back because it would not be given the borrowing authority at which it was looking. Now the federal Government is saying that it does not care about that. It does not have confidence that provincial Governments will be responsible in these particular areas. Therefore it intends to bring in another layer of regulation, and this will be regulation through the courts.

In view of the fact that they exercise a monopoly power, it can and may well extend to such things as whether or not the prices charged by a monopoly or by a corporation are in restraint of trade, are unconscionable or are unreasonable. We have a situation where potentially the federal jurisdiction could poke its nose into a very important area of rate regulation which has in fact been left in the hands of the provinces. If we are to do that, I would suggest that the Government, which talked about reconciliation with the provinces when it assumed office just two short years ago, had better sit down and start talking with the provinces. The Government should tell them that through the back door it is now giving the federal authority the power to interfere in rate setting by provincial utilities, be they telephone utilities in the western provinces or hydroelectric utilities in Ontario.

Let us take the telephone utilities in Manitoba and Saskatchewan as an example. Are they not in competition, either actual or potential, with CNCP Telecommunications for long

distance services? Are they not in competition with some of these other value added services which are now offering long distance services to corporations or are allowing companies to use American long distance networks to get around Canadian long distance rates? In other words, competition exists there as well. Are telephone companies not in actual or potential competition with messenger services, with telegraph services, with people going down the street and knocking on their neighbours' doors, or with somebody in an office going down to the next floor to talk with a business supplier rather than getting in touch with him by telephone? Are they not in competition, for that matter, with Canada Post which also offers many services in that particular area?

We do not know what definition the courts might apply to this particular area, but competition, either actual or potential, exists. The Parliamentary Secretary and the Government are opening this particular area of uncertainty with a vengeance. I have an explanation for that. I believe that the Government quite deliberately and quite ideologically is out to do everything possible to frustrate public enterprise. I believe that if there is a hidden agenda, it is in the fact that the Government has systematically shown that it will not deal equally with corporations which happen to be publicly owned if they are Crown corporations of a province. We saw that earlier on in the life of the Government.

[*Translation*]

We saw that very early in the life of this Government, following the September 1984 election, in the way the Department of Regional Industrial Expansion dealt with the Domtar company in the province of Quebec. After having granted all sorts of supports to private pulp and paper companies in the province of Quebec, the Government refused to provide the same treatment to Domtar. Why? Because Domtar was controlled by the Quebec Government, either through the *Société générale de financement*, the *Caisse de dépôt et placement*, or the *Caisse de retraite*.

We are left wondering, Mr. Speaker, why this Government is so prejudiced against Crown corporations or commercial corporations controlled by a provincial Government. I believe it is because of their ideology and that through Clause 21 of Bill C-91, the Government demonstrates once again that it is prejudiced against Crown corporations, because this Clause, as introduced by the Government, threatens provincially-controlled Crown corporations or commercial corporations with all sorts of uncertainties, because it will affect all corporations controlled by Her Majesty in right of a province where there is actual or potential competition with others, supposedly the other corporations of the private sector and even perhaps other Crown corporations.

And as I said, Mr. Speaker, this actual or potential competition probably exists for all Crown corporations and all corporations controlled by a provincial Government. I suggest, therefore, that this is a measure deliberately introduced by the Government to allow the Federal Government to come in through the backdoor in an operational area which has been traditionally a provincial responsibility. If you, as a Conservative Government, really meant what you said when you promised a reconciliation with the provinces, you will have either to accept the amendment moved by my friend the Hon. Member for Nickel Belt (Mr. Rodriguez) or give up this Clause altogether.

• (1550)

[*English*]

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I must say that the clause before the House disturbs me. I am glad my colleague brought forward an amendment to clarify it. What I find disturbing about the application of federal competition legislation to Crown corporations is illustrated by the example of the Manitoba Telephone System.

We are all aware that very large communication companies want to open up the field of communications, particularly in the area of telephone services, to competition. They promise as a result of this lower rates and better service. We know that this type of move to competition has already taken place to the south of us in the United States.

What we in the New Democratic Party are disturbed and worried about is that, if this area were opened up to competition, you would have increased rates and fragmented and less service for ordinary people in the city and towns. Right now Manitoba Telephone System, by virtue of the fact that it has a monopoly, is able to use some of the revenues from long distance calls which are undertaken and paid for by large companies to subsidize the local service. This means that a local telephone service is able to supply service at a much more reasonable rate than if those revenues were lost through opening it up to greater competition. This has real implications, particularly for those people on low incomes. Many people cannot afford to have telephones. Many people on social assistance cannot afford to have telephones, yet telephones are a basic necessity in a modern society. Any action taken by the Government that may lead to greater competition in this sector could and probably would result in increased rates thus making it much more difficult for poor people to have this basic service.

We received a copy of a letter which was sent to the Minister of Consumer and Corporate Affairs (Mr. Côté) which outlines the concerns of the Manitoba Government. I want to put this letter on the record. The Minister in Manitoba, in referring to the legislation before the House, said that he was concerned with two aspects of the Bill. In part his letter reads:

> 1. The legislation does not ensure that the regulated activities of Crown corporations such as the Manitoba Telephone System (MTS) are adequately protected from review under this Act.
>
> 2. The legislation provides a mandate to an agency of your department—

That is the federal Department.

> —to intervene on its own initiative on policy matters before federal and provincial boards and commissions.

Adjournment Debate

With regard to exempting regulated business activities from the purview of this Act, I am aware of your department's opinions that existing jurisprudence will provide this exemption, but this is merely a legal opinion—

Let me emphasize that the Minister said "this is merely a legal opinion".

—based on current jurisprudence. If the federal Government believes that the regulated industries should be excluded, the legislation should be explicit in this regard. To avoid possible litigation over competition issues within regulated environments, the Act should include a new section which would exempt regulated activities in general, or at the very least, section 2.1 should specify that regulated business actitivies undertaken by Crown corporations are explicitly exempt.

This has aroused the concern of the duly elected Government of Manitoba and it has been brought to the attention of the federal Minister of Consumer and Corporate Affairs. I would hope the amendment we have put forward will be accepted so that the concerns raised by the Government of Manitoba could be addressed by the Government.

[*Translation*]

Mr. Speaker, this provision of the Bill worries me because there is a danger that it would open telephone services to competition. Experience has shown that a monopoly in this sector of our economy is more appropriate to meet the needs of our population than a competitive system. We have seen in Manitoba, with the Manitoba Telephone System, that we can provide a good service and use the revenues from the profitable part of these activities to subsidize other activities. It is important to maintain a good telephone service at very low rates so that everyone will be able to afford the telephone.

Mr. Speaker, my colleague has proposed a very important amendment to clarify this section so that the Competition Tribunal Act will not apply to crown corporations and telephone services in Manitoba.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for York East (Mr. Redway)—Consumer and Corporate Affairs— Profits of wheat millers; the Hon. Member for Don Valley East (Mr. Attewell)—Government Expenditures—Monitoring of examination of task force options; the Hon. Member for York West (Mr. Marchi)—Refugees—a) New determination process. b) Portuguese visas inquiry.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF THE HOUSE

The Acting Speaker (Mr. Charest): I would also like to call the attention of the House to the fact that, as most of you know, tomorrow will be an allotted day and we had anticipated to debate a Bill standing in the name of the Hon. Member for Algoma (Mr. Foster). As tomorrow will be an allotted day, this Bill will be put back on the Order Paper in its proper order.

* * *

[*English*]

COMPETITION TRIBUNAL ACT

MEASURE TO ENACT

The House resumed consideration of Bill C-91, an Act to establish the Competition Tribunal and to amend the Combines Investigation Act and the Bank Act and other Acts in consequence thereof, as reported (with amendments) from a legislative committee; and Motion No. 3 (Mr. Orlikow) (p. 13869).

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the section to bring Crown corporations under the provisions of the Bill is one of the most progressive sections in the Bill. The amendment made in committee has met the approval of the provinces of Manitoba, Saskatchewan and Alberta. The provinces, generally speaking, are content to have their Crown corporations—and we are dealing with those Crown corporations that deal in the market-place—be subject to the strictures of this Bill. In the normal course to suggest, for example, that there is something peculiar about a Crown corporation that suddenly does not have to worry about competition legislation surely is not appropriate.

[*Translation*]

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on motion No. 3. Mr. Rodriguez, for Mr. Orlikow, moved:

That Bill C-91, be amended in Clause 21 by striking out lines 33 to 35 at page 9 and substituting the following therefor:

"persons but not in respect of commercial activities engaged in by the corporation that are subject to specific regulation under federal or provincial statute."

Does it please the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

The Acting Speaker (Mr. Charest): Agreed to on division.

• (1600)

[*English*]

Mr. Ouellet: Just as a point of clarification, have we approved Motion No. 3 or rejected it on division?

The Acting Speaker (Mr. Charest): That is a very good point. The motion has been rejected on division.

Motion No. 3 (Mr. Orlikow) negatived.

The Acting Speaker (Mr. Charest): I will recognize the Hon. Member for Papineau (Mr. Ouellet) to make representations on Motions Nos. 4 and 5.

[*Translation*]

Mr. Ouellet: At your request, Mr.Speaker, I may explain that Motion No. 4 to amend the Combines Investigation Act would have the effect of providing that victims of offences under the Combines Investigation Act are awarded triple damages. The main purpose is of course to discourage companies and individuals from adopting policies that prevent competition.

Motion No. 5 is a motion that would allow for class actions. In other words, a group of people who have suffered damages as a result of an action to prevent competition could get together and sue as a group under the provisions of this legislation.

It is too bad that in Bill C-91, the Government failed to include this aspect which I feel is absolutely essential to discourage companies that may have an anti-competitive bias.

The problem we have at the practical and procedural level is that Section 31.1 of the Combines Investigation Act was to be amended by Bill C-91, but the Government informed us in committee that through an oversight, Section 31.1 of the Combines Investigation Act had not been amended.

I therefore submit, Mr. Speaker, that if we adopt Bill C-91, we will have new legislation which creates a tribunal. This Bill is quite clear in that its purpose is to establish the Competition Tribunal.

However, we will have a text that refers Section 31.1 to a commission, while there will be no reference to the commission in the rest of the legislation.

Mr. Speaker, I therefore submit that the Commission referred to in Section 31.1 is the Restrictive Trade Practices Commission, which is repealed by Bill C-91 and replaced by the new Competition Tribunal.

Mr. Speaker, we believe it is absolutely essential the Governement amend Section 31.1 so that it no longer refers to a non-existent commission.

In any event, I can understand that this is embarrassing, probably a mistake on the part of the Government, but if the Parliamentary Secretary wants to I am sure he will obtain the unanimous consent of the House to make this minor amendment to section 31.1 of the Act. Then it will be possible for me to move my two amendments, one concerning triple damage, the other concerning class action.

I expect the full co-operation of the Government to seek the unanimous consent of the House to amend section 31.1 as it should be amended.

[*English*]

Mr. Domm: Mr. Speaker, that was an admirable try, but I remind the Hon. Member for Papineau (Mr. Ouellet) that we spent considerable time in the legislative committee dealing with Bill C-91 changing definitions within the Bill from "commission" to "tribunal". We have, in effect, a tribunal which replaces many of the responsibilities of the former commission. For that reason, I support the position taken by the Chair that these matters refer to Section 31(1) of the Combines Investigation Act which is not part of Bill C-91. I do not see how an amendment to a section not open for discussion can be debated in the House. I apply the same rationale to Motion No. 5. Section 31(1), to which the proposed motion refers, is not part of Bill C-91 and I, therefore, question whether such a motion is receivable by the Chair.

The Acting Speaker (Mr. Charest): The Hon. Member for Papineau (Mr. Ouellet) asked for unanimous consent to introduce Section 31(1) and the Hon. Parliamentary Secretary has answered that there is not unanimous consent within the House. The rationale is that a part of the Bill which is not before the House cannot be amended. Therefore, Motions Nos. 4 and 5 will be rejected.

Motions Nos. 6, 7, and 8 will be debated and voted upon separately.

[*Translation*]

Hon. André Ouellet (Papineau) moved:

Motion No. 6.

That Bill C-91, be amended in Clause 47 by adding immediately after line 14 at page 41 the following:

"(7) For the purposes of subsection (4) in its application to market restriction, where there is an agreement between the "first" person and the "second" person, both defined in subsection (6), whereby these persons are deemend to be affiliated for the purposes of subsection (6) in respect of food or drink, and where the "first" person supplies or causes to be supplied to the "second" person food or drink in a packing or container other than a packing or container produced or made by the "second" person in his own plan and where this food or drink is distributed in this packing or container by the "second" person in association with the trade mark mentioned in subsection (6), the "first" person and "second" person are deemed, in respect of this distribution, to be affiliated."

He said: Mr. Speaker, I want to move this amendment because I think that the survival of a very important industry, the Canadian Soft Drink Association, may be at stake if we ignore the representations made to the parliamentary committee.

In a way the amendment I am proposing completes the 1976 amendment made to the competition legislation which indeed enabled this highly specialized industry to continue to survive in small villages, small communities, and remote areas of Canada.

It is a rather special industry. The Canadian Soft Drink Association membership is made up of 149 owners-bottlers and 67 industry suppliers. In fact it is a federation of provincial associations which operates throughout Canada, particularly in remote areas. They are small businessmen, entrepreneurs who, although they do not employ thousands of people, as our major Canadian industries do, provide something like 10, 15 or 30 jobs. But being located as they are in small towns or villages, those 30 or 15 jobs are just as important, if not more important, than a larger industry employing 2,000 people in Montreal or Toronto.

I cannot understand why the Conservative Government has not as yet accepted the representations made by those Canadian bottlers. Indeed, to quote from the brief submitted by that association:

"The Canadian Soft Drink Industry consists of local independent bottlers and franchise houses who face intense inter-brand competition and who provide the consumer with a wide range of soft drink choices. The territorial limitations have provided incentives to bottlers to make investments for production, distribution and marketing. These have resulted in substantial and effective inter-brand competition".

I am quoting from a brief that was submitted to the Committee.

"The members of the industry, to quote the brief, are proud of this competitive performance".

The proposed addition of clause 49.(7) of Bill C-91 is merely remedial in its scope. If adopted, the amendement—and the amendment I am putting forward, Mr. Speaker, is word for word the amendment that was suggested by that association—it would preserve and strenghten the territorial provisions and ensure the further growth of the community-based soft drink industry.

Such is the gist of the message—to maintain at the local level small industries that offer stable employment in a number of Canadian regions. Coming as you do from the Eastern Townships, Mr. Speaker, you know there are bottlers who provide meaningful jobs in your own area.

The association came here to suggest that if this amendment does not pass, their industry could disappear. Why is that?

I am still quoting from their brief to point out why conditions in that industry could take a turn for the worse.

"In local markets, the franchise bottler competes with other local bottlers of other national trademarked soft drinks as well as with regional brands and private labels such as Loblaws' No-Name."

And the representative told us:

"—drawn up in Ontario." He is thus referring to Loblaw's. However, we have been told that we could also mention Sobies, Steinberg, Provigo, or even Safeway and SuperValu in Western Canada. Competition also exists with many other beverages, for instance, various types of milk, and fruit-flavoured milk, juices, fruit juices, powders and crystals, mineral water and iced tea.

Now then, the association wanted to point out that there is some very strong and powerful competition in that area. And the amendment, the proposed addition of Clause 49(7) would warrant the injection of new capital and would prevent the erosion of savings and energy which the bottler has invested in his business during his lifetime. By strengthening Clause 49(7),the proposed amendment would enable to maintain the deconcentrated local structure of the soft drink industry, and would prevent a high concentration following the upstream integration of a small number of national corporations in the manufacturing sector and the downstream integration of large national chains of grocery stores at the retail level.

Clearly, those small businessmen, those small bottlers are concerned that large foodstore chains like Steinberg's, Provigo, Sobeys, Safeway or Loblaw's, because of their great purchasing power, may obtain reductions either from Coca Cola or Pepsi Cola or other companies and get all their supply let us say from Toronto, and so by pass local trade in all parts of the country. This would mean that the bottler in Sherbrooke, or Chicoutimi, or Saint-Hyacinthe, or whatever, will no longer bottle his usual soft drinks because there will be no local soft drink market in Sherbrooke, or Chicoutimi, or Saint-Hyacinthe, for the soft drinks will be shipped on a massive scale from Toronto, and the large food chains will truck them to their subsidiaries to be put on their shelves in all the small communities, in all the small centre across the land.

I feel this is a genuine concern for our soft drink bottlers, and if we are not watchful enough to give them adequate protection, it will lead to the disappearance of those small dealers we are familiar with in our respective areas, who earn a decent living and who provide locally decent jobs to scores of workers. They will simply be engulfed by big business and a few years down the road will no longer be able to survive.

Among the people who came here to meet us was Mr. René Tremblay, whose firm "Liqueurs Saguenay Ltée" was established in Chicoutimi by his father in 1927. He submitted it is clear that his business can be very seriously endangered in the Saguenay-Lac-Saint-Jean area if this amendment is not accepted by the Government.

I know that the bottlers'problem is a very limited one when you relate it to the overall problems addressed by Bill C-91. However, it remains an important business sector in Canada, an important association which deserves to be maintained and protected and I call on the Government to open its eyes, to recognize the danger and avoid the destruction of such an industry by agreeing to the amendment.

• (1610)

[*English*]

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I would like to assure the Hon. Member for Papineau

(Mr. Ouellet) and others that a great deal of time was spent on the subject of soft drink bottlers and distributors in Canada. However, the motion now before us concerning the extension of the current market restrictions which appears in Clause 49(7) of Bill C-91 is unchanged from Section 31(4)(7) of the Combines Investigation Act. What does market restriction mean? Well, this practice could take away forms, but it normally describes situations where a manufacturer grants exclusive territorial rights to each of its customers who, as a result, do not compete with each other. I would note the practice of market restriction is only prohibited where it substantially lessens competition. An exemption known as the bottlers exemption, which is Clause 49(7) applies to agreements between a supplier and another person whereby the latter is supplied with ingredients that he processes by the addition of labour and material into an article of food or drink sold in association with a trademark.

Bill C-91 does not propose to change the existing legislation on this matter. However, the Canadian soft drink association made representations before the legislative committee to the effect that the law should be amended to extend the exemption to articles not processed by the second person, a bottler. The existing exemption was put in place in 1975 because it was deemed necessary to preserve the marketing system which had prevailed in that industry for many years, and that is in the bottling industry.

However, the Government does not believe that it would be appropriate to broaden the existing exemption. Broadening the current exemption would have an anti-competitive effect on the market, which is obviously contrary to the objectives of an effective competition act.

Although in a given territory bottlers that are associated with different soft drink companies compete against each other, competition between franchise bottlers marketing the same trade name has traditionally not existed. In recent years new competitive forces have emerged in the market-place. Food wholesalers and retailers and chain stores have sold canned soft drinks at very low prices. This has resulted in intra-brand competition at the wholesale and at the retail level.

If the current exemption was to be broadened the law would allow exclusive territorial agreements to apply to canned soft drinks that the bottlers do not process themselves, but only distribute. Such agreements could prevent wholesalers from obtaining canned soft drinks directly from the manufacturers, and could effectively increase the price at which such distributors are able to obtain the product. This would reduce the overall level of price competition in the market leaving consumers to pay higher prices for soft drinks.

• (1620)

I believe these developments would be prejudicial to the interests of the other distributors of soft drinks and to the interests of consumers. For these reasons this Government believes that in the context of a law designed to promote competition the broadening of the current market restriction exemption would not be appropriate.

Mr. Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Speaker: The question is on Motion No. 6 standing in the name of Mr. Ouellet. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

Mr. Speaker: In my opinion, the nays have it.

And more than five Members having risen:

Mr. Speaker: Pursuant to Standing Order 114(11) the record division on the proposed motion stands deferred.

[*Translation*]

The discussion is now on Motion No.7

Hon. André Ouellet (Papineau) moved:

That Bill C-91, be amended in Clause 47 by adding immediately after line 11 at page 42 the following:

"(i) restriction, by a supplier, of the available margin to his customers ("intermediate customer"), by inciting, requiring or compeling an intermediate customer to resell the products bought by an intermediate customer from a third party ("last favored customer"), under arrangements or terms resulting in discounts, rebates, allowances, price concessions or other advantages ("bonuses") offered directly or indirectly to a last favored customer for purchase of identical products intended to be resold to other third parties that are not favored."

Mr. Speaker, I should like to explain briefly why I think that Bill C-91 should be amended. Indeed, by way of this motion, I would like to add another business practice under the clauses dealing with the abuse of a dominant position.

The reason why I am an introducing this amendment which will provide, if passed, for another abusive practice on the part of a firm in a dominant position is that we have become aware that in dealings between large automobile manufacturers and their authorized dealers, the latter were unfairly treated considering the special treatment granted to vehicle leasing firms.

The low-purchase cost of vehicles for what are commonly referred to as fleets, and I am referring to car rental companies, is an incentive for these companies to purchase vehicles above and beyond their needs and to sell them at the retail level, where they are competing directly with the dealer.

The car rental owner does not have the same constraints as the dealer, who has to consider the fact he has a very substantial inventory. He needs employees to operate his business, and he has a substantial capital investment in land, buildings and equipment.

I was informed that the typical dealer has an investment of three or four million dollars, and on top of that, he has to follow the orders of the car manufacturer, otherwise he is guilty of breach of contract.

The individual who purchases cars has neither these expenses nor the constraints related to the expenses I mentioned earlier. He does benefit from all kinds of advantages and subsidies, such as discounts on the purchase price, which in some cases may vary from $500 to $800 and at times even exceed $1,000 for luxury cars.

He also has access to free optional equipment or protection of purchase value, guaranteed resale value, and finally, shared advertising costs.

Obviously, dealers do not have access to such benefits.

In committee we listened to a submission presented by the Federation of Automobile Dealer Associations of Canada, which proposed an amendment to Bill C-91. In fact, the wording of Motion No. 7 you have before you, Mr. Speaker, follows word for word the recommendation made by the Federation.

I think we should emphasize that as a result of this favourable bias towards companies that purchase car fleets, the consumers suffer because they do not receive the subsidies they should receive.

A U.S. study of the cost of subsidies to rental companies established that the average unit price of vehicles sold in the United States could have been reduced by U.S. $265 in 1985 and by U.S. $243 in 1984.

Mr. Speaker, I think that at this point I will have to interrupt my speech. I believe that an Order of the House provides that the Minister of Finance (Mr. Wilson) is to speak at 4.30 p.m. I have not finished my comments on this amendment, but with the Chair's permission, I will get back to this later during debate.

• (1630)

[*English*]

Mr. Speaker: It being 4.30 p.m., pursuant to order made earlier this day, the House will revert to tabling of documents. Prior to recognizing the Hon. Minister of Finance (Mr. Wilson) who is to table a document in accordance with that order, I have received a request from the Hon. Minister of Transport (Mr. Mazankowski) that he would also like to table a document at this time. The earlier order was specific. Therefore, at the Minister's request, I seek consent of the House that the Hon. Minister of Transport be allowed to table a document at this time.

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

AIR CANADA

FLIGHT ATTENDANT—TABLING OF COMPLAINT

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I thank all Hon. Members for allowing me this opportunity. Earlier this afternoon a question arose in the House about the original letter that was sent to my office from a Mrs. Donna Ford. I have the original here.

While I would be prepared to table it, there are some difficulties because in the event that this may be required as an exhibit for legal purposes, it would be difficult to extract. I have the original copy in my hands and anyone who is interested can look at it. I am prepared to table certified copies of it and it can become part of the sessional papers of the House.

Furthermore, on May 30, the Hon. Member for Regina West (Mr. Benjamin) raised a question about there being three documents that were forwarded as part of the package for a response from Air Canada. He indicated that one was missing and wanted to know what that document contained. That too is included in the package of documents. I would be prepared to table them now and offer all Hon. Members an opportunity to witness the original letter which I have in my hands.

Mr. Deans: Mr. Speaker, I rise on a point of order, not with respect to the Minister's tabling of documents. I want to make it clear to him that at no time did I express any concern about his having known about the documents in advance or having personally intervened.

* * *

WAYS AND MEANS

TABLING OF NOTICE OF MOTION

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, pursuant to the provisions of Standing Order 84(1), I have the honour to lay upon the Table copies in both official languages of a notice of a Ways and Means motion to amend the Customs Tariff.

Mr. Speaker: Pursuant to order made earlier this day, we will proceed to Statements by Ministers.

TRADE

U.S. TARIFF ON CANADIAN CEDAR SHAKES AND SHINGLES—GOVERNMENT RESPONSE

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, on May 22, the United States Government moved without prior notice to protect American shakes and shingles producers by imposing a 35 per cent duty on imported shakes and shingles. This action was taken in full knowledge that Canadian producers were competing fairly, without subsidy, and that a major factor in the decline of the American industry was a lack of red cedar logs.

As the Prime Minister (Mr. Mulroney) stated, the Canadian Government finds this action unjustified and unacceptable. It flies in the face of past commitments to refrain from discretionary protectionist actions and to consult in such situations.

[*Translation*]

It runs counter to current attempts to liberalize trade between our two countries.

[*English*]

We have made a determined effort to regain full access to the U.S. market and we will continue those efforts. At the same time, over the past few days, the Government has examined its legal options for redress. As is customary under international practice, we have approached the United States Government to find out whether it was prepared to remove the restriction, or to offer compensation to redress the imbalance in conditions of trade caused by the United States' action.

[*Translation*]

The U.S. administration has made it clear that it is not prepared to remove the measure, to compensate Canada or to take other measures to ensure that Canadian shakes and shingles manufacturers maintain reasonable access to the U.S. market.

[*English*]

In the circumstances, we have decided reluctantly that an appropriate and measured response is required now. Our objective is to bring home to the United States the costs of protectionism, while avoiding measures which will only worsen our own situation.

The Government will implement the following measures which will take effect on June 6, the effective date of the United States' tariff increase on cedar shakes and shingles.

First, on a number of tariff items relating to certain books, certain periodicals and other publications, Canada for several years has allowed duty-free entry. The rates that would otherwise apply for the most important items are at a maximum of 10 per cent. Nearly 90 per cent, or approximately $360 million of Canada's imports under these tariff items in 1985, originated in the United States.

We eliminated the duty on these items on the understanding that the United States would exempt Canada from the application of the so-called United States manufacturing clause of the U.S. Copyright Act. This provision of United States law requires that any material written by a U.S. national or resident must be printed in the United States to benefit from U.S. copyright protection. As a result of complaints from the European Community, the manufacturing clause has been found by the GATT to be inconsistent with the United States' GATT obligations.

In these circumstances, the Government will be moving to restore the tariff items in question to their previous levels, effective June 6. The reimposition of the rate of duty will result in the collection of about $36 million in additional duties. I see no reason why we should continue to provide compensation for relief from a measure that was wrongfully imposed.

I should note that the U.S. legislative authority for the manufacturing clause expires at the end of June this year and that, given the GATT finding, the administration would be expected to veto any proposed extension. However, should it be extended, we will join with the EEC in pressing for compensation. Should it not be extended, we will seek other ways to ensure the integrity of our response to the U.S. action on shakes and shingles.

Second, the Government will reimpose duties on computer parts imports and on imports of semi-conductors of types made in Canada. At the United States' urging, Canada recently joined a trilateral agreement with that country and Japan to allow duty-free entry of such goods. Import values of these goods from the United States are very high. By withdrawing from that agreement and by reimposing the rates of duty which previously applied, $41 million in extra revenues from the United States imports would result.

Third, there is also a range of other unbound products in which the trade is not large but which, if duties on them were raised, would make clear to the U.S. administration, the Congress and various interest groups, however small, that yielding to protectionist pressure is not without cost. These rates are being raised.

To give effect to these tariff rate increases, I have just tabled a notice of Ways and Means. Amendments will be introduced to legislation currently before Parliament and the necessary recommendations will be made to Governor in Council to ensure that all the actions in our response to the United States tariff become effective on June 6.

[*Translation*]

The government takes no pleasure in implementing these actions.

[*English*]

But legitimate Canadian interests must be protected and nations which resort to unjustified protectionism must be made to realize that trade is a two-way street.

As Hon. Members know, Government representatives met last week with management and labour representatives of the

shakes and shingles industry who are aware of our concern and our effort to restore normal access to the U.S. market for their products. We intend, as of June 6 when the United States' measure takes effect, to monitor closely its impact on Canadian exports. We will meet with industry representatives shortly thereafter to assess the impact and decide what measures might be necessary and appropriate to assist the industry to adjust. There are those who suggest that this American action provides sufficient cause to suspend or even to cancel the overall Canada-United States trade negotiations. We must not heed this counsel of despair. The shakes and shingles incident underlines the need for us to persist in our efforts to secure and enhance our access to the U.S. market.

• (1640)

There are also those who seek to link the shakes and shingles dispute with the ongoing issue of softwood lumber exports to the United States. They will try to make the case that our response to the shakes and shingles dispute will precipitate a U.S. decision to launch a countervailing duty investigation into Canadian softwood lumber exports. There is simply no basis for linking the two issues. I believe it is important for Hon. Members to recognize the fundamental difference between the two issues. On the one hand, the recent 35 per cent duty on shakes and shingles was imposed by the U.S. administration to protect an industry unable to compete with fairly traded imports. It was a blatant protectionist act. On the other hand, the softwood lumber case is one of a number of cases involving a complaint that Canadian producers are competing unfairly in the American market.

We reject the allegation of unfair subsidy, just as the appropriate American tribunal rejected the same charge in 1983. We will, therefore, continue to challenge the right of American lobby groups to harass Canadian producers with the same charge of subsidization. We are confident that Canadian producers will ultimately be vindicated should they be subjected to double jeopardy in American trade tribunals. I should add that there are other Canadian products facing allegations of unfair trade practices and we will be watching developments in those cases very closely.

[*Translation*]

Mr. Speaker, I have today outlined the Canadian response to this unhappy event. It is a measured response—one that recognizes that a trade war between Canada and the United States would serve no useful purpose.

[*English*]

We have long said that trade means jobs, not only for Canadians but for Americans as well. It is our hope that with these actions, our two countries can begin to put this unfortunate episode behind us and get on with the job of ensuring greater certainly and stability in the relationship so that trade can continue freely and fairly between our two countries.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, in rising in response to the Minister of Finance (Mr. Wilson), I want first to express two notes of sympathy. My sympathy goes to the over 4,000 workers in British Columbia who have been given absolutely nothing today by the Government of Canada. They are the ones for whom we must really feel sorry. They have been abandoned by their Government and left out to hang by the lack of any effective or useful response. Second, I must express my sympathy to the Minister of Finance who, once again, has been the sacrificial lamb for his Government after the keystone cops who put this whole process into place abandoned him, leaving him to "rag the puck" as my colleague, the Hon. Member for Saint-Henri—Westmount (Mr. Johnston), said the other day. He said the Minister of Finance was sent out as a penalty killer. I suggest there is another definition. He will now be widely known throughout the land as the "mouse that roared". The only difference is that the present Minister of Finance has succeeded in making the late Peter Sellers look like a sobersides statesman by comparison.

One can only ridicule and laugh at the measures brought forward today as the so-called "tough response" which was promised 10 days ago by the Prime Minister (Mr. Mulroney). The Minister has referred to an "unfortunate episode". All along the Government has said this is a "singular accident", it is only something which is isolated in the American mind. Yet this afternoon we have a report from Washington that the United States has now imposed the ruling of the International Trade Commission, a 41 per cent tariff on Canadian imports of steel related to the gas and oil manufacturing industry. So much for the isolated incident. The people in the riding of the Minister for International Trade (Mr. Kelleher) and in Regina will now face the full vent of another American action, again prompted by its sense that it knows this Government will not respond in a tough, effective way.

The Prime Minister once said: "If the winds of protectionism ever blow over Canada, they can cut me up into little pieces". The pieces are scattered all over the floor. The Prime Minister has been cut to pieces by his so-called close friend, the American President.

This is not an effective reaction to an isolated incident. It is a consistent, coherent strategy on the part of the United States to impose a series of trade reactions against this country, obviously prompted by the fact the Americans have seen a group of pussycats in the Conservative Government who have not been able to win American respect because they have given up and conceded on everything else up until now.

The Government is going to be very brave. It is going to reimpose a tariff on books and publications, except that there is a little caveat which says "until the end of June". That is 24 days of tough action. That is really going to have President Reagan shaking and shingling in his boots. After 24 days it may not matter any more. Furthermore, the Government is going to impose a whole new set of tariffs. It is really going to get after a lot of people. There will be a new tariff on porridge, on Christmas trees and on tea. It is bad enough that it is putting 4,000 people out of work in British Columbia but now

they will not even be able to enjoy Christmas, their kids will not have their porridge and their grandmothers will not be able to drink their tea without paying a higher cost. This is the Brave New World of this Government, and that is the end result of what it is doing.

How could anyone take this action seriously? How could anyone accept that this will provide the appropriate response from the Americans so they will say: "Oh, boy, those Canadians can really get tough when they want to"? The Government is going to put a little more tax on rolled oats. Our horses and those who want a little gruel in the morning are going to have to pay a higher cost for it.

Another very brilliant stroke of genius on the part of the Minister and his Government is to reimpose a tariff it just took off in January on computer parts. The Government is always talking about the need for more productivity, the need to be more competitive and to be able to provide a higher level of efficiency in that industry. But what does it do now to Canadian manufacturers? It will impose a tariff on a range of computer parts which are necessary to keep the manufacturers going. And it is going to review that again. So no one knows what the Government is doing. Everyone is full of uncertainty.

In the meantime, what about the workers? What about those people who demonstrated last weekend to save their jobs? We have asked all along why the Prime Minister does not use his so-called vaunted special relationship with the President of the United States. He has worked 15 months at the job. He said: "I alone am able to provide for an open sesame to the White House". But the first time that is tested, the very first time Canadians depend upon the Prime Minister to pick up the telephone and open up a special line of communication with the President, he is afraid and will not do so. After 15 months of giving away on FIRA, the NEP, pharmaceuticals and publications, all those matters of importance to this country, at the very time we should call in our chips, what does the Prime Minister do?

Mr. Ouellet: Disappear. He is not here today.

Mr. Axworthy: He is at home counting his chips, I suppose. Another matter of great principle stated by the Prime Minister on trade is that he is going to consult with the Premiers. This is the new world of conciliation and consultation. Tonight the Prime Minister is meeting with the Premiers of the provinces but what happens this afternoon? A number of measures are brought in without his even bothering to raise these matters with the Premiers. Does the kind of position taken by the western Premiers in their weekend communique not make sense? They said: "Look, we have had enough. We think the real answer is to either ask for a standstill on all countervailing actions or suspend the talks".

• (1650)

The Minister of Finance (Mr. Wilson) refers to the provincial Premiers as counsels of despair. He is using the same language the Government used a week ago against the President.

Mr. Wilson (Etobicoke Centre): You used it.

Mr. Axworthy: I do not know. I saw Premier Getty on television on Sunday saying: "If we don't get a standstill on countervail, then I want a suspension of the talks". The Minister of Finance has now totally given away Premier Getty's position and has said that he is a counsel of despair. He may be a lot of things, but in this case, the provincial Premiers came here to bargain and negotiate in good faith. They have had that good faith turned on its head. They are not being dealt with in good faith. They are simply being given a whole series of unrelated, erratic actions fuelled by panic and fear.

There is no coherent strategy dealing with trade. The Government really does not know what it is doing. It reacts differently from one day to the next, trying to find out the most expedient method to use to get by in the next 24 hours.

When it comes to real support for those B.C. workers who have now been abandoned by the Government, we have to ask why the Minister of Finance is not bringing in the provisions of the Employment Support Act. In 1971, when President Nixon brought in a 10 per cent surcharge, the previous Liberal Government brought in the Employment Support Act which fulfilled the promise of keeping those industries affected by the surcharge in business. The people were able to maintain their jobs and their industries. That sent the strongest message of all to the Americans that we were not going to give in and that we were not going to let our workers and institutions go down the drain.

Where is the Government's action on this particular matter? Why is it not setting up a board to ensure, through proper consultation with the industry and workers, that the Government will provide them with the ability to maintain their livelihoods? There was none of that in the Minister's statement. Instead, he is the tea, porridge and Christmas tree man. That will be his valiant response to this American matter. That is the way the Government thinks. It does not really think at all for the long term; it simply things about how it can deal in panic to get matters on the table today and then change its mind tomorrow.

It is perhaps most damaging that the Minister also argued in his statement that there is not a link between this action and the countervailing actions we are facing on softwood lumber, a $3 billion to $4 billion industry involving tens of thousands of workers, not just the 4,000 who are now losing their jobs. If that is what the Government thinks and if that is the kind of leadership we are receiving, then God help Canada.

Obviously there is a connection between the two moves. Obviously a relationship is being seen by the Americans. Obviously the Government should be taking action on this immediately and it should provide an insistent, continual demand that the President make public a rejection of the petition for countervail on softwood lumber. Yet that was

ignored in the Minister's statement. He simply says that it does not exist. He is hiding his head in the sand and he is not providing the kind of response that that industry requires. We simply say that this is not good enough and we must do something about it.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, for many months now Canadians, and indeed Americans, have heard from President Reagan that he is a man who is committed to free trade and free competition unimpeded by any artificial barriers. Among other sectors in Canada there is one sector, the shakes and shingles sector, which met those requirements completely. It was competitive, efficient, modernized and was doing a good job. Some 4,000 men and women employed in that sector in British Columbia had done a good job competing in the U.S. No subsidies at all came from any part of the Canadian economy or from the Canadian taxpayers. Just about 10 days ago, the same President completely hypocritically took personal action to destroy 4,000 Canadian jobs. To us, that was unacceptable then and it is unacceptable today.

At the time this decision was made in the United States, we were hoping for the Prime Minister (Mr. Mulroney) to do what President Reagan has not hesitated to do since the Conservatives came to power, and that is, to use the telephone. On numerous occasions when it was in his country's interest, President Reagan phoned Mr. Mulroney and said: "Brian, would you please do this?"

Some Hon. Members: Order!

Mr. Broadbent: If you would prefer, he said to the Prime Minister: "Sir, would you kindly comply with our request?" The Prime Minister invariably did so.

The men and women affected by the imposition of the 35 per cent tariff were hoping that the Prime Minister would get on the phone to the President when this happened and say to the President in no uncertain terms: "This tariff is unacceptable and should be removed right away". That is what ought to have been done. No phone call was made at the time. A cable was sent, but we have been waiting for days to see if the Prime Minister intervened in what he himself described in rather colourful rhetoric the day after it happened as being an unacceptable act. However, according to the Prime Minister, this horrific act taken by the President was not sufficient to justify a phone call.

Instead of a phone call, we heard the announcement made by the Minister of Finance today. As I am sure many Canadians who will be following this debate with considerable interest did, I noted that at the end the Minister said that he thinks this announcement will put this whole episode behind us. All the Minister has done is to put 4,000 Canadian jobs behind us. He has not put the issue of unilateral action on tariff matters by the United States behind us at all.

As the Minister knows, we heard just this afternoon of an additional 41 per cent tariff being imposed by the United States on Canadian steel, another industry that receives no subsidies in Canada, has modernized and is at the top in terms of international efficiency and competence. I regret to say that what we have heard today is not action that will help the men and women of British Columbia who want their jobs preserved, not hand-outs. Instead, we heard an announcement that puts another nail in the coffin of that industry. That is the reality of today.

The Minister is shaking his head. When the spokespeople for the industry were in town not many days ago, the trade union representatives sat on one side of the table and the four spokespeople for the business sat on the other side. They agreed very strongly on one point, and that was that their jobs were going down the tubes. I specifically asked the head of each company if their companies would go down the tubes as well, and each of them replied: "Yes, and by the end of June". He shakes his head, but I hope he will give them a phone call.

Mr. Wilson (Etobicoke Centre): I shook my head at the distortion you made.

Mr. Axworthy: You could hear it all the way from here, Mike, when you shook your head.

Mr. Broadbent: Instead of a decision that will restore jobs to Canadian workers, an action is being taken that will punish Canadian consumers for the loss of Canadian jobs. That is the essence of this Conservative response and it is one that is unacceptable to people on this side of the House and to Canadians all across the land.

The range of tariff actions being taken is ultimately sad for those who are concerned with their jobs, but there is also an unintended element of black humour involved. Picture this: We have put duties on Christmas trees and porridge. The next thing the Minister will announce is a duty on hockey pucks and snow-shoes. That will be the major retaliatory action that we will hear about in response to steel. There is not even a commitment to use any of the funds the Government will receive from these special tariffs in a way that would facilitate the maintenance of those jobs in British Columbia.

• (1700)

The principle of trade talks is involved here, but the immediate concern of my Party is with those 4,000 jobs in British Columbia which ought not to be lost.

In response to another claim by the Minister, I want to say that our view is that he is dead wrong when he contends that there is no linkage between this and what will happen in a matter of days on the question of tariff action or countervailing action taken by the United States against Canadian softwoods. The Minister says that there is no linkage, but many Canadians saw on the television news, on the night the American action on shakes and shingles was announced, an industry spokesperson in California saying that the decision by President Reagan would indeed be very useful for Americans who wanted action taken against our softwood producers. There may be no linkage in the Minister's mind, but I can tell

him that there is linkage in the minds of Americans who will be using President Reagan's precedent as part of their argumentation to take action against Canadian softwoods. This could affect some 300,000 men and women directly who are employed in that sector and many other Canadians indirectly.

[*Translation*]

Mr. Speaker, I would like to say that the basic point for us is that we do not accept this approach. We would rather not wage a tariff war with the Americans because that is a war we cannot win. Today we put a tariff on selected Canadian products, perhaps on other goods tomorrow, but after that the Americans will decide to slap tariffs on other Canadian products. The solution is not to increase costs for Canadian consumers.

[*English*]

I want to say in summation that our approach to this is to see this decision in the context of the ongoing trade talks. We happen to agree with the western Premiers. For very good reason we said before they did that there is indeed a linkage, as the Americans see it, between this action and the ongoing trade talks. If we are serious, we should now be saying to the Americans, as good neighbours but as very tough economic bargainers, that we do not accept this kind of unilateral action in the context of these talks. I go further. As long as this kind of tariff remains in place, and as long as there is unilateral action on subsequent decisions on agriculture or another part of the steel industry tomorrow, we should be saying that we will not continue to participate in these trade talks. That is what the Minister should be saying. I say to the Minister that the fundamental goal, or the first item which should be discussed in these talks if he continues with them, is to obtain agreement on a mechanism which will put an end to unilateral tariff action by either country in the future. If we do not get agreement to put an end to the unilateral process which is now in place—

Mr. Wilson (Etobicoke Centre): Are you sure you want that, Ed?

Mr. Broadbent: I know what I am saying, and I would be happy to explain it to the Minister later. If we do not get that agreement, what point is there in continuing trade talks in the future where we could lose thousands of other jobs when the American Congress will always retain its right to take countervailing action unless it is negotiated away right now?

Some Hon. Members: Hear, hear!

Mr. Tobin: Mr. Speaker, I rise on a point of order. I wonder whether the House would give unanimous consent to allow Hon. Members to pose questions to the Minister of Finance (Mr. Wilson) who just brought down this very important statement.

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: The Hon. Member has heard the response of the House to that suggestion.

It being 5.05 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

EQUALITY RIGHTS

ADVISABILITY OF IMPLEMENTING SUBCOMMITTEE'S RECOMMENDATIONS

Mr. Svend J. Robinson (Burnaby) moved:

That, in the opinion of this House, the Government should implement the recommendations of the subcommittee on equality rights of the Standing Committee on Justice and Legal Affairs:

(1) That all trades and occupations in the Canadian Armed Forces be opened to women.

(2) That Canadian Armed Forces practices relating to the employment and promotion of women be monitored by the Canadian Human Rights Commission and that progress in revising policies in the manner we recommend be evaluated by the Commission at regular intervals.

He said: Mr. Speaker, it is an honour for me to rise to participate today in the debate on an important motion respecting the rights of Canadian women. On April 17 of last year, Section 15 of the Charter of Rights and Freedoms came into effect. That section ensured equality for all Canadians and put an end to discrimination on the basis of sex. However, there is one major bastion which remains within the federal Public Service that quite explicitly continues to discriminate against women, that is, the Canadian Armed Forces.

Effectively the motion before the House today reiterates the unanimous recommendation of the Subcommittee on Equality Rights on which I had the honour to serve as a member. That committee heard representations from women within the Armed Forces and outside the Armed Forces from right across Canada in respect of the role of women and the doors which remained closed to women within the Armed Forces. We heard very clearly a sense of common concern that our overriding objective as Canadians clearly must be the pursuit of peace and putting an end to the madness of war. As well, I believe it is very important to recognize the fundamental right of conscientious objection. Those people who feel through deep personal belief that they are unable or unwilling to serve in time of war or time of combat should have the right to exercise that through conscientious objection. As members of the Subcommittee on Equality Rights we heard from many women who wanted an opportunity to serve at all levels within the Canadian Armed Forces, women who are currently denied that right. I should like to give a couple of examples of the effect of this discrimination.

Equality Rights

For example, we heard from a woman named Linda Long who has been associated with the military for more than 10 years of regular and reserve forces service. She said:

> I am a military woman, I am loyal to the service, the service I still love—The reason I came is my depth of love for my military service and my feeling that a disservice was being done to my personal tradition in uniform and to those honourable women who yet are serving and cannot speak for themselves.

They cannot speak for themselves because unfortunately the Minister of National Defence (Mr. Nielsen) issued an edict which effectively denied Canadian military women the right to appear before our committee and testify in respect of conditions within the Armed Forces. It was with a feeling of pride in the Armed Forces, tempered by a sense of anger in the face of such blatant unfairness, that a number of former service women described to the committee the treatment of women by the Department of National Defence. Colonel Shirley Robinson, who deserves credit for having put a tremendous amount of energy and dedication into this question after having served in the Canadian Armed Forces for more than 30 years, set it out very clearly in her submission to the committee. She said:

> If the Canadian Forces gain exemption from the Charter of Rights and Freedoms, a dangerous precedent will be set; for it will signal to the people of Canada that women can continue to be excluded from certain employment simply because men don't want them there. For that really is the bottom line, isn't it? And all the arguments, excuses and blame directed against women have been built upon this appalling fact. The fulfilment of our military requirements rests on the creation of an armed force adequately endowed with the necessary person power and technological skills; and motivated by the belief that the military establishment embodies the values of society from which it originates.

She concludes by saying:

> Equal employment opportunities for military women are much more compatible with this objective than the preservation of a backwards, machismo ethos.

● (1710)

That sets it out very clearly, Mr. Speaker. At the present time, over 70,000 jobs within the Canadian Armed Forces are effectively denied to women. The rationale for this is completely unacceptable. It all boils down in most cases to a suggestion that women as a group are somehow inferior to men and unable to serve with distinction in the Canadian Armed Forces. Of course, this is the antithesis of the Charter of Rights and Freedoms because the Charter of Rights and Freedoms requires that people be judged as individuals, and there is no doubt whatever that there are many individual Canadian women who are quite able to meet the most rigorous qualifications for the Canadian Armed Forces in every sense.

The Canadian Human Rights Commission has recently asked the President of the Human Rights Tribunal panel to appoint an independent tribunal to look into the Department of National Defence's policy of excluding women from combat positions. One of the examples given in this area is a women from Valleyfield, Quebec, who was refused entry into a DND sponsored course for naval mechanics solely on the basis of her sex. Not only did the Subcommittee on Equality Rights make strong recommendations with respect to this matter, but the Canadian Human Rights Commission itself has launched an investigation. As long ago as 1971 the Royal Commission on the Status of Women recommended that all trades and occupations be open to women.

The Government, on March 4 of this year, responded to the unanimous recommendations of the Equality Rights Subcommittee, but it appears that once again the male generals, because of course there are no female generals, are attempting to sabotage equality within the Canadian Armed Forces. They are using delaying tactics and weasel words. What do they say, Mr. Speaker? They say that this must be done in a way—and no one can disagree—that is compatible with operational effectiveness within the Canadian Forces. They say that there is a conflict between operational effectiveness and equality and that one must not yield to the other. That is simply not true. Equality for women within the Canadian Armed Forces can be achieved at the same time as full operational effectiveness is guaranteed.

The group that has been working long and hard to promote full equality within the Canadian Armed Forces, a group known as the Association for Women's Equity in the Canadian Forces, has made a number of specific recommendations in this area. It acknowledges that the number one priority of the forces must be to maintain operational effectiveness. The group points out that operational effectiveness would not in any way be jeopardized by the introduction of women into all occupations as long as the introduction is done in a manner which is informed, fair and efficient. They point out the need for a change in attitudes and for education, particularly among senior male personnel within the Department of National Defence.

The association recommends leadership training programs and calls as well for the establishment of an external review process which would involve perhaps former members of the Canadian Armed Forces. As well, review and redrafting must be undertaken of all policies and practices prejudicial against service women. An example of that is the current policy to accord women leave without pay with the associated loss of benefits and seniority rather than sick leave during the period when a servicewomen is unfit for duty during and after pregnancy. This is blatantly unfair to women who become pregnant while in the Armed Forces, and certainly that is one of the areas that is a denial of equality as well. There must be selection standards and procedures that are based on *bona fide* occupational requirements. Obviously there must be a recognition of the concept of reasonable accommodation as well.

Monitoring by an outside independent body of experts is essential to ensure that the Armed Forces do not delay in the implementation of full equality. The committee has noted that there is an excellent precedent for this with the Defence Advisory Committee on Women and the Services in the United States.

I want to note as well that while the Government has made a commitment on paper, that commitment falls far short of action. General McLellan has been asked to undertake a review of this commitment, and there is to be further delay

while yet another task force studies the matter. Because I have a very short time to promote this motion, let me conclude by once again recognizing, as Adell Karmas pointed out very eloquently:

> War is terrible and loathsome. No one truly wants to be part of war and the bloodshed and misery it entails, but the reality is people fight to protect a country, a system of beliefs, a valued way of life.

It is insulting to all Canadian women that they are denied the right to participate fully in all trades and occupations in the Canadian Armed Forces.

I call upon the Government to accept in reality, not just on paper, the important recommendation that all trades and occupations be open to women and the implementation of this important principle be monitored by an external review agency. Equality must come at last to the Canadian Armed Forces.

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, I welcome the opportunity for the House to debate this issue, partly because of its significance in principle. If it were just a matter of principle, I think I would want to support the motion. As one who cast his vote to open up a formerly all male profession to give women an opportunity to enter it, as one who had a leadership role in opening up an all male college to become a co-ed institution, I could welcome the opportunity for taking an advance in the direction this motion calls.

I am more impressed that this is a matter of practice, and ironically were we to adopt this motion and put it into practice it might work counter to the interests of the very people for whom the Hon. Member is seeking to be an advocate, and rightly so. I think the focus of our attention should not be the theoretical consideration, important as that may be in certain circumstances, but, rather, the practical effect that this motion could have on the women who would want to participate in the Armed Forces and advance their careers in the military. I am going to suggest that, ironically, were we to adopt this motion we would work against the interests of the very women whose interests we seek to serve.

Let us recognize that right now Canada has a very impressive record in terms of making the military service accessible to women. Canada has the third highest ratio of women in its Armed Forces, with 8.9 per cent of the full-time professional personnel of the Canadian Armed Forces being women. Israel has 10 per cent and the United States 9.5 per cent. We are close behind. The United Kingdom is a distant fourth with 5.1 per cent and Belgium with 3.8 per cent. Our record is impressive and we have nothing to apologize for. As well, we can take encouragement from the way in which the Canadian Armed Forces over the past 15 years have steadily increased the positions open to women, the percentage growing from 19 per cent to 65 per cent, 29,000 positions now being opened to women candidates.

If we were to move beyond the present policy and make mandatory as a matter of policy the unlimited deployment of women in all positions in the Armed forces, we might well find that the unintentional result was the reduction of the percentage of women in the Armed Forces. That has been perhaps the result of certain countries practising unlimited deployment. For example, of the three countries that practise unlimited deployment of women in their Armed Forces, each one is well behind Canada in the proportion of women in its armed personnel: Belgium with 3.8 per cent, the Netherlands with 1.4 per cent and Norway with 1.2 per cent. As well, those countries have few women in what the Canadian Armed Forces would call combat roles. When we speak of those three countries permitting women to undertake combat service we may conjure up images of rows and rows of female regiments and divisions, but that is not the case. There are only 18 to 30 in actual combat roles in those countries, with another 65 serving actively with combat units having non-combat roles. It is also significant that some countries which had women in combat service in the past, including Israel, Yugoslavia, and the Soviet Union, have withdrawn that policy.

• (1720)

We must consider very seriously the practical implications of what this motion recommends. We must recognize that Canada now has a larger percentage of women in its Armed Forces than have any of the countries which practise unlimited deployment. The actual implementation of deploying women in combat roles in those countries is very limited with regard to the numbers concerned. According to our present policies, we are actually giving women far more opportunities to serve their country in the military than are the other countries which I have mentioned.

If we were to change courses radically and admit women to all roles including combat roles, the unintentional result might be to reduce the number of women in our Armed Forces. One reason for that is that they would have to meet the same medical standards imposed upon men in combat service. It is estimated by some experts in the field that this could reduce the number of women in our Armed Forces to 2 per cent, which is far below the present ratio.

I would hope, therefore, Mr. Speaker, that in the interest of women we would give priority to the practical implications of this motion. We should increase opportunities for women in the military by continuing with the present policy and, in keeping with the Charter of Rights, studying the various positions which are presently closed to women candidates to discover how many can be opened to them. As well, we should give priority to advancing women within the ranks of the Armed Forces. There are presently no women generals. That is a lack which we would want to make up for at the earliest opportunity. As soon as a position is open for which a woman is eligible we should give that promotion priority.

Mr. Cassidy: Empty words.

Mr. Stackhouse: The appointment will not be empty and the position will be full. That would give full recognition to the leadership capabilities of women in the military, which

capabilities have been demonstrated in so many areas of our national life, including the House of Commons.

Let us not be panicked by this motion and the understandable desires of the mover and the seconder. We must recognize that at the present time the Armed Forces of Canada have a far larger percentage of women serving in various positions than do other comparable forces in the country. For example, the police forces of Canada have only 3.1 per cent of women in their ranks. Fire fighting organizations have only 1 per cent.

The Canadian Armed Forces have made impressive progress in opening up their ranks and officer positions to women to a degree equalled by very few organizations and activities in our society. We should want to keep the Armed Forces moving in that direction. We should attempt to increase the number of women serving in the Armed Forces and to advance them to positions of seniority, including the rank of general, so that their voices can be heard at all levels and their thinking can be influential up to the highest level. I hope that that day is not far away. We would be very happy to see a woman general at the top level of our Armed Forces. Women have achieved generalship in other countries and we would like to receive the benefit of their leadership in our military service.

Mr. Robinson: That's tokenism.

Mr. Stackhouse: Anyone who has served as a general will never regard it as a token. I consider that last remark reflective of the depth of debate on the other side.

Mr. Cassidy: Look in the mirror, Reg.

Mr. Stackhouse: The best interests of the women involved are served by continuing and advancing the policy now in effect.

Mr. John Reimer (Kitchener): Mr. Speaker, I, too, would like to add a few comments to this debate on the motion before the House. This is a motion to open all of the occupations and trades in the Canadian Armed Forces, particularly those of a combat nature, to women. I cannot help but wonder why anyone would want to enter into a combat role. Surely our prime objective is to ensure that neither males nor females would have to fight in a war. I do not know why anyone wants to get involved in this in the first place.

I would like to comment specifically on some of the points contained in this motion. We must use a large measure of common sense and pay attention to the basic principles of the Armed Forces when discussing this motion. What in the world do the Armed Forces exist for in the first place? They are not there to provide employment opportunities or to be in the forefront of social change. They are not there to hold little sensitivity groups talking about human rights. The purpose of the Armed Forces is to be there with one single, over-riding objective, that being to protect the security and sovereignty of Canada and to protect the rights and freedoms enjoyed by all Canadians. Everything the Armed Forces does must be directly related to that one over-riding objective. Therefore, we must ensure that all of the trades and occupations within the Armed Forces serve that one over-riding objective.

Whenever a trade or occupation can be open equally to men and women, we obviously want to do that, as the Canadian Armed Forces are doing today. That is what the Government is committed to. The Government is committed to expanding the role of women in the Armed Forces by ensuring that women will be able to compete for all of the trades and occupations within the forces. The Government has committed itself to pursuing this policy only in a manner consistent with the requirements of the Armed Forces to be operationally effective in the interests of national security.

We must consider some of the facts. My colleague who just spoke mentioned some of these and I would like to reiterate some of them. Canada is already a leader in the western world in the employment of women in the Armed Forces. Today 8.9 per cent of those employed in the Canadian Armed Forces are women. Of the 29,000 positions open to either men or women, 7,400 are occupied by women. Only two countries in the world have a higher proportion of women in their Armed Forces than does Canada, those being Israel with 10 per cent and the United States with 9.5 per cent. Within the next few years the rate of increase of female trainees will put Canada ahead of some of these other nations.

Constant review within the Armed Forces has resulted in an increase in the proportion of occupations in which women participate from 19 per cent in 1971 to the present 65 per cent, resulting in some 29,000 positions now being available to women. As vacancies occur and suitable applicants become available, there will be considerable scope for expanding the present strength of 7,400 women. As a result of the present Charter of Rights, a task force is studying how to implement that within the Department of National Defence today. The result will be that the number of occupations open to women will undoubtedly increase.

• (1730)

Last fall I was a member of the Standing Committee on External Affairs and National Defence which held hearings across Canada concerning renewal of the NORAD agreement. We listened to briefings from various Armed Forces personnel at bases across Canada. I talked with many officers and they were very interested in the equality report, but their interest focused on two topics. One was sexual orientation in the Armed Forces, and the other was women in combat. On the first point all of the officers I talked to were unanimously opposed to the recommendation to prohibit discrimination on the grounds of sexual orientation. I totally agree with them. On the second point, they were also unanimous that women should never be placed in infantry units or in combat roles where their lack of upper body strength and physical stamina would detract from the mission given to the unit concerned. However, they said that more trades and occupations should be opened to women wherever men and women could compete

equally and meet all the qualifications and physical requirements. This is exactly what the Government is doing as I indicated earlier.

I would like to comment now on a fallacy which is argued by some people. It is that all future wars will be push button wars. The experience of the war in the Falklands should teach us some facts. I think that that war clearly indicated that physical fitness and strength was perhaps even more vital than in the past. In the Napoleonic wars, in the early 1800s, Wellington's troops carried packs weighing around 80 pounds. In the Falklands war the British soldier carried a 120-pound pack from San Carlos to Port Stanley. Strength and endurance was as important then, if not more so, than in the past. In that war the world witnessed the terribly destructive force of a small missile when it hit a ship. Once those missiles fired by push buttons hit a ship, physical strength and stamina were as vital as ever to keep the ship afloat and save lives. In that respect we have to pay attention to both common sense and the facts.

Why do the Armed Forces exist in the first place? Whatever the goal of the Armed Forces is, everything that serves to accomplish the goal must be funnelled in that direction. Wherever men and women can serve that goal, fine. Where a lack of physical strength and stamina impede achieving the goal, then that should be the limitation. Where facts tell us otherwise, we have to maintain some measure of objectivity and not allow our feelings or the desire for rights to obliterate common sense completely. We have to let facts teach us. The war in the Falklands clearly suggests that we have to keep physical strength and stamina uppermost in our mind.

Mr. Robinson: Women have that.

Mr. Reimer: I am also reminded of the Israeli experience. At one time they had to employ anyone they could, both men and women, to assist in their fight. Yet they also learned that when they placed men and women together in infantry units, the men would sometimes ignore the mission and attempt to protect the females beside them. The woman in charge of women in the Israeli Armed Forces commented that they had forgotten 5,000 years of experience and simple facts of human nature. I hope we will not forget those facts or the 5,000 years of experience. Therefore, yes, let us open up all of the trades and occupations in our Armed Forces to women so long as it is consistent with common sense, with the facts, and with the Armed Forces requirement to be operationally effective in the interests of national security.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I am pleased to rise and speak to the motion of the Hon. Member for Burnaby (Mr. Robinson) which reads as follows:

That, in the opinion of this House, the government should implement the recommendations of the sub-committee on equality rights of the Standing Committee on Justice and Legal Affairs:

(1) That all trades and occupations in the Canadian Armed Forces be open to women.

(2) That Canadian Armed Forces practices relating to the employment and promotion of women be monitored by the Canadian Human Rights Commission and that progress in revising policies in the manner we recommend be evaluated by the Commission at regular intervals.

It was my privilege to serve on the equality rights task force along with six other members of this House. Of the many issues we addressed, the primary one was of blatant discrimination based on sex. As we all well know, that is illegal under Section 15 of the Canadian Charter of Rights and Freedoms. The law says that people shall be treated equally. It is true that that is qualified for a justifiable reason. There must be an intelligent approach to decision-making, but it cannot be based on sex. It must be based on sound, reasoned arguments.

Before I go further on the question of women in the Armed Forces I must respond to the Hon. Member for Burnaby. I am sure he will agree that women pointed out time and time again during the committee hearings that their interest was in peace. They were against nuclear proliferation. They looked to this world for peace and security for all men and women. The view of most men and women in Canada is that we do not want to have to face the ongoing concern over conflicts around the world. We would like a peaceful world for our children and their children, where respect for differences is such that they are accommodated in a peaceful way, not with armed confrontation. However, it would be unreal for me to say that that is the picture of the world as it exists today. Therefore, as a sovereign nation we have an obligation and a responsibility to protect ourselves with properly equipped Armed Forces. We must participate in world peace-keeping forces and meet our moral and legal commitments to our allies around the world. In doing so we have to look at the world as it is and learn the lessons of history.

What have women been saying about their responsibilities as full partners in this society? The issue of women in combat roles was addressed in 1970 by the Royal Commission on the Status of Women. That commission recommended that all trades in the Armed Forces be open to women. After reviewing the recommendation, the forces set out to expand the role of women. The limit involved in a fixed numerical list was removed but employment restrictions were maintained for primary combat roles, remote locations and seagoing service. I know that many of my colleagues across the floor feel that those restrictions should be maintained, but that is not the wish of the women with whom we met. In 1979, the military colleges were open to women. In addition a series of trials were initiated to assess the effect that employment would have on service women in near combat or isolated units putting women into an operational capability. The results of those trials are still not in, but to date the Swinter trials indicate that women met all those obligations in a fine and upstanding manner.

• (1740)

I would like to know how many men would have done so in such difficult circumstances where there were so few women in these large masses and they were being examined through a microscope. I think any one of us would have been very disconcerted and uncomfortable if put in such a situation.

Equality Rights

My colleagues across the floor have gone to great lengths to tell us what is happening in other countries of the world, the percentages of who has what in what measure. I could give you all those measurements, all those numbers, all those statistics, but that is not the interest which I have with respect to women's rights and the equal access to job opportunities. The Liberal Party endorses the report's recommendations with respect to women's participation in all trades and all occupations in the Canadian Armed Forces. It is my Party's belief that sexual discrimination within the Armed Forces is unacceptable.

During our committee hearings we were told by the opponents of female participation that there was potential for adverse social and sexual relationships. Such arguments are highly reminiscent of the reasons used formerly to justify keeping women out of the paid workforce, and they were not valid then and they are less so now. What is needed is clear job definition, job description by unbiased leaders who understand how and what the Armed Forces have become in today's society.

I find it astonishing that the arguments on the limitation of the role of women in combat are based on such notions that combat is man's work. This is just the pattern of thinking that our Charter was intended to displace.

We are appalled by the arguments raised which justify sexual discrimination in the Armed Forces. That argument is that a potential enemy may regard mixed forces as less capable. That is completely hypothetical and undeserving of attention.

The problems that commanders, generals and senior army people have, or might have, with the uneven performance is absurd. I would suggest to you that either they are poor managers or they do not recognize that the same kind of uneven and inadequate performance is found in the males who also participate in the Armed Forces. That is a fallacious and specious argument. None of these arguments which they have used in the past are buttressed by evidence, but appear to stem from a bias against women and a desire not to disturb the *status quo*. I would suggest to you that those are not reasonable undertakings.

We find it astonishing that limitations on the role of women in combat are supposedly based on accepted social and cultural patterns which embrace the idea that combat, as I have said, is strictly a man's job. It is just such patterns of thinking that our Charter, and particularly Section 28, was intended to displace. If cultural acceptance is the litmus test for enforcement of a right, no one has any rights except at the discretion of the majority. That is not what was the intention of our laws of this land. Women are in combat roles in other countries, and they have proven that they can do the job.

I would like to point out that to deny women the right to combat is also to deny them the right to valuable employment opportunities, training and education, and promotion within the Armed Forces. I believe that view is totally unjustifiable and does not allow women the right as citizens to protect their country.

Mr. Mike Cassidy (Ottawa Centre): I have to say I am surprised and upset by some of the comments made by the Progressive Conservatives in this debate, particularly since the wording of the Private Member's motion of my hon. friend from Burnaby in fact specifically repeats the recommendation which was unanimously put forward by the Subcommittee on Equality Rights, which was endorsed by five Progressive Conservatives, by the Liberal and by the New Democratic Member.

I draw to your attention the regrettable response of the Government which said, first, that it will ensure that women will be able to compete for all trades and occupations. It then undertook to pursue this policy vigorously, but then the weasel words were that it would be done in a manner consistent with the requirement of the Armed Forces to be operationally effective in the interests of national security.

We have heard apologies for the present policies of the Armed Forces, which are in contravention of the Charter, which are not sustained by any legislation, nor by an application before the courts for an exemption. We have heard those apologies from the Government Members, and I would say they do not hold water.

I am not sure whether I would encourage a daughter of mine to take a combat role in the Armed Forces of Canada if she desired to go into the Armed Forces. That is not the issue we are looking for. We are looking at the question of whether women will be treated as a group and stereotyped views, prejudgments will be made about what they should or should not do in the Armed Forces, or whether they should be treated as individuals.

If a woman lacks the necessary strength or other job skills or qualifications for a particular trade or occupation in the Armed Forces then she should not get it. Nobody is saying otherwise. What we are saying is that where a woman wishes to qualify, or take a particular trade, she should not be excluded from that trade because that trade is indirectly linked to combat, as is the case of some 30,000 positions in the forces right now. If a woman wishes to take a position which potentially could be combat related, she should be able to have that opportunity as well.

For many, many years people who trained for combat, in fact, functioned in the Armed Forces in peacetime conditions. They have to be prepared for combat, that is part of the job. They have to demonstrate their capacity for leadership, their courage, their ability to be promoted by what they do in both combat and non-combat roles.

When you deny women access to 70,000 positions in our Armed Forces, and that is some 70 per cent of the positions, which is the situation today, effectively they have nothing approaching equal rights in the Armed Forces of Canada.

If women were treated as individuals, you would then get a situation where a woman who was particularly tough, strong,

aggressive and motivated might decide that she wished to go into a combat role. Likewise, you might find a male in the forces who, perhaps, with other characteristics, wished to qualify as a cook or as a personnel officer or in some other position that perhaps was not related. The situation now is that women fill 25 per cent of the positions in the forces for which they are permitted to compete. We are creating, in other words, a job ghetto for women because before very long women will have filled all of the positions open to them and then they will no longer be able to increase their participation in the forces at all.

I would remind Hon. Members that in the RCMP where officers must constantly face the risk of danger, of violence on the part of criminals, we make no such distinction between women and men. Women officers take the same roles as males and, therefore, run the same risks of violence or injury as male officers in the RCMP. That is also true of women in the provincial and municipal police forces up and down this country. I would remind Hon. Members that there is no nuclear free zone in Canada where women might be hurt by the fall of a nuclear bomb. Therefore, as far as peacetime exposure to injury as a result of violent combat is concern, women are as vulnerable as men and civilians within Canada.

It seems to me that what is occurring here is that the Government is going to go along with the prejudices of people who are already in the Forces. The analogy has been given of the resistance of the American forces, perhaps ours too, to the integration of blacks into those forces after and during the Second World War. That was difficult at the time. It may be difficult to integrate women into certain roles in the Armed Forces today. Nonetheless, their success in the Armed Forces, and the fact that they are a relatively high proportion as compared to other Armed Forces indicate that this country has been a pace setter. Therefore, I ask why we must stop being a pace setter when it comes to giving equality rights to women in the Armed Forces of this country?

• (1750)

I suggest that the resolution put forward by my hon. friend, the Hon. Member for Burnaby (Mr. Robinson), is strong and positive. It has already been endorsed by Members from all Parties who have studied this issue closely. I would ask that all Parties support this resolution and allow it to become the declared policy of the House and of the Parliament of Canada.

Mr. David Daubney (Ottawa West): Mr. Speaker, I am pleased to take part in this debate on the motion of the Hon. Member for Burnaby (Mr. Robinson), my colleague on the Justice and Solicitor General Committee. I am also pleased to speak as a result of my experience as a member of the former Standing Committee on External Affairs and National Defence. During our cross-country hearings last fall, when we went from one end of the country to the other, we had occasion not only to hear witnesses speak to the issue before our committee, we had occasion to visit a number of military bases in Canada as well as NORAD bases in the United States. From time to time, as part of the informal meetings with military personnel at those bases, I would ask both male and female members of the Armed Forces about this issue of women in combat roles. Frankly, I was surprised by the unanimity of opinion that was very much against any change in the *status quo*.

Therefore, I think it is important that we in the House examine the history and present status of women in combat roles in other jurisdictions when considering this motion.

The only modern experience of women being employed in combat in war was in the Soviet Union and Yugoslavia with the partisans during the Second World War and in Israel in the late forties. In all three cases, we were talking about a defensive situation. There was an enemy in the homeland and an over-all shortage of people to face that enemy.

In the case of Israel in 1948, women were withdrawn from combat after only three weeks. At the end of hostilities, the other countries withdrew women from combat without explanation, and that restriction still stands.

[*Translation*]

Today in the Soviet Union it is estimated that women make up less than .5 per cent of the armed forces, all in non-combat roles.

[*English*]

Armed Forces throughout the world, without meaningful exception, do not employ women in combat roles. Belgium, the Netherlands and Norway are the only three countries in the world known to profess unlimited employment of women in their Armed Forces. The percentages of women in the Armed Forces in these countries, interestingly enough, are respectively only 3.8 per cent, 1.4 per cent, and 1.2 per cent. These countries maintain their Armed Forces with compulsory military service, but, paradoxically, this conscription applies only to men. In June, 1985, in all three of those countries, there were only 18 to 30 women in what the Canadian forces would classify as combat occupations. Another 65 or so were serving with combat units but in non-combat occupations such as radar operators with artillery units.

Studies are presently under way in our country to determine the standards for performance of duties within each military occupation. These tests, and data from other Armed Forces, indicate that about 90 per cent of male applicants meet the most demanding physical requirements for combat, but that only about 2 per cent of women applicants would qualify physically. If women were required to serve in all areas of the Armed Forces, it would be necessary to impose gender-free physical selection standards on all members since both men and women would have to perform all of the military tasks in the Canadian Armed Forces, including the most physically demanding. While gender-free physical selection standards would broaden the scope of roles for women who could meet these higher standards, it would certainly result in a military career being denied to the majority of Canadian women.

Under these circumstances, it is estimated that the total number of women in the forces would decrease by up to 75 per cent. This estimate is consistent with the data from Belgium, Holland and Norway, which have only about a quarter of the proportion of women in their Armed Forces that Canada has.

As other Members have indicated during this debate, the push-button war concept is a fallacy. Modern technology has not reduced the physical demands of warfare. In fact, in many ways those demands have been increased. Strength and endurance are more important than ever and medical information indicates that there are significant differences between genders in physical endurance and body strength. Thus, it would be difficult for most women to meet the physical standard requirements for duty in combat units.

Today, the modern soldier may be transported more quickly to his operational zone, but once there he must physically operate a wide range of weapons unheard of in former wars. As well, he must carry equipment that would enable combat operations to continue throughout hours of darkness, resulting in sustained high intensity operations with little respite. There were many cases in the Falklands where the ability to endure prolonged physical stress placed victory within grasp.

There are many non-combat trades which serve in combat units. Everyone must be able to perform the most physically demanding tasks. As the Hon. Member for Kitchener (Mr. Reimer) pointed out earlier this afternoon, the Falklands campaign showed the devastating effect of modern missiles. These missiles caused unexpectedly serious damage, which, in turn, increased the physical demands on the crews who had to deal with damage control. Every sailor, regardless of his trade, had to be physically able to contribute to the ship's survival. Operational effectiveness must remain the primary consideration in military personnel management. Failure to perform these physically demanding tasks could result in the loss of the ship and the lives of the entire crew.

There is no indication of significant interest from women for service in combat roles. Applicants have been a rarity. As I indicated in my opening remarks, women now in the forces demonstrate little desire for transfer to combat units. Women who served in non-combat field trials were unanimous in concluding that women should not serve in combat. As well, it should be noted that no witnesses who appeared before the Equality Rights Subcommittee did so to seek entry to a combat role for themselves.

Having said that, I want to address the motion of the Hon. Member and say that I personally have difficulty in supporting paragraph 1 of his proposal for the reasons I have outlined. However, I have no difficulty in supporting the second paragraph which calls for the employment and promotion practices of the Canadian Armed Forces to be monitored by the Canadian Human Rights Commission and that progress in revising policy in the manner recommended by the committee be evaluated by the commission at regular intervals.

Mr. Robinson: Mr. Speaker, I rise on a point of order. In view of the fact that this Private Members' hour started after five o'clock as a result of ministerial statements, might it be appropriate to seek unanimous consent to extend the time so that there will be a full hour of debate and Canadians can hear the arguments being made by Members on the other side of the House? I would welcome that.

The Acting Speaker (Mr. Charest): The Hon. Member for Burnaby (Mr. Robinson) is seeking unanimous consent.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): There is not unanimous consent.

Mr. Keeper: Mr. Speaker, I rise on a point of order. On a number of occasions when ministerial statements have been made in the House, the day has been extended. I understood that when a ministerial statement displaced Private Members' hour, the day would automatically be extended accordingly. Could you advise us about that, or consult with the Clerks?

The Acting Speaker (Mr. Charest): Thank you for the great confidence in advising me to consult the Clerks.

Mr. Keeper: Excuse me.

The Acting Speaker (Mr. Charest): It is my understanding that there was a special draft order for the statement that was made this afternoon by the Hon. Minister of Finance (Mr. Wilson) which referred to Standing Order 19(6)(a) but not to Standing Order 19(6)(b). My interpretation of that special draft order is that it did not provide that we extend hours. In this specific case, it is not my intention to extend hours.

An Hon. Member: Good interpretation.

• (1800)

The Acting Speaker (Mr. Charest): Order. It always embarrasses the Chair when one side of the House seems to want to give it its approval.

[*Translation*]

The hour allotted for Private Members' Business has now expired. Pursuant to Standing Order 42(1), this item shall be dropped from the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

CONSUMER AND CORPORATE AFFAIRS—PROFITS OF WHEAT MILLERS

Mr. Alan Redway (York East): Mr. Speaker, as you are well aware, my constituency is an urban one. It is a constituency which one might describe as being located in the geographic heart of Metropolitan Toronto. Therefore, it is not a constituency in which there are farms or rural areas. Having said that, I want to make it quite clear that I and my constituents have a great deal of sympathy for the present-day plight of Canadian farmers. We are only too well aware of the great problems facing Canadian farmers and we understand, for instance, that western Canadian wheat farmers, in particular, but also Ontario wheat farmers, have to compete in the international wheat market with producers of wheat around the world, particularly producers of wheat in Europe and in the United States. We understand as well that the Europeans and the Americans subsidize their wheat. We know that as a result of those subsidies and that competition, the world price of wheat has fallen to something like $3.54 a bushel, which is approximately the price of wheat in 1974.

We know as well, and we have heard many times from Canadian western farmers, that the price of $3.54 a bushel does not cover their production costs. It is no wonder, then, we have farm bankruptcies of a very substantial nature. Understanding all these things, we sympathize as consumers and urban dwellers with the plight of the western farmers and believe there must be some aid and assistance for western farmers.

Having said that, I want to ensure that you, Mr. Speaker, and other Members of the House, understand that I and my constituents, as consumers, are also concerned about what impact aid for farmers may have on the consumers. We have just gone through a period of very substantial inflation. It seems to be over for the moment, thank goodness, but it was in the double digit range for quite some time, in fact, two or three years. Inflation is now below 4 per cent. It is a more stable inflation than at any time since 1971. However, when my constituents go to the stores, they find that prices are still going up. It is not a question of prices rising at the same rate as before. They do not go up every day the way they once did. However, there is still an inflation rate and prices are still rising.

Those price increases impact most severely on people with very modest incomes. My constituency is one in which the income levels range from one end of the scale to the other. I have a quite substantial number of very modest income earners in my constituency, so it is of particular concern that the price increases impact on people with small and modest incomes more severely than they do on others. It is also of particular concern that increases in the price of staple products, such as bread and white flour, impact most severely on those people with modest incomes. That is because they do not have a discretionary income which they can choose to spend or not spend on staple items.

• (1805)

Having said all of that, we still understand and share the concerns of our western farm neighbours with the plight of raising wheat and trying to sell it at a lower cost than the cost of production. However, some of the suggested solutions cause us concern because we know that if we raise the domestic price of wheat, as has been suggested as a solution to the farmers' problems, that will impact on us as consumers, particularly because of the import restrictions on foreign flour imported into Canada. Because of those restrictions, the international price of wheat and flour cannot have any moderating effect on domestic prices in Canada.

As well, we have heard comments from the Canadian Federation of Agriculture, which assures us that a modest price increase in the domestic price of wheat will not impact severely on the price of a loaf of bread. In fact, it says that a $1 per bushel increase will mean only a 1.5 cent-increase on a 24-ounce loaf of bread and that a $3 per bushel increase will mean a less than 5-cent increase on a 24-ounce loaf of bread. At the same time, we also hear from the bakers that that will not be the case. They say that if the price of a bushel of wheat goes up by $1, it will cost almost five cents more to buy a loaf of bread and, if the cost of a bushel of wheat goes up by $3, it will cost some 15 cents more to buy a loaf of bread. There is a difference between the story we are hearing from the wheat farmers and the story we are hearing from the millers and bakers.

What is the reason for that difference? What is the answer? Obviously the answer is the middlemen, including the brokers, millers, bakers and retailers. We have a number of concerns about the middlemen. There are only a limited number of these people and, therefore, there is corporate concentration. There is a lack of competition in this area and that is reflected by the fact that Canadian millers' profits are 7.6 per cent of sales while U.S. millers' profits are only 1.8 per cent of sales. As well, we are concerned with the fact that when the price of wheat goes up, charges for middlemen increase on a percentage basis and not a flat rate basis. That may have been satisfactory in the past, but it is not satisfactory at the present time. You and I, Mr. Speaker, know that in many cases lawyers have had to give up percentage charges in favour of flat rates. It seems to me it is time the middlemen between the producers of wheat and the consumers of wheat do that as well.

I think there are answers to this problem. For instance, a special committee that is now studying the matter has before it an array of things that may be done. It may place controls on the situation, but there has to be an answer, and I am looking for that answer from the Parliamentary Secretary. I am looking for an answer that is fair to farmers but at the same time will not gouge consumers.

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr.

Speaker, as the Hon. Member is aware, a special parliamentary committee has been appointed to consider wheat pricing. This committee is holding public hearings across the country at the moment. I would like to take this opportunity to urge interested citizens to make their views on possible impacts known to the committee and Members of Parliament.

The report of the committee is due on June 6, only a few days away, and I would not wish to prejudge the outcome of the very thorough investigation now being undertaken. Nevertheless, some very general comments on the issues raised by the Hon. Member's question are perhaps in order at this time.

• (1810)

The cost of raw materials has a limited weight in determining the final retail price of wheat-using products. The cost of flour itself has been estimated to be only 70 per cent of the value of bakery products, 8 per cent of biscuits, 30 per cent of dry pasta and prepared flour products, and only 5 per cent of breakfast cereals. However, due to the mark-up policies at each stage of production, price increases at the farmer level in certain circumstances can be passed on and exacerbated as they move through the processing retail chain. It is important for consumers, particularly low-income earners who are higher consumers of bread and cereals, that mark-ups be kept to reasonable levels. I am pleased the Hon. Member is conscious of that fact. It is also in the interests of wheat-using industries themselves which must compete in domestic and international markets.

The particular study which the Hon. Member quoted referred to the existence of a problem of concentration and hence excessive profit taking in the milling industry. It is my information that the data used in that study may not have been appropriate for this type of financial analysis and that consequently the level of profits in the Canadian industry may have been substantially overstated. Analysis undertaken on the basis of alternate data is available. It indicates profit levels in the milling industry which appeared to be much more in keeping with the rest of the food industry as a whole.

The Director of Investigation and Research under the Combines Investigation Act is also aware of the reports concerning profit levels in the milling industry. He will look into any information that its performance reflects conduct contrary to the provisions of the Act. I am confident that any Member of the House who receives information of such conduct in the flour milling industry would bring it immediately to the attention of the director.

GOVERNMENT EXPENDITURES—MONITORING OF EXAMINATION OF TASK FORCE OPTIONS.

Mr. Bill Attewell (Don Valley East): Mr. Speaker, on April 28, 1986, I asked the Minister of Finance (Mr. Wilson) a question regarding Government expenditures and, in particular, how the process of examining the Nielsen task force options and recommendations would be monitored. After all, a colossal amount of work was put into that project and it is essential that we reap the benefits.

The Nielsen task force, initiated on September 18, 1984, faced a gargantuan task in reviewing 989 programs and services in the federal Government, reflecting annual expenditures of more than $92 billion, including tax expenditures. Despite the complexity of its task, the task force had one year in which to complete its mandate. The huge report, tabled in the House on March 11, 1986, was the first ever attempt to present a comprehensive overview of what the federal Government actually does.

One of the most interesting elements of the study team report was that each team, whatever program area it was examining, identified several broad patterns which recurred frequently. These generic issues, as the report identified them, offer an interesting and at times rather disheartening view of how the federal Government has worked to date. The universal subsidy is a recurring theme in the study team reports, that is, subsidies through both tax provisions and direct expenditures. The study teams found that many subsidies were not warranted on economic grounds, aside from political considerations.

Another problem the study teams identified in respect of universal subsidy was that a vast array of Government programs had been developed which subsidized effort rather than success. Another generic issue identified by the study teams dealt with what they called the fiscal totality; in other words, a comprehensive overview of the total impact of expenditures.

New program proposals have not been examined within the broader context of Government expenditure. Therefore, government spending expands exponentially as new programs are added to old, and it becomes well nigh impossible to determine the precise financial interrelationships of new programs and old programs. I think these programs need some sunset provisions.

This has contributed to the view that government spending was out of control. Closely related to this lack of comprehensive overview of government programs and their impact is the lack of institutional memory. This can result in unnecessary duplication of programs and efforts and programs continuing after their usefulness has passed.

• (1815)

The study teams also identified other generic issues, such as inadequate program evaluation, shortcomings in the personnel system which provide few incentives to reduce organization size, and the pervasive force of the *status quo*. In all, the study teams identified issues which are pervasive throughout the federal Government and which seriously need addressing. The prevalence of subsidies and programs which reward effort rather than success is another element in federal programs areas which requires action.

The Nielsen task force has done a fine job on a difficult and complex task within a very short time frame. Not only did it identify specific program areas where changes can be affected,

but it identified the broader themes which underlie the specifics and which cannot be addressed by just one department, but which need the commitment of the whole Government to bring about the substantial changes in attitude and profit so desperately required to make the federal Government's programs and programs delivery more efficient, more effective and more responsive to the people of this country.

Some specific findings of the study teams, in addition to the more pervasive issues, included procurement. The study team noted that the federal Government spends more than $9 billion a year on procurement. This study team concluded that the Government can "spend smarter" by better managing the system currently in place and by increasing competitive tendering and promoting contracting out initiatives. The study team which examined services and subsidies to business subtitled their report "giving with both hands". This refers to an overly rich, overlapping industrial incentive program. This study team undertook 140 program reviews, encompassing 218 separate federal programs costing $16.4 billion in 1984-85, and involving more than 68,000 public servants.

The study team found that this incentive program needed rationalizing to allow Government input to be better targeted and to require sufficient private sector input. For example, federal assistance for any private investment from tax expenditures, ERDAs and grants should not exceed 50 per cent of a project's cost. These are just two of the hundreds of program areas examined by the study teams.

The many recommendations and options put forward by the task force deserve serious examination. The appropriate standing committees will be examining these options and, indeed, the Government had put into effect some recommendations prior to the publication of the full report. It is vital, however, now that we have a comprehensive overview of government programs, that the examination of the recommendations be monitored correctly, that the appropriate changes, especially with regard to the pervasive attitudinal ones, be made as quickly as possible. This should be done in order to improve services to the public, promote more efficient management, lighten the burden of bureaucratic regulations on all of us and, most important, lighten the load of the taxpayers in Canada who are sick and tired of a high taxation level on the one hand and poor programs on the other.

While I commend the efforts of everyone involved in this task force, I now strongly urge the respective committees to get on with dealing with those substantial recommendations and options so that we can save the people hundreds of millions in tax dollars.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): First, Mr. Speaker, allow me to thank and congratulate the Hon. Member for Don Valley East (Mr. Attewell) for his interest in following up the outstanding report tabled by the Deputy Prime Minister (Mr. Nielsen) and his team last March 11, as you know.

When tabling the 20 studies the Deputy Prime Minister had given—and the House followed that recommendation: each study was referred to the appropriate standing committee of the House. So the report on the study on agriculture was referred to the Standing Committee on Agriculture—transport, finance, consumer and corporate affairs, forests, environment, culture, and so forth. As you know, Mr. Speaker, each standing committee will hear witnesses, consider the studies in question, and eventually table in the House its major conclusions on the study.

A number of committees, including that of Agriculture, have already started and, as you know, each House Standing Committee has its own working schedule. It is the committee itself which will decide when it will hear the various witnesses, and on what it will report to the House of Commons later on.

In my opinion, Mr. Speaker, this is marvelous. It was part of the program which the Government had in mind, when elected on September 4, 1984, to make sure that all Members of the House are involved in the decision making process of all the policies involving Canada nationally.

Mr. Speaker, the Minister responsible for a particular dossier is only one of many parties involved and will have to follow the procedure established and the decisions made by the Standing Committee.

Mr. Speaker, I think therefore that we should be satisfied with the work that will be made by each of the Standing Committees, following the 20 studies tabled, and by the Standing Committee on Finance and Economic Affairs. I am sure that the Committee will make proper and timely decisions and then report to the House, and that both the Minister of Finance (Mr. Wilson) and its Department will consider the various recommendations with utmost interest.

• (1820)

[*English*]

REFUGEES—NEW DETERMINATION PROCESS. (*B*) PORTUGUESE VISAS INQUIRY

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to pursue in this adjournment debate a question which I asked of the Minister of State for Immigration (Mr. McLean) on May 22, the day immediately following his announcement on the refugee determination process which he plans to establish. The Minister's announcement was followed by immediate criticism from the community.

I feel that the Minister and the Government betrayed the constituency, which led to the consultative process on the evaluation and establishment of a new refugee determination process. The failure was largely in three monumental areas. The first was the right of legal counsel to refugee claimants, the second on the question of universal accessibility which

should exist for all refugees, and the third was the failure to provide a strong, effective and specialized appeal body.

On the weekend immediately following the announcement by the Minister in Toronto, the Standing Conference of Canadian Organizations Concerned for Refugees, which represents about 100 organization across the country, met to discuss the new policy. They passed a resolution which declared "non-confidence in the Government for its failure to respect the fundamental principles unanimously recommended by non-governmental groups across Canada—and for its failure to adhere to the rule of law as required by the Charter of Rights and Freedoms." The Standing Conference in Toronto was an example and a reflection of how most of the organizations, and indeed the Liberal Party, reacted to the question of the new refugee determination process.

On May 22 I asked the Minister specifically to give us his assurance and the assurance of his Government that these three areas which failed miserably to address the fairness and effectiveness in the system would be looked at once again in preparation for the legislation which the Minister intends to table in the House in the fall. Rather than having an arduous debate in the House and the country, we feel that these elements, which are nearly unanimously agreed to by the organizations, service clubs and churches serving the refugees, should be incorporated in the legislation before the Minister introduces it in order that it will be relevant and will be approved more quickly than it would be if a prolonged debate were required.

• (1825)

I want to speak briefly on three issues, the first being the right to legal counsel. At present the policy announced by the Minister is silent on this question. Nowhere in his statement or briefing notes does the principle become evident. There is a lot of concern and there has been a lot of criticism over the fact that presently a claimant does not have the right to legal counsel from the initial stages. This is wrong. It flies in the face of the Charter of Rights and our judicial system.

It is inconceivable that individual claimants can have used against them information they have given to immigration officers without the benefit of legal counsel. It was recommended by those groups which appeared before the standing committee that a claimant have the right to legal counsel from the beginning. The claimant would pay for counsel, but he or she had to have legal counsel available.

The second issue concerned the appeal procedure. The Minister recommended that the Federal Court of Appeal be the body of appeal. However, the Minister knows very well that the Federal Court lacks expertise in refugee law and an understanding of the situation in individual countries. As well, the mandate of the court precludes it from receiving new evidence, or reassessing the individual involved. In addition, the Federal Court of Appeal looks only at perhaps 7 per cent to 8 per cent of all cases. That is a minute number, and most of them end up being paper decisions. The Liberal Party, along with other organizations, has called for a specialized refugee appeal board so that the individuals concerned might have the benefit of the doubt. If we do make a mistake, we would not be sending the individual back to the country where he was persecuted. Rather, we would have a specialized board to deal with the situation in a very humane way.

The last point deals with accessibility. Universal accessibility does not exist, and we hope the Minister will address that point as well as the others I have raised. I notice you are telling me that my time is up, Mr. Speaker. I look forward to the Parliamentary Secretary to the Minister assuring this House and the community at large that this review will take place and be reflected in legislation.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to the Minister of Finance): Mr. Speaker, I am pleased to deal with a subject which differs slightly from those with which I deal usually. If I may, before I address directly the issue raised by the Hon. Member for York West (Mr. Marchi), I should like to point out that in its remarks, he mentioned that the Liberal Party of Canada had made a number of recommendations, done this or that over the past two years. If only the Liberal Party of Canada, while in power, had done something about this issue, it might not have today to take its current position.

Mr. Speaker, the right to counsel is already provided for under the current procedure for claiming refugee status and will be reconfirmed in the legislation dealing with the new refugee determination process. This is a matter that is more concerned with immigration procedures than with recognition of refugee status. The point the Hon. Member for York West is concerned about is the right to counsel at a secondary examination, that is, before the inquiry. The Hon. Member is concerned about having counsel present at the examination at port of entry, which examination is aimed at determining, for Immigration purposes, the eligibility of any person seeking to enter Canada. At this stage no counsel is permitted to be present, since claimants are sent all the information collected at that time so they can tell their side of the story if the information is used against them at the Immigration inquiry.

The matter of unrestricted access to a hearing did not meet with unanimous consent. However, nearly all observers agreed that matters of credibility should be assessed at the end of a hearing by the adjudicator. However, we have no obligation to allow access to individuals who do not require protection and when there is no need to evaluate the facts on their credibility. Two of the proposed restrictions on access—in the case of individuals who submit the same claim again and those who are under a removal order—are now in effect as part of an access system that is considered to be universal. The two other restrictions would apply to individuals who have exceeded the prescribed period or are already protected by another country. These criteria can be applied objectively on the basis of documentary evidence. However, there is provision for hearing these claims in cases where the situation changes. In addition, the right of access to the new refugee determination process

will be explicitly provided in the legislation for people arriving at entry points and who might need Canadian protection.

In its fifth report, Mr. Speaker, the Standing Committee on Labour, Employment and Immigration concluded that a second review of the merits of the application is not necessary. The superior quality of the hearing on the merits of the application, a hearing generally favourable to the claimant, makes a second review redundant. Instead, any person whose application is rejected by the refugee determination committee will have the right, if so authorized, to appeal to the Federal Court of Canada. Mr. Speaker, quality rather than quantity ensures fairness.

The current process does not work out well precisely because it provides for too many review levels. The proposed process will be far superior to the current practice and will be second to none worldwide. In addition provisions are made to re-open the case of people whose situation has changed. Finally, we must keep in mind that this refugee determination process will not be the only recourse available. This process has been established to take into consideration the generous provisions concerning the special re-examination of cases for humanitarian reasons, and Canada's policy is not to deport applicants to countries which are experiencing serious troubles or which violate human rights.

Finally, as concerns visas for the Portuguese, a decision to remove the dispensation from a visitor's visa in the case of Portuguese citizens must not be taken lightly. The requirement for a visa is imposed only when we are convinced that there is no other solution.

After careful study of this problem with members of Cabinet and representatives of the Portuguese community, it was decided that it would not be appropriate to require a visa for the moment. There is no need for the Government to apologize for action which was never taken. Following discussions with representatives of the Portuguese community, a pilot project was implemented to help the immigrants to become more familiar with the process and reduce the risk of exploitation. The Government will continue to monitor the situation closely and will take other action if required to put an end to the abusive utilization of the refugee determination process. Thank you for your understanding, Mr. Speaker.

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6:34 p.m.

HOUSE OF COMMONS

Tuesday, June 3, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table in both official languages the Government's response to six petitions: Nos. 331-430, 331-466 to 331-468 inclusive, 331-526 and 331-528.

* * *

[*English*]

THE ADMINISTRATION

TABLING OF REVISED ACTING MINISTERS LIST

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, pursuant to the provisions of Standing Order 67(2), I am pleased to table, in both official languages, copies of the revised Acting Ministers list.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Shall all questions stand?

Some Hon. Members: Agreed

[*English*]

BUSINESS OF THE HOUSE

DESIGNATION OF ALLOTTED DAY

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I simply rise this morning to announce that tomorrow will be a further allotted day.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—CANADA-U.S. FREE TRADE NEGOTIATIONS—SUSPENSION OF UNILATERAL TARIFF ACTION

Hon. Edward Broadbent (Oshawa) moved:

That this House condemns the failure of the Government to act in Canada's interests in the free trade discussion with the United States and, in particular, for its failure to obtain an agreement to suspend unilateral tariff action by either country during the period of these discussions.

He said: Mr. Speaker, I notice the Secretary of State for External Affairs (Mr. Clark) clapping. I hope he will maintain that disposition later when he hears what I have to say on a subject on which, however else we may disagree, we will be united in our view that it is one of great importance to the country.

At the outset I want to say that in its relations with the United States the Government has now clearly revealed for the whole country, if not for itself, its failure to obtain gain for Canada through what it thought was its unique capacity, namely, its friendly disposition. From the time the Prime Minister (Mr. Mulroney) and his Cabinet formed a Government, it was contended in economic relations with the United States that we as a nation would make considerable gains. I say to the Secretary of State for External Affairs, who is directly responsible for these important negotiations, welcome to the real world.

We learned last week that a decision made in Washington could throw 4,000 Canadian workers out of jobs in the shakes and shingles sector. Yesterday we learned of a major new tariff imposed upon our steel industry, which will affect another part of Canada. Tomorrow, I suspect, we will hear of another adverse decision coming out of Washington which will have terrific negative effects on softwood producers across the country.

Supply

The Government has demonstrated that Willy Loman's reliance upon a smile and a handshake in terms of economic relationships between states is no more effective for us in our relations than it was for him as a salesman in Boston.

Before I put on record some very constructive proposals about what we should be doing now, I want to say something first about the general and immediate circumstance.

[*Translation*]

According to me and according to the vast majority of Canadians, the economic facts of the relationship between Canada and the U.S. are as follows. It is clear that both countries are agreed we have a valid trading relationship. In fact, trade between our two countries has now reached a value of $150 billion annually. It is true that at the present time, Canada has a trade surplus of $20 billion, and it is clear to us, in this party, and I believe to the vast majority of Canadians, that our trade is in very good health for the time being, but it must continue to prosper in the future. Our two countries accept these facts. We are partners in North America. Nevertheless, we have experienced problems in the past, we are having some today, and we shall certainly continue to have problems in the future. This is perfectly normal when we are talking about relations between two major countries.

Today there are some very serious problems in the lumber industry and in connection with certain agricultural products such as grain. According to us, the Government should take care of these particular sectors right away. It must find a valid way to deal with these serious problems. Instead of spending time and resources on what it hopes will be the long term benefits of free trade, the Government should tackle these very real and serious problems.

They are problems that may trigger a loss of jobs, not in the 21st century but in the very near future.

• (1110)

[*English*]

That ought to be the priority of the Government and in our view it ought to get on with it quickly. Sectors need immediate attention. Instead of furthering our efforts to concentrate exclusively on free trade talks that have embodied in them the acceptance of what can only be called a free trade mythology, we ought to get on with dealing with these very serious problems as they are perceived on both sides of the border.

Making the argument that short run pain will be replaced by long run gain is simply an act of faith. Perhaps what the most creative economist of this century, Lord Keynes, said about the long run is what all politicians should keep in mind: "the only thing certain about the long run is that we'll all be dead." If there is one group we should not turn to for forecasts about the long run and put any great reliance on them is economists. The only thing certain about long range forecasting by economists, left right or centre ideologically, is that they are bound to be wrong. That is the one thing one can say with great certitude about the great science of economic forecasting.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Broadbent: I regret that what really runs at the heart of the Government's argument in private conversation, in public conversation, in debates in the House of Commons, in speeches made outside the House of Commons, in assumptions of the royal commission is this profound faith in free trade, a faith like most such faiths made independent of evidence. This Government is prepared to accept faith in this myth of the force of the market-place as a guarantor for future Canadian benefits. My Party does not accept this mythology at all.

The reality is that no nation in the past or in the contemporary world, save perhaps for the present Government of this country, is really committed to this mythology as a national policy. It did not work in the past, except to obtain dominant economic power. The only people expounding it in the 19th century were Great Britain for the obvious self-serving reason. It was designed to further their economic interests on a global basis. Similarly, those who are expounding the view today in private, in Canada, in business circles or in certain parts of the business community are those who see its self-serving purpose for themselves. It is not something to which our Government ought to be committed.

Nations for very good reasons want to ensure continuation of certain kinds of economic activity. That means we will have now and we will continue to have, not simply in Canada but in other nations, a variety of tariff and non-tariff barriers which will be needed for cultural and agricultural purposes, for regional development programs and for social programs of all kinds. These will be needed to give the shape and substance to what it means to be a nation. There will be, I repeat, all kinds of such economic measures taken by any Government in the world in a number of sectors that have the long-range and the short-range interests of their people in mind.

The Conservatives like to suggest to those of us who have taken what I regard as a responsible nation building position, namely, that we need a variety of economic policies and that we should not commit ourselves to a *carte blanche* free trade in every sector, and this is one of the banal lunacies of the Conservatives, that we should be on the defensive about a rational economic and social development policy, I say it is the Government that ought to be on the defensive about trying to get Canadians to accept such a myth.

While the Canadian Government is caught up with its own self-deceiving mythology of the uniform benefits of free trade, the United States of America is not. I want to say something right now about what is going on in the United States. I hope the events of the last 10 days or so will have caused our Government to do some serious rethinking.

What is going on in the United States, I want to stress in my comments, is at the executive level of the United States

political system. I am not talking about the very serious protectionist measures that are working their way through Congress. They are well known and they contain a lot of dangerous measures for the economic future of our country. I want to set them aside, not because they are not important but because this Government has been dealing with an administration in a very naive way. The U.S. administration has been preaching free trade, and I say categorically, preaching it to our Government that has been caught up in its mythology is a nice way of further conning our Government.

While the American administration has been preaching this, what have key figures in the U.S. administration been doing? First, consider United States chairman of the Federal Reserve, Paul Volcker. Consider a seminar he attended April 16 and 17 and what he said, then we will begin to understand what the United States is doing in terms of its global policy on trade, a part of which is aimed at Canada. He spoke at length about the American imbalance of trade. He is right. We should have no illusions. The U.S. trade imbalance is $150 billion. It is a serious matter. But what did he talk about doing? He talked about shifting trade, taking decisive American action to correct the problem. What can he do? Did he leave Canada out? Not at all, Mr. Speaker. He wants to regain $50 billion from Japan, $40 billion from the western European countries and $10 billion from Canada. That is what Mr. Volcker targeted. His view is not isolated. He is one administrative figure.

There is a second I want to mention, Treasury Secretary Baker. On May 20 he said: "Very shortly you're going to find Canada our biggest problem of imbalance". He, too, a key figure in the U.S. administration, is quite aware of their game plan for trade with Canada. To understate the matter just a bit, their game plan does not have us coming out on top.

• (1120)

A week ago the U.S. Ambassador to our country, Mr. Niles, made an incredible statement to justify the unjustifiable, namely, the tariff against our shake and shingle industry, a competitive non-subsidized industry. What did Mr. Niles cite as one of the justifying reasons for this action? Did he talk about unfair trade practices or subsidies? No. Central to his argument was his reference to the imbalance in trade which exists between Canada and the U.S.

Free trade or not, and fair trade or not, it is pretty clear that Mr. Niles is saying that the United States is the world's dominant economic power and that we should not misunderstand that. They did not get that way by accident and they will not remain the dominant power by being buddy-buddy with other nations including Canada. Mr. Niles is saying that whenever the United States has a trade imbalance it has a self-given right, as the dominant economic power in the world, to whack away at other countries. Canada is one country with which they want to make up their trade imbalance even if it means unfair attacks on Canadian trade.

I could cite other administration figures. However, I think the three key ones which I have cited are sufficient to indicate the direction of the U.S. administration headed by the President himself.

It seems to me that this planned attack in terms of trade on Canada as one of the targeted regions includes the following mix of policies. First, a selection of protective measures which they have already taken on fish and pork products in the past year, on shakes and shingles last week, on steel yesterday, and on softwood tomorrow. There are a whole number of sectors which I have touched upon on which the U.S. plans to take protective measures to ensure that they will get greater economic benefit at the cost of Canada.

Second, there will be efforts made by the U.S. to open new markets in Canada. Therefore, in the talks preliminary to the trade talks they are being quite explicit about everything being on the agenda because they want to get access to our drug industry. They want Canada to bring in legislation to make that possible. They want to get into our service industry and publishing. They have no illusions about tearing out the guts of the Canada-U.S. automotive agreement in terms of the investment safeguards which Canada has. Anyone who thinks that that is not a key item on their agenda is not only dreaming but is dreaming in technicolour. One-third of our $20 billion surplus in trade with the United States happens to be in the automotive sector.

If I were a U.S. politician interested in the well-being of my country, and particularly if I were from a state in which the automotive industry wants to expand, I would not sit back and say that we should ignore the $20 billion surplus in automotive trade. I would try to make the automotive industry a free trade industry by removing the investment safeguards, which will mean the loss of thousands of jobs.

There is a two-pronged strategy so far. There is protection for a range of industries in the U.S. Second, there is expansion into a number of new markets in Canada which have hitherto been protected for Canadians, or have had certain protective mechanisms in them. A third key element of the U.S. strategy has been the maintenance for themselves of the unilateral right to take countervailing tariff action. No American negotiator, no U.S. Congressman, and no Senator has intimated the slightest interest in getting rid of the countervailing power which they have to protect their jobs and industries at any time that they alone think it is appropriate.

In concluding my remarks this morning I would like to say that it is time that we as a country smartened up. We can no longer conduct a comfortable seminar about the long-range distant future of the likely positive impact of free trade when in the meantime thousands of Canadian jobs are being threatened. We have to smarten up.

Some Hon. Members: Hear, hear!

Mr. Broadbent: It seems to me that the Minister has two options. He can continue to do what he is doing. He can

continue with the trade talks in the future and complement that by tit for tat trade war decisions, the like of which we saw yesterday which, I repeat, will be totally counterproductive. We cannot win that kind of trade war with the United States. I will offer an alternative approach right now. We can do two things. First, we can put in place immediately, as the top priority, teams of experts in the limited number of sectors which are in dispute between the two countries. We can get experts on both sides to focus on those disputes to try to resolve them before negative action is taken on either side of the border. That should be the top priority.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I see you are rising, Mr. Speaker. I would like to ask the indulgence of the House to continue for just another minute.

Mr. Speaker: The Hon. Member is seeking the consent of the House to continue his speech by unanimous consent.

Some Hon. Members: Agreed.

Mr. Speaker: There being such consent, the Hon. Member may continue.

Mr. Broadbent: I thank the other Members. I will try to conclude briefly.

That should be the top priority. I hope the Minister will accept the suggestion which I am about to make; if he does not, I hope he will at least give us his reasons for refusing. As I have just suggested, we should set up committees on a priority basis to deal with areas of trade that are in dispute which could result in new job losses. If the Minister is not going to suspend the talks, which I do not believe is on his immediate agenda, he should instruct Simon Reisman, our chief negotiator, to put on the agenda for those talks as the first item the discussion of a mechanism which could radically change the unilateral countervailing powers of both nations, which would be put in place in those sectors in which free trade is agreed upon in the future. This seems to me to be absolutely essential. If there is no agreement on such a mechanism by the United States on those sectors, all other talks and agreements can be worse than useless. We can be deceived into thinking that real progress has been made when in fact we will have lost a great deal.

In short, the unilateral power of both nations to take retaliatory steps must be fundamentally changed in its application to those sectors where free trade is going to be agreed upon. If it is not, we are only kidding ourselves. We are leaving ourselves open to the kind of action we saw on shakes and shingles in the past week on a whole variety of new sectors which may be negotiated on a free trade basis.

Keeping this kind of power in such sectors for either nation is not an equal benefit as some might argue. It may be an equal right but, like many equal rights, it has very unequal results depending on economic power. If we maintain as a nation that we want to keep such authority in such sectors, just as the U.S. does, I repeat, we will be doing a great disservice if we give up tariff and non-tariff barriers in such sectors and simply rely on this kind of power. I say that because the exercise of that power by the U.S. and by ourselves is supremely unequal in its consequences. A 4,000 job loss in Canada hits home when the U.S. uses that power. However, it is little more than bothersome, as a statistic, in the U.S. when Canada exercises that power on them. It is the difference between two nations, one of which has an economy 10 times more powerful than the other. To use a metaphor for the Minister which I think is relevant, a beaver jumping on an elephant's toe might cause the elephant to scratch. However, if the elephant decides to step on the beaver it will do more to the beaver than merely remove the itch. I say to the Minister that it is time our Government realized it is dealing with an elephant.

• (1130)

The Acting Speaker (Mr. Charest): Questions or comments? Debate.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, this morning we, like many other Canadians, are looking at a harsh new reality in our trade relationships. There has been a lot of fine rhetoric and a lot of noble words used over the past 15 months about the grand benefits we would derive from seeking out a brave new world of trading relationships with the U.S. This morning the workers in the shake and shingle industry in British Columbia know they will be without a job in four days. That is a harsh reality to face. There is nothing very pleasant about looking four days down the road and realizing that an occupation you may have held for 5, 10 or 15 years is all of a sudden going to come to an end; not through any fault or error on your part, but simply because the great forces of international trade have wiped your job out of existence. It is a helpless feeling. Where do you turn? That is part of the harsh reality that at least 4,000 Canadians and their families are facing this week. For them, discussions about trade are not abstract or academic. They are very real, very difficult, very heart-rending, and that makes it incumbant upon this Parliament to treat it in those terms.

Equally so, many other Canadians have woken up to face the prospect, not of a new era of economic co-operation with the U.S. but of a trade war. As much as the Minister of Finance (Mr. Wilson) tried yesterday to gloss over the reality, the fact is that the retaliation taken by the Government yesterday will further accelerate what has become a pattern of action and reaction between our two countries. Ministers of the Government have tried to maintain over the past 10 days that the tariff on shakes and shingles was an isolated thing. Of coures, it is not. It fits a pattern and was further emphasized yesterday with the decision to impose new import tariffs on Canadian steel.

Canadians are also facing the new reality of an increasingly arduous period in time, in fact perhaps the most arduous in our post-war history of attempting to work out a highly dangerous

trade relationship with the U.S. Consumers are going to be paying substantially more for a wide range of products. Whether it be books they read, computer parts they need, or tea and porridge, they will now be required to pay a somewhat higher price. Goodness knows, as we have said many times, this is a Government which has elevated the approach of the Grinch who stole Christmas to that of philosophy, by putting a tariff on Christmas trees, and it is doing it in June rather than waiting for December. The fact of the matter is when you add all those things up, what they really demonstrate is the fundamental flaw in and failure of the approach taken by this Government to conducting its relationship with the U.S. That has nothing to do with the good or bad of the Reagan administration policies, but with the way we reacted to them.

There was a basic premise expressed at the beginning of this Government by the Prime Minister (Mr. Mulroney) that somehow if you were only liked by and friends with the Americans, in a jocular way but not in an intergovernmental way, you could build up, I think his words were, credits in the bank. When the time came for the U.S. to make a choice on whether to inflict economic damage on Canada, we would just pull those credits out of the bank and all would be well. That time came a week ago Friday. There was a very crucial decision to be made affecting 4,000 Canadians and their families. Every Canadian rightly expected that this was the time to pull the credits out of the bank; all right, let us see this special relationship have some special impact. Of course it did not. No one in their right mind should have assumed it would because that is not the way to conduct a relationship, particularly with a very powerful and determined country, one that since the inception of the Reagan administration has shown a clear pattern of activity which does not recognize the old rules of international co-operation. Whether you are talking about their stand on arms control, UN financing, Nicaragua, or world economic institutions, the fact is they have shown a kind of Rambo-like mentality of go it alone and serve your own self-interest. From the point of view of the Reagan administration, they have a right to do that and their people support them. However, that has been the fundamental pattern, contrary to what had been the pattern before where other administrations accepted certain obligations concerning maintenance of an international economic world order. The Reagan administration does not see it that way anymore, and that is the reality we as a country should have faced.

In order to deal with that kind of attitude and those policies, the key ingredient is to be respected if not liked. You have to gain respect through a series of actions and reactions, not concessions. We are now paying the price for a fundamentally flawed approach to that relationship. The price we are now paying is being seen in the most evident and personal way by many Canadians in the loss of their jobs and their livelihood.

• (1140)

At the same time the Government has also latched on to the notion of bilateral negotiation with the United States as being the panacea for all that ails Canada. Every time we asked a question about what the economic strategy of the Government was, it was that it was going to get that bilateral agreement, have a totally comprehensive free trade arrangement and all will be well. We will not have to work hard at anything any more. We will have this vast market of 250 million people we can sell our goods to. We will be saved from all kinds of harassment and protection.

There is, in the annals of mythology, the old notion of the Pandora's box, which is brought forward as being the great panacea. People cherished it because they thought there were hidden treasures inside. Once the box was opened all that was let loose was a whole legion of demons which you could not control. The Pandora's box has been opened by this Government in its singular, obsessive pursuing of this bilateral negotiation, to the exclusion of all else.

I am not saying that one should not be negotiating and talking with Americans, because obviously you must, and we have. We have been doing it for decades. That is nothing new. The question is how you approach it and whether you are going to come in walking on your feet or on your knees to those negotiations. That is the real question.

By giving away so much at the front end—and I can go through the litany of freebies that were given away by this Government with nothing in return—when it came to the real bargaining that started a few weeks ago we had already put all our chips on the table. It makes the lottery games look like a sure thing. We came into the negotiations already on the defensive because we had already given away the best part of our bargaining leverage; in other words, FIRA, cultural industries, pharmaceuticals, whatever it may be.

You have to ask yourself about the approach it has taken. Let us look at a specific example on the shakes and shingles. The Minister who will be responding, and the Prime Minister acted with great indignation and outrage in the House a week ago Friday, as they rightly should. It was a terrible action by this ally. They also said they were surprised. Why was the Government of Canada surprised at that decision? Their own embassy officials admitted that they had met back in April to discuss this matter with U.S. officials. They knew it was going through the process. Did they assume that somehow a magic wand would be waved, or that their special relationship would come into play? Surely, knowing the impact and significance of the jobs of so many Canadians, something should have been done beforehand rather than reacting to an event that already took place. It needed some anticipation, some hard work and digging. It needed some tough negotiating and some bargaining prior to the decision being made. That we did not receive. Instead we now have wholesale retaliatory actions, which are simply adding to an escalation which only boggles the mind.

If you have a highly developed sense of irony you might be able to tolerate it. You have the Government talking about the need to have open boundaries and wide open co-operation, while at the same time on the other side of the street you have the Minister of Finance imposing new tariffs, imposing new boundaries, the Americans retaliating we are talking about

free trade on one side and highly protectionist actions by both countries on the other. Is this Jekyll and Hyde we are playing? Are we playing some kind of strange game of schizophrenia in our policies? Is it not important that there be some consistency, that we not be subject to these mental aberrations in our trade relationship?

The retort has been, if we were not negotiating things would be much worse. How could they be any worse? If you add up the actions over the last ten days there have probably been more countervail actions during that time than in the last ten years. Those negotiations have not exactly given us a free ride, an open sesame or an exemption against American countervail. They have hardly given us the kind of warm, comfortable exclusion that we wanted. We are a target. We are right in the gallery and we are being shot at.

What have the negotiations brought us so far? What they have brought us is one hell of a pile of trouble. How do you defend that as a strategy? Let us talk about this issue of countervail, because I think that goes to the very heart of the whole trade negotiations. All the advocates from the Royal Commission on down to the Chamber of Commerce, the C. D. Howe Institute, all those wonderful economists that the Leader of the NDP talked about, those new economic wizards, which is the fastest growth industry in Canada at the present time, the proliferation of TV spots by the economic soothsayers on our so-called think tank have all said we need to negotiate in order to protect ourselves against continual harassment. If we do not negotiate we will not be able to withstand the protectionist pressures. If we do not get some change in the countervail, if we do not get some limitation or alteration in American trade laws through which their industries can exercise a whole series of trade actions against Canada, there is not much point to the negotiations. I agree with that absolutely. If you are going to negotiate in order to offset the protectionist forces then you have got to tackle that central fundamental issue of the countervail. What have we seen over the past two or three weeks? What kind of good faith has been shown? That is why the position of the leader of our Party, as of several premiers, in relation to the exercise of that countervail power on the shakes and shingles, and now the action that is being taken on softwood lumber,has been that we should have a joint undertaking by both Governments that during the period when we are talking about how to limit that countervail they will be held in abeyance. We will at least make our best efforts to set those kinds of harassment actions aside so that we can bargain in some good faith.

What have we heard? As I understand it, when the Minister met with his counterpart, the Secretary of State of the United States, he indicated it is just not on the table. What does that tell you about their answer to countervail? President Reagan said in a letter to Senator Packwood when he was buying his deal for the free trade negotiation, "This will not affect the countervail powers". The U.S. Congress has said this will not affect countervail powers.

The question I ask is, what is it we are negotiating for? What kind of an incredible price will we have to pay in order to provide for some slight modification of those countervail powers? That is the real key question that should be answered by the Government at this point in time.

The warning signals have already been set. We have seen the incredibly potent and damaging impact those countervail powers can have. Rather than looking for other options, by trying to reinforce and strengthen the international trading system, the GATT system, putting our resources and efforts there to deal with countervail, which has been the basic Canadian genius I think in the last 30 years to protect ourselves through that multilateral international forum against countervail powers, we have decided that a bilateral route is more effective, and now we see what the end result has been. It has resulted in an increasing number of countervail actions, and ourselves being put on the defensive, sort of in retreat, on that very issue alone.

Because of the Government's failure to deal with the plight of the workers in British Columbia and the fundamental flaw in the strategy that has been approached, and the lack of discussion and debate in this country, I would like to amend the motion presented by the Leader of the NDP. Therefore, I move:

That the motion be amended by deleting the period and by adding the following:

and for its failure to assist Canadian workers who are adversely affected by such unilateral actions.

• (1150)

Mr. Cook: Mr. Speaker, in the course of his rhetoric, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) said that there were specific things that the Government has given away before the negotiations. Will he specify what we have given away before negotiations?

Mr. Axworthy: Mr. Speaker, I thank the Hon. Member for his question. I only wish I had the full amount of time to provide all the particulars.

An Hon. Member: You have 10 minutes.

Mr. Axworthy: That is exactly what I will do, if the Hon. Member wants. I will take the full time to answer him properly.

The first give-away was the issue of foreign investment review. This was an area of dispute where the Americans demanded some retaliation because they felt it was imposing undue burdens upon their industries. The Government that was elected in 1984 agreed with that position. Surely when changing foreign investment review the Government might have found some basis for determining what kind of investment changes would be made in U.S. practices which have their own limitations. What position did the Government take as a prelude to negotiations in terms of providing for wider investment reviews?

There were major changes in energy policy. The U.S. administration did not agree with our energy policy, for its own reasons. Surely that is a matter which required some proper bargaining.

The Americans were interested in having the NORAD agreement re-signed. That is a matter of some great consequence to both our countries, but it should have been brought in as part of a general state of negotiations in the relations between our two countries.

The same kind of negotiations have taken place with respect to the pharmaceutical industry, and similar concessions were given to publishing where the Government acceded to major demands made by the Americans with respect to Prentice-Hall. Those were very important decisions affecting our cultural industry, our book publishing industry, but the Government gave in and acceded to the Americans. What did we get in return as part of the bargaining?

The fundamental premise articulated by the Prime Minister was that these concessions were a way of showing good faith. If that is the Government's reason, then we accept it. However, we are saying today that this was a flawed approach because it did not achieve the kind of respect that one required in order to develop a so-called special relationship.

How has this given some benefit to your constituents in British Columbia who will be unemployed in four or five days from now? What has this new approach gained for them? We are asking those questions because Canada-U.S. relations are the most important and most crucial of our relations with other countries. We are simply saying that this has been a flawed approach.

Mr. Cook: Mr. Speaker, I have a comment. The Hon. Member seems to believe that we should not do anything in the best interest of Canadians because it affects Americans and may work to their advantage occasionally. I would ask all Canadians to look very carefully at the list the Hon. Member gave us in terms of the utter ridiculousness of FIRA and the oil policy of the previous Government. They will realize that this Government's decision was taken in the best interest of all Canadians and essentially did not concern trade talks with the United States.

Mr. Axworthy: Mr. Speaker, it is said that beauty is in the eye of the beholder. We obviously have a different interpretation, but I would suggest to the Hon. Member that while he believes our oil policy or investment policy may have been ridiculous, they worked.

Some Hon. Members: Oh, oh!

Mr. Fennell: It killed western Canada.

Mr. Axworthy: I would point out that the state of affairs in Alberta these days is not exactly thriving. There is a much higher unemployment rate in Calgary today than there was two years ago.

Mr. Shields: Not true.

Mr. Axworthy: There are far fewer drillers working in Alberta than there were two years ago. If the Hon. Member wants to talk about whose policies are working, that is a totally different debate which we are quite prepared to discuss. We were giving an incentive to smaller Canadian operators in the oil and gas industry. They are the very ones who are being taken over by foreign companies and being put out of business. Therefore, I simply say that the Government is welcome to its own mythology because everyone has to live in his own fantasy land.

Mr. Shields: Mr. Speaker, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) implied that the Liberal Government knew how to conduct Canada-United States relations. The national energy policy literally discriminated against foreign investment by companies from the United States. I would remind him that those companies came to Canada in 1947 and were the bullwark and developers of the oil industry in western Canada. How did the National Energy Program help Canada-U.S. relations?

FIRA discriminated against foreign investment. How did that enhance our relationship with the United States? I would like the Hon. Member to comment on that.

Mr. Axworthy: I would be more than happy to comment. Let me deal with FIRA first. In its latter years, FIRA provided major benefits to the economic program of the present Government. The former Minister of Regional Industrial Expansion made a number of major announcements in relation to investments by Japanese and Korean automobile firms. Those announcements were possible because certain agreements were made as a result of the FIRA process. We did not stop investment with FIRA. In fact, 97 per cent of the applications in the last year of FIRA were approved. However, we were able to gain certain agreements about investment, research and development, and providing a world product mandate. The reason the former Minister of Regional Industrial Expansion was able to make a major announcement of a Hyundai plant in his riding is that it was an agreement that was made under FIRA. We arrived at that deal because we exercised some leverage on that foreign investment.

Similarly, the major thrust of the National Energy Program was to help Canadianize the oil and gas industry and give us some degree of self-sufficiency in this country so we would not be totally dominated by the large multinational companies. During the 1970s we learned that when it came to protecting Canada's interests, those interests were not always first at hand and we were often given second class treatment by those multinationals, rather than the first class treatment we would expect from our own national companies.

Mr. Frith: Mr. Speaker, it seems to me that the impact of yesterday's action by the Government on the 4,000 British Columbia families who will be left helpless to deal with their economic situation has been lost in the rhetoric this morning.

That is certainly the case as a result of the statement made by the Government yesterday. What does the Hon. Member feel the Government should be doing in terms of an adjustment program for those families in British Columbia?

• (1200)

The Acting Speaker (Mr. Charest): A few seconds, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy).

Mr. Axworthy: Mr. Speaker, I know the time is short and I will answer accordingly. First, I think we should still be making efforts to get that tariff changed. We should be making last ditch efforts until June 6 to appeal to the American President. Barring that, I believe the Government should introduce at this time the provisions under the Employment Support Act of 1971 which was brought in under similar circumstances when the Americans imposed a 10 per cent import tax. It helped many Canadian industries to maintain themselves during that period of time by making up the difference between the cost of the import tariff and their costs to continue their exports into the United States.

I am surprised the Government has not taken advantage of that Statute, which is still on the books, to establish an employment support board so that those 4,000 workers will at least be able to maintain themselves in busines and have some future.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, let me begin by thanking the Leader of the New Democratic Party for arranging this debate today. It is a matter of great concern to all Canadians and to all Parties in the House. I want to make a brief comment about the intervention of the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) who is, as we all know, a Member of Parliament who is transfixed by the United States of America, even to the point of having his assistant down now working with one of the leading opponents in the U.S. Congress of acid rain legislation, legislation which would be helpful to Canada.

Mr. Axworthy: A matter of privilege. That is not the truth, Mr. Speaker.

The Acting Speaker (Mr. Charest): Order. The Hon. Member for Winnipeg—Fort Garry on a question of privilege.

Mr. Axworthy: Mr. Speaker, the Minister has just stated an untruth. I would ask him to withdraw it.

Mr. de Corneille: Get off your knees.

Mr. Gauthier: You're switching the truth again.

The Acting Speaker (Mr. Charest): Order.

Mr. Clark (Yellowhead): Mr. Speaker, I repeat my allegation. If the Hon. Member has any evidence, let him bring it forth.

Mr. Axworthy: You are making the accusation.

Mr. Clark (Yellowhead): On the question—

Mr. Axworthy: I ask the Minister to withdraw a statement which is untrue, by the rules of this House.

An Hon. Member: Come on. Sit down, Lloyd.

Mr. Axworthy: He cannot come into this House and give a direct lie. It is a direct lie the Minister has stated and I ask him to withdraw it.

Mr. Frith: Ring the bells.

Mr. Gauthier: We will.

Mr. Axworthy: That's a lie and he knows it.

The Acting Speaker (Mr. Charest): Order. Order, please. After some consideration, the Hon. Member for Winnipeg—Fort Garry may find he is in strong disagreement, to say the least, with the Right Hon. Secretary of State for External Affairs (Mr. Clark). But for him to say what he has said is in fact to use unparliamentary language, *per se*, and I would therefore ask him to withdraw. I think he knows that he would have to withdraw.

Mr. Broadbent: If I may speak on this point of order, Mr. Speaker. It seems to me that it is incumbent on the Secretary of State for External Affairs (Mr. Clark) to accept the word of Hon. Member. One of the rules of the House is that if someone says something is not the case, it is presupposed that we accept the word of that someone. I think the onus is really on the Secretary of State for External Affairs to withdraw his comment before there is a suggestion that the Hon. Member, who has been challenged by the—

The Acting Speaker (Mr. Charest): Order.

Mr. de Corneille: Tell him to get off his knees, first.

An Hon. Member: Withdraw.

The Acting Speaker (Mr. Charest): What is relevant to the Chair at this point in time is not the question of fact as presented by the Leader of the New Democratic Party (Mr. Broadbent), and I understand his point. What is relevant to the Chair now is that we are now in a forum of debate and it is not expected that Hon. Members on each side of the House always agree on the facts. We all understand that. What is very relevant to the Chair now, and the only thing with which the Chair wants to deal at this point, is the fact that unparliamentary language has been used.

Mr. Axworthy: Mr. Speaker—

The Acting Speaker (Mr. Charest): Order, please. Let me just finish so we can come to a clear understanding on this. The Chair once again understands full well that perhaps the Hon. Member for Winnipeg—Fort Garry does not agree—strongly disagrees with the Right Hon. Secretary of State for External Affairs. He has made that quite clear. But the only

thing relevant to the Chair at this point is the fact that technically, if you wish, unparliamentary language has been used. I would, therefore, very respectfully ask the Hon. Member for Winnipeg—Fort Garry to withdraw, not out of spite for the other side of the House but out of respect for the House itself. That is the only request I would put to the Hon. Member for Winnipeg—Fort Garry at this point.

Mr. Axworthy: Mr. Speaker, I have respect for yourself, Sir, for the Chair and for this House. I would hope that the Secretary of State for External Affairs would have equal respect, and when he says something which is not the case, when he cites a fact which is not true, and I ask him to withdraw it he would do so. I am simply asking him to withdraw it and I will withdraw my remark about him. It seems to me that would be the proper way of doing it.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Charest): I have already said that we all understand that the Hon. Member for Winnipeg—Fort Garry has made it quite clear he disagrees very strongly on a question of fact. May I remind the Hon. Member, and all Hon. Members of the House, that the debate provides for a period of questions and comments at which time Hon. Members can rise and express either a point of view or put a question to the person who has just spoken, and in fact put the case about which he does not agree. That is why the rules were made. That is why we do have a period for questions and comments. The Hon. Member can very well make his point at that time.

However, and I am trying to make this quite clear, the only thing relevant to the Chair at this point is that the Hon. Member for Winnipeg—Fort Garry has used unparliamentary language and I am, therefore, under obligation to ask him to withdraw immediately and without any equivocation.

Mr. Clark (Yellowhead): Mr. Speaker, if I might speak on the point of order. The Leader of the New Democratic Party (Mr. Broadbent) is correct and an Hon. Member is bound to accept the word of an Hon. Member in the House. I will respect that rule and I would hope that the Hon. Member for Winnipeg—Fort Garry will immediately and without equivocation or qualification withdraw the unparliamentary language he has used.

Mr. Axworthy: Mr. Speaker, under the circumstances of the Secretary of State for External Affairs withdrawing his statement, I will withdraw my statement concerning his statement.

Mr. Cook: Mr. Speaker, I rise on a point of order. We have wasted approximately five minutes of time on this particular inner debate. I would hope that time would be added to the speaking time of the Secretary of State for External Affairs (Mr. Clark).

Mr. Gauthier: It is not a waste of time, come on.

Mr. Fulton: Dither, dither, dither. Sit down.

The Acting Speaker (Mr. Charest): I will take that into account, but time listening to the Speaker is never time wasted in the House.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): Mr. Speaker, very briefly with regard to the questions of FIRA, the National Energy Program and NORAD, those were matters on which the people of Canada had an opportunity to vote. They voted. They wanted to be rid of the NEP and FIRA and they wanted Canada to honour its obligations. It was for Canadian reasons that the Government of Canada acted, as it always is.

Let me come to the question at issue here. It might help if I start with a little historic perspective. I had an opportunity to consult the now defunct *Montreal Star* of December 31, 1964 in which there was a very interesting article referring to a telegram sent to the federal Government of that day by the Canadian United Auto Workers. The telegram said that the early implementation of the Auto Pact would leave auto workers with "a pig in a poke". The United Auto Workers went on 22 years ago, to say: "We do not consider it enough to have bland assurances that the plan will expand employment for Canada". The point is that there was blind opposition to the Auto Pact 22 years ago to the point that Canadians did not want the Government to pursue an arrangement which would be better for Canadians. We have found with the Auto Pact that it is possible, if Governments have the vision and determination to pursue better arrangements, to achieve better results for Canada.

The purpose of this Government is to achieve better trading results for Canada and to provide some kind of protection against precisely those virulent forces of protectionism which are causing such a threat to Canadian jobs right now.

I wonder sometimes why it is on questions of this kind that Members of the Opposition take such a consistently negative position when leaders of Government, often leaders of their own Parties, are prepared to exercise much more responsibility in the national interests. I suppose it has to do with the precise question of responsibility.

The 10 premiers who met here last night with the Prime Minister (Mr. Mulroney), premiers representing the Liberal, New Democratic, Social Credit and Progressive Conservative Parties, all had some questions about the trading relations between Canada and the United States. All had some reservations; but instead of being blinded by their reservations and instead of putting their Parties first they put their country first. They are allowing Canada to go forward into those negotiations now with a united front that will allow Canadians to achieve the best possible conclusion for the people and the workers of this country. That is a model I would recommend to Members of the House of Commons.

Supply

[*Translation*]

Mr. Speaker, when this Government came to power, it had to deal with some serious economic problems that were due to two factors: A poor national economic policy and a lack of interest in international markets. Since then, we have revived our national economy and our trading relations.

For instance, we created 630,000 jobs in 20 months, one of the best performances in this country's history. At the international level, we need only consider the five major measures that were taken.

First, under the previous Government, Canada had been excluded from the planning group on international monetary policy which has a fundamental impact on the world's economy. In Tokyo, the Prime Minister was successful in getting the group to broaden its membership and accept Canada as an intervenor on international policy.

Second, Canada had not made sufficient efforts to penetrate new markets in Asia. The present Government is now opening new trade offices in Osaka, Bombay, Shanghai and Auckland. The Prime Minister himself visited China, Korea and Japan to promote sales of Canadian products.

Third, previous governments had been unable to take advantage of GATT to help vital industries such as agriculture. We are now playing a leading role in the new series of trade negotiations. We are trying to regroup the countries of this world within the framework of new trade agreements.

Fourth, we are launching new negotiations with our most important trading partner, the United States, to protect our markets and our jobs and to seek new markets.

Fifth, if we look at the agricultural sector, for the first time in this country's history a Canadian Prime Minister raised the question of agricultural subsidies at the international summit. The debate was lively, but consideration was given to the possibility of breaking the cycle of subsidies that puts a very unfair burden on farmers in all our provinces.

None of these initiatives had been taken before.

• (1210)

[*English*]

They reflect the need to make fundamental changes to existing practices, practices that did not work, that left Canada out of the G-5 and in a situation in which we were falling behind as a trading partner in the world. Those practices left Canada in a way most relevant to this debate; that is, exposed to the rampant and growing protectionism in the United States, exposed without a means by which to guarantee our own future and our own situation.

Of course, there is a fear across the land about the consequences of growing protectionism in the United States. It is a real fear. Canadians have a right to have their Government respond to that real fear in a way that can provide some hope of guarantee. This is too important a matter for politics. The Premiers recognized that last night.

I trust that Members of the House of Commons will also put their country ahead of partisan advantage and realize that it is not just someone losing a debate in the House of Commons that is at issue. If we do not act now to put in place a more effective system there will be jobs lost in every province, every city and in virtually every industry across the country.

Mr. Orlikow: It's already happened.

Mr. Clark (Yellowhead): Members opposite say that it is already happening. Of course it is already happening, which is ample proof that the system in place no longer works. The old system is not adequate. What we need is a new system that will work better.

Mr. Broadbent: Free trade?

Mr. Clark (Yellowhead): We owe it to the future of this country to repair a system that is weak, that does not work and that does not provide the guarantees to which Canadians have a right.

Let us take a look at what has been happening here. The punitive tariff on shakes and shingles is only the most recent example. Similar Section 201 investiations threatening our access to the U.S. market for castings and apple juice have recently been terminated on the basis of determinations by the U.S. International Trade Commission that those imports are not injurious to U.S. producers of the products in question. Tomorrow, the U.S. International Trade Commission will be announcing its decision with respect to whether imports of fork-lift arms are injurious to U.S producers.

Over the last two years U.S. authorities have carried out countervailing duty actions involving our exports of live hogs and pork products, fresh groundfish and fillets, raspberries and oil industry steel products. Decisions will be made in a matter of days on whether to initiate countervailing duty investigations involving imports of softwood lumber and cut flowers. Anti-dumping investigations have involved our exports of salted cod, rock salt, rectangular steel pipes and tubes, and iron construction castings. The U.S. International Trade Commission announced yesterday its finding that imports of dumped and of subsidized tubular steel products are injurious to the U.S. industry.

The line and the list goes on and on. It is made more serious still by the fact that there are constant threats that Congress will unilaterally legislate trade restrictions. As we all know, the U.S. House of Representatives overwhelmingly approved a major trade Bill, legislation which, if enacted, would significantly revise U.S. trade law, including proposals which could adversely affect Canadian trade interests.

These problems were not created by negotiations with the United States. They are the reason that negotiations must proceed. It is because we have a system that is full of holes that we have to provide a better system to put in place. In effect, the NDP suggests that we set up a bunch of groups of experts wherever there is a dispute. Surely, it is far better to go

to the root cause of our problem rather than to engage in fire-fighting here and there, hither and yon. What we need is an approach that will provide more general protection to Canadian interests that are now under serious assault.

We were not elected to the House of Commons to sit here and do nothing. We were elected to the House of Commons to accept the responsibility, to face up to very real threats that endanger the future of Canadians across the country. That is what we are doing. In the spirit of the first ministers who met last night, who overcame their partisan differences and their other doubts to provide a common front as Canada enters into these negotiations, I hope that there will be a willingness here to try to put in place a much better arrangement. Obviously, tough actions are necessary. The Government has taken tough actions when they were necessary.

Mr. Riis: Like what?

Mr. Clark (Yellowhead): An Hon. Member asks: "Like what?" We have taken positions with regard to the United States' request that there be a delay of one year in the implementation of the decision respecting Georges Bank. We have said that there will be no such delay. We have taken decisions such as was announced yesterday by my colleague, the Minister of Finance (Mr. Wilson), indicating the economic response of Canada to the shakes and shingles measures that were taken. We will continue to take these strong responses because they are necessary to ensure realistic trade negotiations.

Someone talked about a trade war. Of course, one of the dangers, one of the temptations to Members of Parliament interested in partisan advantage, rather than advancing the debate, is to use words and language that create false fear in the country. Let it be very clear that there is no trade war between Canada and the United States. Any trade war is within the United States itself between protectionists, on the one hand, who want to pull the United States inward at whatever cost to its friends, and on the other hand certain American leaders, including the President, who want more open trading relations with the world and, in particular, with their friends. That trade war in the United States is virulent. Protectionist forces are rising. They threaten every region of Canada. We saw that conflict coming. That is why we are seeking a trade arrangement, to protect our access to U.S. markets, to seek new opportunities for new and better jobs for Canadians and to establish a model, a model of trading relations that can provide an alternative to protectionism.

As a first step, we sought the Quebec Accord, seeking guarantees that one country will not take protectionist measures of a discriminatory nature against the other. That agreement was broken once on shakes and shingles. Our response, including the measures announced by the Minister of Finance yesterday, was designed to demonstrate how central we consider that Quebec Accord to be to successful conduct of these negotiations. We believe the United States has received our message.

• (1220)

I want to talk a little about standstill. Surely Hon. Members opposite would not suggest that we seek a standstill agreement which would be more binding upon Canada than it would be upon the United States. That would be the situation, given the inherent differences in our system; that is the inevitable conclusion one must draw from what the NDP is putting forward. Surely the Opposition would not suggest that Canadian farmers be arbitrarily denied their right to seek relief from injurious imports from the United States of subsidized agricultural products. That is what the NDP is proposing. Surely the Opposition is not suggesting that the federal Government unilaterally take on commitments which could well apply to the provinces.

There is no magic solution to shield us during these negotiations. Individual issues will have to be addressed on their merits under the existing rules and laws until such time as we are able to negotiate a better framework. That is why we are in this business; that is why we are involved in the negotiations. It is our expectation that in cases where there is discretion, both sides will honour the commitment to halt protectionism in cross-border trade in goods and services. That was the spirit or essence of the Quebec Accord. We expect that it will be honoured.

We know that this will involve difficult decisions in specific cases. I discussed this matter at some length with Secretary of State Shultz in Halifax last Friday. I am confident, following those discussions, that the need for advanced notification and consultations on specific issues is accepted. I reject suggestions that we should hold the trade negotiations hostage to specific trade irritants. Events of the last two weeks provide compelling evidence that current international trade rules do not provide the certainty and security of access to the U.S. markets which Canadian producers need to plan and to invest. They offer compelling evidence that arbitrary U.S. border measures create grave hardship for those Canadians whose livelihood depends upon bilateral trade in those products.

Trade negotiations are in Canada's interest. The *status quo* is not good enough. We need improved rules. Changes in the rules could only be achieved through negotiation. This Government recognizes the need to put our trade and economic relationship on a better basis. We are pursuing that objective both bilaterally and multilaterally under the GATT. We are pursuing it both internationally through trade and domestically by bringing growth and job creation back to the Canadian economy. These trade negotiations are so clearly of benefit to Canada and to Canadians that it would be irresponsible to abandon them because of issues of the day.

I invite Hon. Members of the House of Commons to consider a question very carefully. Fishermen in Atlantic Canada, asbestos workers in Quebec, steelworkers in Ontario and Saskatchewan, uranium producers in Saskatchewan, shake and shingle producers in British Columbia, and farmers and lumbermen across Canada have one thing in common—their livelihood depends upon access to the United States market.

Their livelihood is being threatened by strong and growing protectionist measures in the United States. They know this issue is more important than politics. The Premiers demonstrated last night that they understand this issue is more important than politics. We have a great Canadian challenge. We have a great Canadian opportunity. I trust there will be vision enough in this House and I trust there will be enough dedication to the national interest to cause people to rise above the partisan debates which sometimes occur here and to give the Government of Canada the kind of support we need when we go into negotiations with a very tough adversary on the other side. It is Canada's interest that is at stake.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, I have two questions following the Minister's speech. The first one deals with the auto industry. The Minister made reference to a telegram sent by the then director of the UAW in 1964. The Minister knows that neither he nor I were in the House at that time, but I know something about the history of the period. I know the pact was signed in 1965, not in 1964. The telegram cited by the Minister referred to the absence of certain kinds of provisions which would protect Canadian job interests.

Will the Minister agree with me that when the pact was actually signed in 1965, it then included at least part of what the UAW was calling for and is central to the whole debate? It contained investment mechanisms which were opposite to free trade, investment mechanisms which insured, without going into all the detail, that a certain level of investment had to take place in Canada by General Motors, Chrysler, and Ford. Therefore, the protest telegram which the Minister cited, as well as other protests that were being made, were helpful in getting an agreement in the long run, and in providing substantial benefits. It was not a free trade agreement. Would he agree with that?

Mr. Clark (Yellowhead): Mr. Speaker, there could be no doubt at all that the conclusion of any trade arrangement between the United States and Canada will benefit immensely from the constructive participation of all elements of the Canadian community, whether it is the United Auto Workers or the New Democratic Party, assuming a distinction in the two, or any other organization across the country. There is no doubt about that. This is why we have embarked upon the widest possible process of consultation in the country to ensure that our ambassador and the various Governments dealing with the trade negotiation have the benefit of the widest possible range of advice.

I would hope that what the Hon. Member says is the case. I would hope that because the United Auto Workers made a proposal which made sense the negotiator accepted that proposal. That will be the standard now. We must move beyond a situation where there is simply ritual opposition to an idea. Once there is a willingness to join in a Canadian way in trying to get the best arrangement for Canada, the Leader of the New Democratic Party will find, as he says the UAW found in the past, that there will be a determination to try to take account of that kind of participation.

I was very pleased at the spirit in which the Premiers met last night. They met in precisely that spirit, trying to make the arrangement better. I hope that practice becomes contagious.

Mr. Broadbent: Mr. Speaker, frankly I think the whole tone of the Minister's speech is very regrettable. He was insulting the UAW. He referred to them—and the Minister can check the words—as being entirely negative when they were doing their job in 1964, which was to try to protect Canadian interests. If it had not been for their vigorous protection of their members' interests, there probably would not have been safeguards in the automotive agreement protecting Canadian interests that got the jobs. Rather than taking cheap shots at the UAW, he might have given them some credit.

The Minister did not deal with what I thought was a constructive proposal. I put it in a constructive tone near the end of my comments. The Minister himself has mentioned that the essence of the talks must deal with countervailing authority; at different times the Minister has said that. Does he or does he not agree with what I suggested near the end of my remarks as one of the two points upon which I asked the Government to act? We are in an early stage of the discussions now. Does he agree that the Government of Canada should attempt to get an arrangement that would be applicable in future free trade sectors upon which we might agree, an arrangement which would deal with the countervailing authority that exists on both sides of the border? Does he agree that steps should be taken in those sectors to remove that authority so that we will not be subject to the kind of action we have experienced in a whole range of sectors which the Minister listed in his own speech? Is that not a fundamental goal in the negotiations? If we cannot get that kind of mechanism at the outset, a mechanism pertinent to those sectors, does it not lead to the conclusion I have reached that the rest of the talk about free trade is something worse than a dangerous solution?

Mr. Clark (Yellowhead): Mr. Speaker, just so that I may have some clarification, is the Hon. Member suggesting that that should be secured as a condition precedent to the negotiations or that it is something which should be sought during the negotiations?

Mr. Broadbent: The suggestion I was making was that it should be the first item in the negotiations. I have already taken as given that the Minister is continuing with the negotiations. What I was saying was that the first item for discussion ought to be that item and that there should be an attempt to resolve it. Then, if there is a resolution of it, as is consistent with what we have said on the whole subject since last fall, discussions should and could continue. If we do not get agreement on that, we are not dealing with the essence of the problem as it is pertinent to free trade sectors.

• (1230)

Mr. Clark (Yellowhead): Certainly it makes sense to me, Mr. Speaker, that that issue should be raised and be pursued. It has been our assumption throughout that an approach of that kind would be taken. What worries me in the formulation of the question of the Leader of the New Democratic Party is that he said something to the effect that if this is not secured when it is raised early in the negotiations then we should not proceed with negotiations.

Mr. Broadbent: On free trade. Not on other matters.

Mr. Clark (Yellowhead): The Hon. Member is using the words "on free trade". Do I understand him to say that he thinks there should be progress on other trading arrangements between the negotiators of Canada and the United States, whether or not we have early success on some variant of the proposal he is making? Is that his proposal?

Mr. Broadbent: Mr. Speaker, it was not quite clear what the Minister had in mind in his last question, but I will try to clarify what I am saying. I am saying on behalf of my Party that, first, we should have dealt with the bilateral issues and got them out of the way. Yes, second, that discussions between the two countries should go on as they have in the past to try to improve trading arrangements between our two countries so they are mutually beneficial. Third, if you like, that as a *carte blanche* approach, for historic reasons we reject free trade as applicable across the board, for a lot of the reasons I indicated in my speech, and as I have indicated previously. Fourth, we are saying that in those areas where discussions are aiming at a free trade arrangement in certain sectors that what has to be achieved prior to wasting time on that, it seems to me, is an acceptance on both sides of a mechanism that would put an end to the unilateral countervailing authority in those sectors. If we do not get that agreement, then, as I argued in my speech, we are doing a great disservice to our countrymen. If that kind of unilateral authority would remain with the U.S., for example, and we get a free trade arrangement in our sectors, then the Americans could just swamp us at any given time with that authority. Does the Secretary of State for External Affairs think that that is crucial before we begin talking about free trade in a whole range of sectors?

Mr. Clark (Yellowhead): I think I understand what is being proposed now, Mr. Speaker. My answer is that we think it crucial that these matters be discussed, that we try to have some change as a consequence of the trade negotiations in some of the instruments that are available to the United States now, just as they would be seeking some in ours. I would not make agreement on that complex question a condition precedent to proceeding to the negotiations.

Mr. Johnston: Mr. Speaker, my question relates to the action taken yesterday by imposing tariffs on specific items. I have been trying to understand the strategy that underlies this gesture. I would presume from what I have been able to read and from the Minister's statement that it is an attempt to stop, if you like, harassment; it is to attract the Americans' attention to the Quebec declaration as the Minister said and it is to sort of send the message: "Look, fellows, this is a two-way game and there should not be any of this, obviously because we can hurt you and you can hurt us."

In the course of doing that, as the Minister recognizes, we impose additional costs on Canadians, we create a retaliatory posture which, personally, I do not think is conducive to any kind of negotiations. This act was taken presumably instead of some other gesture. The one that appealed to me was direct negotiations with the Americans—the Prime Minister (Mr. Mulroney) to the President saying: "Look, you have put on this 35 per cent tariff. No harassment. Stand still if you like on these issues, all issues, on both sides while negotiations are ongoing." Why would that not have been a preferable approach to imposing these tariffs which are costing us, as Canadian consumers, dollars out of our pockets and which tend, I suggest, to poison the relationship rather than making it more healthy at this critical point?

Mr. Clark (Yellowhead): Mr. Speaker, first, there is no question that the actions that were taken by the Minister of Finance yesterday are going to cost, just as the actions taken by the United States President Thursday a week ago are going to cost. Protectionism costs. It costs consumers on both sides of the border. It is not an approach we should be following. We had thought there was agreement on that at Quebec. We certainly want to use every instrument we have to bring the Americans back to the spirit of that agreement.

The Member asks whether we had considered other options. He spoke specifically of direct representations to the American administration. There has been a range of direct representations to the American administration over the last 10 days since all this began. I have spoken twice and met once with Secretary of State, Mr. Shultz. There has been contact between the Prime Minister and the President. Officials have been meeting.

The reality is—we looked at it very carefully taking a steady, strong approach to response—that there are constraints in American politics and constraints in American law that make it extraordinarily unlikely that there would be any chance of the President turning back the measures he brought in, in the circumstances. For a variety of reasons, the most intelligent measure for the Government of Canada to take was to follow through with an economic response.

One other thing I should underline, to reveal an open secret, is that it is always difficult for Canada on any issue at any time to attract the same level of attention in the United States that would be attracted by the Americans actions here. That is part of the relationship. When they do something that hurts us, and this tariff imposition clearly hurt us, they do it probably because they underestimated the reaction of Canada to their action, so it is particularly important that Canada's response be strong enough to ensure that it will not happen again.

Supply

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, it is an historic debate that is taking place in the House of Commons today. One might have hoped that the Secretary of State for External Affairs (Mr. Clark) could have put aside his unctuous manner, which seems to afflict him when he deals with partisan issues, and attempted, as he suggested to us, to rise above partisanship, to make what we have to say something that speaks for the good of the country rather than for the good of a Party.

We have two countries with a great history of tremendous affinity or tremendous intermingling. In my part of the country particularly, it is an intermingling that takes place on a constant and continuing basis. To talk of Canadians as being anti-American is to miss the point. Our people are not anti-American. In fact, their experience with the United States is go great, so complex and so all-encompassing that they have found it necessary to develop a serious strategy of trying to deal with that colossus. Because it is a colossus with a certain kind of internal dynamic which cannot be ignored, an internal dynamic of tremendous economic expansionism, an internal dynamic which has driven its companies to the far corners of the world, but more important for our purposes, has driven its companies to the far corners of Canada, it requires us in turn, and has required us historically, to have a nationalist response. This response protects and defends our concerns and our interests as we face this expansionism. It is something that cannot be ignored by any government. It must not be ignored by this Government.

Many decisions could be made in this four years which could make it very difficult for us as a country to maintain the independence which we must have in a changing international world to be able to reach out to new markets and new parts of the world and to be successful economically. As the Secretary of State for External Affairs has put it, we must put our country first. However, to do so is not just a matter of verbal rhetoric, but is instead a matter of concrete policy, a matter of hard thinking and serious strategy. It is the absence of all three of these considerations which I hold as my condemnation of the Government's action with respect to U.S.-Canadian relations.

● (1240)

The Minister has suggested the Auto Pact as an example of free trade. I wish the Minister would read a bit of history and economics and get a sense that the Auto Pact is anything but free trade. It is not free trade with reference to its origins. The Auto Pact was started by what was in effect a retaliatory tariff against the United States. It was, in turn, created as a pact between our two countries on the basis of companies being involved and the two countries being involved. It was not free trade which was established. In fact, from our side it was a multilateral trade pact which permitted these countries to import goods from any part of the world, not just from the United States. Moreover, Mr. Speaker, it was a pact which had within it serious, detailed safeguards which dealt both with the number of cars which those companies had to produce in Canada in relation to the number of cars which they sold in this country, and the level of Canadian content which had to be in those cars.

No one, including the Secretary of State for External Affairs or any other Minister, has ever put before us in the House a single suggestion that the free trade thrust which is presently taking place aims at that kind of defence of Canadian interests with respect to any single sector which is going to be debated or discussed with the United States. If such had been the case, the reaction of those on the Opposition side would have been very much different.

There is across this country a tremendous fear of free trade as it is being promoted by the Government. That is a fear which the Government itself has created. Admittedly, that fear was created with some help from ourselves by being completely secretive with respect to the Government's strategies. The Government held back every study that dealt with the question of free trade until the very day on which the free trade talks started. It then handed out those studies which were full of vast gaps. The ordinary person in this country could get absolutely no insight or serious understanding of what the Government was seeking with respect to those studies which had been undertaken. Therefore, secrecy created the fear to begin with.

Second, the Government took the low road of insulting the Opposition rather than the high road of recognizing that some of us have very serious doubts about what is being done to this country and what its future is going to be if we are part of a free trade agreement with the United States. Instead of addressing those doubts and talking about those serious concerns of not only Members of Parliament but hundreds of groups across the country, the Government retreated to a series of insults of which I could give you far too many examples today. We were called fretful, prophets of neoprotectionism, timorous and fearful, when we were only trying to defend the interests of this country, just as were those on the other side of the House. Yet, they refused to enter into a serious debate about the best course to take in order to establish what would make our country a better place in its relations with the United States.

There has been constant incompetence in the way in which the Government has followed the path of free trade from point to point. As it has taken us through a charade of negotiations with the United States there has been a lack of direction and a flip-flopping of rhetoric. Finally yesterday, with the supposed retaliation against the tariff on the shake and shingle industry, we saw the ultimate in nonsense brought before the House. It was the ultimate in nonsense because that retaliation did absolutely nothing for the 4,000 workers who were affected by the original decision. Asolutely nothing was done for them, despite the fact that we have legislation which could have provided assistance to that industry as a countermeasure to the tariff which was imposed on them.

Second, in a piece of ultimate flim-flam by the Government it attempted to pretend that it was putting high new tariffs on

computers and semiconductors from the United States. When you dig into it, Mr. Speaker, you find that the House had not even passed the legislation to put that duty-free situation into place for computer parts from the United States. Bill C-111 deals with that issue and that Bill has received only first reading from the House of Commons. We have not even established the lower tariffs which we were supposedly increasing.

What is worse, Mr. Speaker, is that Bill C-111 which we were destroying in the process was an exciting, dynamic possibility to set up, not just with the United States, but on a three-level basis with the United States and Japan, a free market in computer parts and semiconductors. Frankly, I could not believe the Government would not only shoot itself in the foot on computer parts, but also shoot Japan in the foot. Yet we checked this morning and found that the decision announced yesterday goes not just against the U.S. but also against Japan. We have taken a quite magnificent sectoral free trade agreement which could have given us something that every Canadian would have felt some pride in, a sectoral agreement involving Japan, the U.S. and Canada in a key high technology product, and with a stroke of the pen, another sign of complete incompetence, destroyed it. This was a piece of foolish retaliation, not thought through or taken in the context of trying to build our country instead of trying to destroy it.

• (1250)

This morning I spoke with executives of the leading computer manufacturing and importing companies in this country. They made very clear what they think of the Government's retaliation. The President of the Electronic Manufacturers Association said this measure will hurt Canadians as much as the Americans. It will have an adverse impact on Canada. There was no consultation with the industry beforehand, none whatsoever. The President of the Canadian Business Equipment Manufacturers Association said we are shooting ourselves in the foot. The industry has a good record on free trade. This action amounts to setting the clock back. The Canadian Association for Higher Technology stressed the damage being done to the industry and the fact that this will increase costs for anyone who uses computer technology. That is the technology we need to become a productive, efficient and world class producer. Yet the Government, with its foolish, short-sighted retaliation, has destroyed the pact made between the U.S., Canada and Japan in a way which will ultimately hurt every Canadian.

I put it to this House that the right thing to do to put our country back on the right path is to first try and deal with the real problems which face us; problems such as softwood lumber which the Minister of State for Forestry (Mr. Merrithew) can tell us threaten 40,000 jobs in British Columbia; problems such as those facing fish producers in eastern Canada; problems facing steel producers in western Canada like IPSCO.

Let us deal directly with and negotiate on those problems. Let us set up a dispute settlement mechanism which can act as a kind of early warning system to give us a notion of problems coming up so both sides can try and deal with the problems. We can depoliticize the problems so that they do not explode on the floor of the House of Commons and get us caught up in the kind of incredible rhetoric we all experienced a week ago Friday.

In conclusion, Mr. Speaker, we have to use the mechanism which has worked so well for this country in the past, the General Agreement on Tariffs and Trade. We have to work as hard as we possibly can through that system to cut back the Americans' aggressive use of subsidies and countervailing action which damages not just us but countries in every part of the world. The U.S. has told us we cannot win the argument on a bilateral basis. If we do it through GATT, with allies who are strong and supportive, there is a chance that we can win the fight to gain exemptions from the aggressive American push on countervailing duties which is so badly hurting this country at the moment.

We in this Party, along with many Canadians, do not want to be part of some sort of grand fortress America. We want to be part of our own country. We want to have excellent trading relations with the U.S. The way to achieve that is not through comprehensive free trade, which will suck us in and make us part of that fortress America. The way to achieve it is to work on the problems which exist and build for ourselves the independence we need to ensure for ourselves a future in the international economy.

The Acting Speaker (Mr. Charest): Questions or comments.

Mr. Cook: Mr. Speaker, the Hon. Member for Essex—Windsor (Mr. Langdon) has made a beautiful speech full of rhetoric which contributed very little to the debate. I find it ruddy offensive to listen to an Opposition interested only in playing politics with the future of this country. That is what they are doing, playing politics with this issue. Enhanced trade, not free trade, with the U.S. is the future for this country. The Hon. Member suggests that he wants to read every secret report the Government has prepared going into these negotiations. Obviously he has never played poker. He is suggesting that we go into a poker game with our cards face up on the table while everyone else keeps their cards hidden. We are not going to give him all the information and economic details we have for a very simple reason. He wants to pose, posture and play politics. I do not think he is really interested in seeing the future of this country enhanced through trade. That is the purpose of these negotiations and he knows it, even if he is not prepared to admit it here.

The Hon. Member made some comments about the expanding American economy. I should point out some historical facts to him. Western Canada could not get the capital to develop its oil industry. That money came out of Texas and Oklahoma. It is about time we appreciated the Americans. It is about time we told them how good they have

been to us over the years, and they have been. American capital has developed this country to a substantial extent and will continue to do so.

I will ask the Hon. Member a question and when we come back at three o'clock perhaps he can answer. Does he really believe that we benefit Canada and Canadians by handing out every bit of information we will use in the negotiations with Mr. Murphy? That is my question and I would like to hear the answer at three o'clock.

[*Translation*]

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

At one p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ROYAL CANADIAN AIR CADETS

700 SQUADRON'S ANNUAL INSPECTION PARADE

Mr. John Nunziata (York South—Weston): Mr. Speaker, last Thursday evening I had the honour and pleasure to participate in a twenty-sixth annual inspection parade of the 700 David Hornell Squadron of the Royal Canadian Air Cadets. The Air Cadet League of Canada, the officers, staff and cadets of 700 Squadron deserve commendation for their outstanding efforts and accomplishments. I am extremely proud of the young men and women of the 700 Squadron for their discipline, dedication, and commitment to their cause.

They are great Canadians who are serving Canada with pride and distinction. I wish Captain Binns and the Air Cadets of 700 Squadron every success in the coming year.

* * *

TRADE

IMPOSITION OF U.S. TARIFFS ON CANADIAN PRODUCTS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, we now clearly understand the nature of the relationship between Canada and the U.S. as it applies to trade. Our access to U.S. markets is only open as long as we do not prove to be able to outperform U.S. companies at home.

If we develop new techniques, better manufacturing performance, or achieve a lower price structure, they will move, using the full force of countervail, or whatever else is necessary, to restrict or eliminate us from competition.

It makes no difference if we trade fairly, as we do. We are fair game. Whether it be farm or fish products, shakes and shingles, or softwood, or as in the most recent case, steel, they will impose unfair tariffs to restrict our access to their markets notwithstanding the fact that we play by the rules in every case.

* * *

PORNOGRAPHY

CALL FOR INTRODUCTION OF TOUGH LEGISLATION

Mr. John Reimer (Kitchener): Mr. Speaker, pornography is a personal and social evil, and the people of Kitchener are concerned about it. If anybody spent half their day gloating over pictures of food, smacking their lips in anticipation, we should consider them pitifully abnormal.

Why is it, then, that we bend over backwards to legitimize pornography on such spurious grounds as artistic merit and individual freedom of choice? Let's stop kidding ourselves. Any depiction of any person as a mere object of sexual self-gratification constitutes a perversion of human sexuality.

Recent extensive research indicates beyond any reasonable doubt that pornography is addictive, pornography desensitizes and, if allowed to escalate, can lead to harmful acting out of that which is portrayed. It is now time for the Government to bring in tough legislation on pornography.

* * *

[*Translation*]

TRANSPORT

HIGHWAY SAFETY—MEASURES IMPLEMENTED BY QUEBEC GOVERNMENT

Mr. Guy St-Julien (Abitibi): Mr. Speaker, one of our Government's major concerns in Canada and in Abitibi has always been transport safety in the air, on the rails, on the water, or on the roads.

Ever since we came into office we have taken several steps to promote greater safety for the traveling public. Today we are pleased to see that another Government, that of Quebec, has introduced a Bill to make our roads safer. Mr. Speaker, I am referring to a Bill to amend the Highway Code under which stiffer penalties will be handed out to drunk and careless drivers. These measures will complement those taken by the Minister of Justice (Mr. Crosbie). Indeed, the adoption of Bill C-18 has considerably reduced the number of drunk drivers, the major cause of highway accidents.

We urge all drivers to use common sense and support the measures advocated in Quebec's new Bill.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

EMPLOYMENT OF INSPECTORS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise today to express my outrage at the creation of an unemployment insurance police force that will be used by the Minister of Employment and Immigration (Miss MacDonald) to spy on unemployed Canadians.

This is just another example of the callous attitude of the Minister and the Government to unemployed Canadians. In the opinion of the Minister, unemployed Canadians would rather draw UIC than work. Well, I can assure the Minister that she, as is the case most of the time, does not know what she is talking about.

People draw unemployment insurance because they need it, not because they do not want to work. All the Minister has to do is to ask any Member of Parliament who deals with the unemployed to find out how desperately people are trying to find work.

The creation of the Minister's unemployment police force will only increase the sense of alienation felt by so many of Canada's jobless. I think the Prime Minister (Mr. Mulroney) should recognize this fact and order his Minister of Employment and Immigration to abolish this police force.

* * *

[*Translation*]

THE CENSUS

IMPORTANCE OF INFORMATION GATHERED

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, today is Census Day in Canada.

The Canadian Census is the most comprehensive source of specific information on Canadians. It gives a very detailed view of our society and provides information for use by all groups in this country: governments, business and industry as well as community groups, who use this information to make decisions that affect us all.

The Census questionnaire distributed to all households contains nine basic questions regarding age, sex, marital status and ethnic origin. A special questionnaire for farmers contains questions on crops, livestock and farm machinery, and on the use of fertilizer and pesticides.

Mr. Speaker, the information thus collected is vitally important to our society, and I therefore invite all Canadians to complete their questionnaire and count themselves in today.

* * *

• (1405)

[*English*]

CANADA POST CORPORATION

ELIMINATION OF LETTER CARRIER ROUTES IN TORONTO

Mr. Dan Heap (Spadina): Mr. Speaker, it seems that the Post Office management is cutting back service not only in the rural areas and new subdivisions but also in cities like Toronto. It has cut out 140 letter carrier routes from Toronto, adding their work-load on to the remaining letter carriers. When business people, senior citizens and others complained that their cheques arrived at 4.30 or later, too late for banking, they were told: "Come and pick up your own mail."

Donald Lander says that he has made great strides in improved delivery. But the strides are being made by the customers who already paid the Post Office to deliver the letters. Further, Post Office management refuses to send a representative to a meeting I have called in Spadina for tomorrow night to let senior citizens, business people and other residents voice their grievances.

When will Donald Lander get off his high horse and stop sabotaging a basic service that all ordinary Canadians need?

* * *

ABORTION

CRITICISM OF CANADIAN MEDICAL ASSOCIATION'S POLICY

Mr. Gus Mitges (Grey—Simcoe): Mr. Speaker, the Canadian Medical Association's policy summary on abortion contains a combination of contradictions, distorted facts, and mistruths. It ignores all the recent advances in medical knowledge of life in the womb and contains no concrete plans to reduce the incidence of abortion.

All babies within the womb, even at the stage of development at which most abortions are performed, are alive and human. Therefore, how can a doctor in all conscience sign a death certificate for a patient who makes a fist, sucks his thumb, who gets hiccups, who feels pain, and who has a strong heart beat? Yet a baby in a womb with all these capabilities can be killed by a doctor at any stage of pregnancy.

Doctors should have no part in killing human beings, whether it be in the context of execution of convicted murderers, euthanasia, or abortion.

S.O. 21

THE JUDICIARY

REQUIREMENT TO BE ABOVE PARTISAN, REGIONAL, AND POLITICAL PRIORITIES

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, the late Chief Justice John Cartwright once said that the courts should be like the navy—a silent service. There are many reasons for this, but the primary one must be our need for an authority that is above partisan or regional or ideological priorities.

As the late Chief Justice Bora Laskin said of the Supreme Court of Canada: "It is a national institution—just as there is no federal allegiance, there is no regional allegiance and no political allegiance."

Essential to democracy is variance of opinion, but also essential is a court capable of having the last word in disputes because it is never party to disputes. If judicial spokesmen enter the arena of political debate, everyone will lose, but they will lose the most.

* * *

ENVIRONMENT WEEK

CRITICISM OF ADVERTISING CAMPAIGN

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, Kevin and Kate Oswald of Kingston wrote to the Minister of the Environment (Mr. McMillan) about Environment Week. They state:

What impact will this campaign have on the 85 chemical contaminants in Lake Ontario, 8 of which are known carcinogens?

On Monday-Tuesday-Wednesday we are to "tune it up"—what? Our cars? From Tuesday to Friday "let's give it up"—what? Smoking? Driving? Detergent? Breathing? And it would seem that at the end of the week we are all to water our lawns and pick up the garbage or plant a few trees at a local national park. "Let's green it up" the campaign ad proclaims! To belittle such a vital concern is black humour at its worst.

Would it not be better for the ministry to appeal to the millions of people in Canada for their support in a campaign that applies pressure on the industries and the government departments who can administer an order of change? Use us, let us vote on these issues, let our numbers make a difference in the magnitude of the effect. We want to help, what can we do that is not trivial?

Mr. Speaker: Order, please. Sixty seconds.

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WAR CRIMINALS

DESCHÊNES COMMISSION—REFUSAL OF SOVIET INVITATION

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, the Deschênes Commission has correctly refused an invitation from the Soviets to collect evidence on alleged Nazi war criminals in Canada.

I have spoken on many occasions, as have several of my colleagues, to warn of the likelihood that the Soviets would manipulate the proceedings to serve their own political goals. The six safeguards contained in Justice Deschênes' ruling were designed to protect against such manipulation. We now learn that the Soviets fully intended to conduct this investigation entirely under the criminal procedure of the U.S.S.R. Soviet justice is not justice. I am glad to see the Commission recognizes that fact.

• (1410)

I know all Canadians will join with me in commending Justice Deschênes and other members of his Commission for not compromising the Canadian judicial process.

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[*Translation*]

POLITICAL PARTIES

YOUNG QUEBEC LIBERALS—GENERAL ASSEMBLY AT UNIVERSITY OF MONTREAL

Mr. Guy Ricard (Laval): Mr. Speaker, last week, Quebec youth members of the Liberal Party of Canada held a general meeting at the University of Montreal to discuss differences between Canada and the United States. Aided by their mentors, the Hon. Members for Montreal—Sainte-Marie (Mr. Malépart), Saint-Denis (Mr. Prud'homme) and Laurier (Mr. Berger), they recognized the PLO as the chief spokesman for the Palestinians, on the premise that it was necessary to create a Palestinian state.

Mr. Speaker, I want to warn the Canadian people against the muddled policies of the Liberal Party. A party whose foreign policy is based on supporting a non-democratically elected group is itself a reflection of hypocrisy and anarchy. This policy is as dangerous as the Member-mentors and activists that defend it.

These Young Liberals who see themselves as the conscience of their party are not only undermining the credibility of the Canadian Government, they are also encouraging revolutionary and terrorist movements to expand.

* * *

[*English*]

CANADIAN POST CORPORATION

ELIMINATION OF RURAL DELIVERY ROUTES

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, over the weekend we in Winnipeg learned via the media that 10 rural routes were being cut by Canada Post. Until now rural routes have brought the mail home. Now some rural residents will have to travel as far as 15 kilometres away, at a cost of up to $700 a year, just to get their mail. In some cases

in northwestern Ontario they will have to spend a whole afternoon to pick up their mail.

The Canada Post Act requires the Post Office to get an Order in Council before it closes a post office. This is to provide notice so there can be an appeal to the Minister. The Post Office and the Minister have both turned a blind eye to this legislation. When is the Government going to consult people? Or is it its plan to simply cut, cut, cut our postal services?

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REGIONAL DEVELOPMENT

TIMISKAMING—BENEFITS ACHIEVED THROUGH ERDA AGREEMENT

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, since our election in 1984 the Conservative Government has worked with the Province of Ontario to provide economic and regional development within the province. A number of ERDA agreements totalling $226 million have been signed by the two levels of government. Part of this package is a $30 million mining agreement signed in Kirkland Lake last June. It brought a long awaited access road in my riding of Timiskaming which has opened up the Harker-Holloway region for further development. This agreement has had a major impact on mining exploration in my riding.

Recently American Barrik Resources announced it has almost finished sinking a three-compartment exploration shaft in McDermott Township. This is the first significant gold discovery in our area in almost 50 years. The company is hoping to bring the project into production by 1988 and we are optimistic that it could result in a production level of 100,000 ounces of gold each year. That is working together—

Mr. Speaker: Order.

* * *

PORNOGRAPHY

CALL FOR GOVERNMENT ACTION

Mr. George Henderson (Egmont): Mr. Speaker, Canadians want the Government to put a stop to pornography. They are demanding tougher laws which will stop the flow of pornographic material into the country. Pornographic material is readily available to anyone who wants it, including our young impressionable teenagers. While parents try to teach their children about morals and values, another aspect of our society is introducing them to sexual violence, child abuse, or incest.

We must control access to this salacious material. It should not be available to youngsters. It should not be sold on our sidewalks. It is time for the Government to get tough and do something to curb this frightening billion dollar industry. Canadians are awaiting legislation from the Minister of Justice (Mr. Crosbie). They do not want to be disappointed. They want strong and effective laws which will make this country a safer place for their children.

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VOLUNTARY ORGANIZATIONS

NATIONAL COUNCIL OF JEWISH WOMEN—TRIBUTE TO TORONTO VOLUNTEERS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, volunteerism is alive and flourishing with the National Council of Jewish Women, Toronto section. Its most worthy projects include "Kids on the Block", a program which sensitizes children to people with disabilities. "English as a Second Language" has 125 students registered. Passover food baskets helped 282 Jewish families on welfare or other forms of public assistance. The Bathurst-Prince Charles Building will be home to 160 families, seniors, and disabled people.

Last week six volunteers received commendations from Lieutenant Governor Lincoln Alexander for over 4,000 hours of community services: Nita Goldband, President of NCJW; Lily Goldstein, Helen Goodman, Helen Katz, Edith Sobel, and Patricia Starr. There are 1,200 other active, dedicated volunteers. Congratulations to the National Council of Jewish Women!

• (1415)

ORAL QUESTION PERIOD

[*English*]

TRADE

SOFTWOOD LUMBER EXPORTS TO UNITED STATES—PETITION SEEKING COUNTERVAIL DUTY

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is for the Prime Minister. As he knows, tomorrow morning the Canadian Ambassador in Washington will be meeting in a last ditch effort to arrive at some resolution of the softwood lumber issue before the petition starts with U.S. Secretary of Commerce Baldrige. Will the Prime Minister tell us today what specific instructions Mr. Gotlieb has in terms of a message to give to the Americans? In particular, can he tell us whether last evening there was agreement with the provincial Premiers on a series of actions that the Canadian Government should be taking to forestall any U.S. action that would raise tariffs on our very vital softwood lumber industry?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we have directed Ambassador Gotlieb to make formal representations tomorrow morning to the Secretary of Commerce explaining why we believe there is no

basis for this petition to be accepted. We believe that the inquiry in question was conducted some years ago, that nothing has been changed, and that there need not be the cost to the Americans, or the apprehension that would be caused to Canadians, by proceeding with that action. The Ambassador will make this representation following full consultation with the provinces, with industry, with labour, and with representatives of the House of Commons, some of whom will be going to Washington to be part of the approach we make.

FUTURE OF CANADA-UNITED STATES NEGOTIATIONS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I will direct my supplementary question to the Secretary of State for External Affairs. Will Ambassador Gotlieb, on behalf of the Canadian Government and all the people whom he has enumerated, make it very clear to Secretary Baldrige that if the United States proceeds with its action against softwood lumber that would put in clear jeopardy the proposed and continuing free trade talks which have now been started? Do we see this of such importance that we would say to them that the Canadian people will not accept continuing the talks under the threat of intimidation in terms of a new U.S. tariff on softwood lumber?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we see the threat that is posed to Canada by that countervail measure, and by a number of other protectionist measures that are growing in the United States, as indicative of just how absolutely important it is that Canada try as best it can to put in place more effective trade relations with the United States as compared to the system we have right now.

U.S. TARIFF ON CANADIAN CEDAR SHAKES AND SHINGLES—LOSS OF JOBS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Minister of Finance. It is with regard to the shakes and shingles issue. I wish to quote the Minister who said the following today:

> We've made the point that this is something we disagreed with for the various reasons that I set out in my response yesterday... But we believe that that should be behind us now.

Will the Minister of Finance explain in good conscience how he can forget and brush away the fact that come this Friday, June 6, 1986, some 4,000 people in British Columbia will be without work? Are they the forgotten people in these trade talks?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me clarify something for the Hon. Member. He was not at the scrum when that comment was made. That comment was made in the context of whether or not there would be further escalation. Obviously, the Government is very concerned about the impact of the shakes and shingles matter on the industry. There are 4,000 people employed in that industry, not all of whom will lose their jobs.

As I said yesterday, we have indicated that we will be reviewing this matter on a continuing basis with members of the industry, both labour and management, to see how the shakes and shingles matter affects them. I caution the Hon. Member not to use the number 4,000—4,000 people will not lose their jobs; it will be considerably fewer.

GOVERNMENT MEASURES

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my supplementary question is also for the Minister of Finance. Other than demonstrating concern on the floor of the House of Commons for the workers in British Columbia, will the Minister not take the time to stand in the House and explain to the Canadian people and, more important, to those workers, what his Government will do to protect and ensure those jobs in British Columbia? What measures will he take on behalf of the people of British Columbia?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think it is very clear by the actions we have taken during the period of time since the U.S. took this action that we are very concerned about the affect of this matter on that industry. We have tried to get the Americans to reverse their position. We have tried to get the Americans to agree to some compensation. All these matters are very clear evidence of our concern for the industry.

• (1420)

There is a difference of opinion on what will be the effect. Surely the Hon. Member should understand that until we get a clear understanding of that, it would be inappropriate for the Government to act. However, we have made it quite clear that we will be reviewing the matter on an ongoing basis with members of the industry.

IMPOSITION OF TARIFFS—UNILATERAL ACTION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the same Minister. In recent weeks we have seen the United States take countervailing action in a number of sectors which in principle are free trade sectors between us and the United States. Tomorrow the Americans are likely to do the same thing in another free trade sector, namely, softwoods. Considering that the Government is in the process of negotiating a series of new so-called free trade sectors, would the Minister not agree that, before doing that, the first item for agreement ought to be an accord or a mechanism of some kind which would put an end to unilateral action by either Government in these free trade sectors? Is that not what it should be all about?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Leader of the New Democratic Party will recall that about two hours ago, or a little less than that, he and I had an exchange on precisely this question. I replied for the Government at that time.

[*Translation*]

FREE TRADE—ATTITUDE OF UNITED STATES—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): I have a supplementary for the Minister, Mr. Speaker. The Minister himself suggested that the main problem was the unilateral power of the United States and Canada's power to make decisions against imports from other countries within a free-trade agreement. If he said that, why is he not in favour of changing those powers immediately?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we want to change the situation or at least try. That is why we started negotiations with the United States, but we can't have any results when before the negotiations have hardly started.

[*English*]

U.S. GRAIN SUBSIDIES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for either the Minister or the Minister of Finance or the Minister of Agriculture, dealing with a specific sector. The Government is standing by and watching one sector after another in Canada be hit, either very seriously or destroyed by American action. Considering that the Americans refused yesterday to put an end to their massive subsidies on grains, which are destroying Canadian grain markets, will the Canadian Government at least come to the assistance of Canadian grain producers and provide the kind of deficiency payment for which Canadian farmers have been asking because of American subsidies?

Mr. Speaker: I think the Hon. Member knows that that is not essentially supplemental to the earlier questions about free trade negotiations. The Chair is in some difficulty therefore. Perhaps the Hon. Member could wait and another Member could ask the question later on a separate matter.

[*Translation*]

ALLEGED CUSTOMS TARIFF WAR—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Minister of Finance and concerns free trade. We can say that the Conservative Government's disastrous record in its trade relations with the United States has put a number of businesses at risk. We are seeing tariffs on fisheries, agriculture and lumber products and now on steel.

Could the Minister of Finance inform the House what steps his Government intends to take to put a stop to this tariff war which was started by the United States and continued yesterday by the Conservative Government?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there is no trade war between Canada and the United States. There is a trade war within the United States, between Americans who are in favour of protectionist measures and Americans who are not. Those are the facts, and the challenge for Canada is to obtain more effective mechanisms than the ones we have today, to safeguard Canadians. That is why we are now conducting negotiations with the Americans.

* * *

FINANCE

INQUIRY IF GOVERNMENT WILL PROPOSE POLICY TO STOP DECLINE IN EXCHANGE VALUE OF DOLLAR

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I have a supplementary for the Minister of Finance. I don't know what to call the present situation. If it isn't a war, I don't know what is. This tariff war is so serious that it has had a major impact on the value of the Canadian dollar. Does the Minister of Finance intend to propose some kind of policy to prevent the slide of the Canadian dollar following the tariff war that has been going on for the last few days?

• (1425)

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as the Secretary of State for External Affairs has said, we disagree fundamentally with the words the Hon. Member used "that there is a trade war". There is not a trade war. There are a number of specific instances, some of which are initiated by private citizens and private industry in the United States, which are totally apart from the decisions by the administration. The Hon. Member has linked this with the current weakness in the dollar. I am not sure that I would agree with him on that one either.

Mr. Garneau: That is what happened yesterday.

* * *

TRADE

U.S. TARIFF ON CANADIAN CEDAR SHAKES AND SHINGLES—GOVERNMENT RESPONSE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is also for the Secretary of State for External Affairs. The Minister will know that hundreds of jobs are being lost daily now in western Canada as a result of the shake and shingle countervail, including the area adjacent to the Minister's own constituency. Will the Secretary of State for External Affairs explain what Government actions are planned to encourage the United States Government to lift this countervailing duty?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Government of Canada, since this surprise action was taken some 10 days ago, reacted very

strongly in the House of Commons knowing that part of the challenge for Canadians on an issue of this kind was to make it clear that actions against Canada were going to evoke a response. We then proceeded with discussions as to whether there was compensation, and discussions as to whether there would be some opportunity for the President's action to be rolled back. Yesterday in the House of Commons my colleague, the Minister of Finance, indicated some economic responses that Canada was going to announce.

We naturally will continue to look for any way that we can find to relieve the situation that is causing so much difficulty in British Columbia including, as has been indicated, taking a look at the powers that are available to us under existing legislation regarding direct help to people who are affected by some temporary change of the kind involved in these tariffs.

GOVERNMENT POSITION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, will the Secretary of State be more specific? We are losing literally hundreds of jobs now by the day. On this issue of the countervailing duty on shakes and shingles, will he be specific in saying what actions the Government now plans to take to protect this industry in having that countervail lifted, or is the Secretary of State for External Affairs simply giving up on the shake and shingle question?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we were not giving up on the shake and shingle question when the Prime Minister replied to questions in the House the day after the announcement was made.

We have not given up on it as is evidenced by the measures that my colleague, the Minister of Finance, announced yesterday.

Mr. Blackburn (Brant): Tough.

Mr. Clark (Yellowhead): We are continuing to seek, in discussions with the United States, any avenue that we might find open.

Let us be clear about this, Mr. Speaker. There are some very real limits in U.S. law. There are some political realities that are being faced by the American administration that will not be wished away by rhetoric. What we have to do is maintain the strong, steady position that this Government has taken since that measure was announced.

Ms. Copps: Christmas trees.

CANADIAN TARIFF ON COMPUTER CHIPS

Mr. David Berger (Laurier): Mr. Speaker, my question is for the Minister of Finance. It is not enough now to defend ourselves against the U.S. Government, we have to defend ourselves against our own Government. The Minister of Finance knows that we produce a negligible quantity of computer chips in Canada and that his tariff will increase costs to consumers and damage the fledgling Canadian industry which uses those chips. By what convoluted logic did the Government decide to apply a tariff on computer chips?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think it is very clear to most Canadians that a lack of a response to the United States Government on this particular issue would have been the wrong approach to take. It would have invited further action on the part of the United States Government had there not been a response. That is the nature of yesterday's announcement. I should also point out that later on that evening there was a very, very successful meeting between the Prime Minister and the Premiers of the provinces of Canada taking this whole matter one step further.

• (1430)

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): It was the success of that meeting which laid the groundwork for the negotiations which, hopefully, will lead us out of the problems which we are facing today. We will get a much better relationship in the—

Mr. Speaker: Order, please. The Hon. Member for Laurier on a supplementary question.

[*Translation*]

REASON FOR GOVERNMENT IMPOSING CERTAIN TARIFFS

Mr. David Berger (Laurier): Mr. Speaker, Canadians are going to pick up the tab for this Government's response and stupid move.

Why impose a tariff which will increase the operating costs of a fledging industry and, once again, make Canadians lose their jobs?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, this is one of the costs of protectionism. The consumer in the United States is affected adversely as well.

Mr. Boudria: They will send the bill to you.

Mr. Wilson (Etobicoke Centre): This will affect trade between the two countries, but that is fundamentally why we are in these negotiations with the United States and fundamentally why the Prime Minister exercised his leadership to call the Premiers together to get on with the job of negotiating a better agreement.

Some Hon. Members: Hear, hear!

U.S. DUTY ON CANADIAN STEEL PRODUCTS

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the Prime Minister. Yesterday the U.S. International Trade Commission hit Canadian steel. Ipsco of Regina had a 41 per cent duty placed on its tubular steel product. So far the Americans have imposed trade restrictions on Canadian fish, cedar products, agricultural products, and steel. Tomorrow it might be Canadian softwood.

Will the Prime Minister now demand a moratorium by the American Government on its unilateral trade restriction measures while the free trade discussions are in progress? If the Americans fail to give such an assurance, will the Prime Minister suspend the free trade negotiations?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the New Democratic Party continues to use any argument it can to try to stop the people of Canada from achieving job security and the opportunity for new employment through trade negotiations.

Mr. Rodriguez: It's no wonder they got rid of you.

Mr. Clark (Yellowhead): I am not sure that the Hon. Member is interested in the response. I guess he now is. Ipsco has indicated that it will be appealing the matter through the courts. The Government of Canada will help Ipsco in any way it can.

With regard to negotiations generally, I was struck by the fact that yesterday the Premiers from all of the provinces and from four different political Parties, some of whom have some reservations about these negotiations, were prepared to put their reservations behind them in the national interest.

Some Hon. Members: Hear, hear!

GOVERNMENT ASSISTANCE INQUIRY

Mr. Simon de Jong (Regina East): Mr. Speaker, my supplementary question is also directed to the Prime Minister. The Government fiddles while Canadian jobs are being lost. The Minister of International Trade assured me on April 21 that the Government was working closely with the Canadian steel industry for a favourable ruling. What assistance has the Government actually provided to Canadian steel and what does the Government intend to do to respond to this latest U.S. action?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Member should know that we are dealing with a decision by a quasi-judicial body in the United States. He should also know that if we are interested in having a better trading arrangement with the United States, or any other country in the world, we cannot do that by backing away from negotiations. We can do it by showing the kind of common front of Canada which was demonstrated by the First Ministers last night.

Some Hon. Members: Hear, hear!

CANADIAN TARIFF ON U.S. PUBLICATIONS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, yesterday's tariffs on books and other publications put culture at the heart of the free trade debate despite the Prime Minister's promises to keep culture off the table. My question is directed to the Minister of Finance. The Minister's economic response has imposed tariff barriers on U.S. publications imported into Canada. Does that not mean that the Canadian book publishing industry has now become a negotiating item in the Canada-U.S. free trade talks?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member must understand that this is a specific action taken in response to a specific action taken by the United States.

Mr. Marchi: Have you ever heard of the word "reciprocal"?

Mr. Wilson (Etobicoke Centre): The matter of what is on the table in the U.S.-Canada trade talks has been addressed on many, many occasions by the Secretary of State for External Affairs, the Minister of International Trade, and others.

EFFECT ON COST OF BOOKS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, that is exactly what I said. Will the Minister of Finance acknowledge that the tariffs imposed yesterday against U.S. book publishers will simply increase the cost of books to Canadian purchasers as well as inviting American retaliation against Canadian authors, those very persons whom the Government has repeatedly said it wants to promote and protect?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, that is absolutely right. We want to assist and protect authors in Canada. That is why in my Budget, in consultation with the Minister of Communications, we introduced a number of measures to support that particular industry, and we will continue to support it.

Mrs. Finestone: Now you are undercutting them.

Mr. Wilson (Etobicoke Centre): No, we are not undercutting them and the Hon. Member knows full well that we are not.

* * *

AGRICULTURE

GRAIN FARMERS—REQUEST FOR FINANCIAL ASSISTANCE

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is for the Minister of Agriculture. There was no action to resolve the grain trade crisis at the OECD in April, there was no action in Tokyo in May, and there are only minimal prospects that there will be even a discussion at GATT. Yesterday in Vancouver Canada failed to get a commitment to action from the world's major grain exporters. The Minister responsible for the Wheat Board suggested that prospects for relief are very bleak indeed.

Mr. Speaker: Order, please. Is there a question?

Mr. Hovdebo: Will the Government give Canadian producers an even break with European and U.S. farmers and

provide some kind of payment to bring them up to the cost of production?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member raises a question which has been developing and looming for the last number of years. I think he should be giving Canada credit for taking the lead in bringing about discussions to resolve this matter.

Mr. Blackburn (Brant): It is about time you did something.

Some Hon. Members: Hear, hear!

Mr. Mayer: We had a chance to sit down in Vancouver yesterday with the five major grain exporters and to use the initiative which our Prime Minister took to the Tokyo Summit to be on the table with grain trade related matters. That was very useful to us in our discussions yesterday and I believe we made some progress yesterday.

Mr. Axworthy: Like what? Give us an example.

GOVERNMENT ACTION

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, why is it that a valuable and highly productive agricultural sector has to wait so long for some action from the Government when bankers and takeover artists can get billions of dollars within a couple of weeks? The Canadian farmers have been waiting for six months for a commitment.

Some Hon. Members: Right on.

Some Hon. Members: Hear, hear!

Mr. Benjamin: That's their priority.

Mr. Rodriguez: Explain that, Charlie.

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the farmers in this country know full well that they have not waited a long time for action. We have taken action very quickly on behalf of Canadian agriculture.

Mr. Rodriguez: Like what?

Mr. Mayer: In the 1985 calendar year the Government provided approximately $1.5 billion as direct support for western agriculture. The Minister of Finance found some additional money to relieve taxes on farm fuel.

Mr. Hovdebo: They are still going broke, Charlie.

Mr. Mayer: That has definitely helped, and we are assisting producers in other areas as well as evidenced by the meeting which we were able to host yesterday in Vancouver.

TRADE

U.S. TARIFF ON CANADIAN CEDAR SHAKES AND SHINGLES—EFFECT ON EMPLOYMENT IN BRITISH COLUMBIA

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister. The Government is incompetently fanning the flames of a trade war with the United States. It is clear from arguments of the Minister of Finance and the Secretary of State for External Affairs today that they are using that situation to frighten Canadians into believing that the only solution is a comprehensive trade agreement with the United States. This country cannot win a trade war with the United States, nor will it solve the problem of 4,000 lost jobs in British Columbia.

What specific action has the Government taken, either by way of persuading the President to revoke that tariff or otherwise, to save those 4,000 jobs in British Columbia? That is the issue that the people are really interested in.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Right Hon. Leader of the Opposition was late in coming to Question Period and perhaps was not here when that question was asked by the Member for Kamloops—Shuswap.

Ms. Copps: He never got an answer.

Mr. Clark (Yellowhead): I outlined the range of steps we have taken.

With regard to the allegation, which is designed to create fear in the country, that there is a trade war between Canada and the United States, there is no such thing. There is a trade war in the United States between protectionists and those who are against protectionism. There is a real risk to Canada in that conflict in the U.S. That is why it is so essential that the Government of Canada do its duty. We are delighted that the Premiers of this country are prepared to work with us, even if the Opposition is not, so that the Government of Canada does its duty to try to get a better arrangement to protect Canadian interests.

• (1440)

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Turner (Vancouver Quadra): Mr. Speaker, it is a rather weak explanation to justify unbelievable incompetence. They have just launched a tariff war with the United States.

ALLEGED LOSS OF 4,000 JOBS IN BRITISH COLUMBIA—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Under these circumstances, Mr. Speaker, my question is directed to the Minister. What does the Government intend to do to save the 4,000 jobs in British Columbia? What was the original reason for this situation? Tell us what specific action was taken?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I should like to point out to the Right Hon. Member, first that the Leader of the Opposition quoted the wrong figures: too many Canadians will be threatened, but definitely not 4,000 will be affected.

Second, the action we took as a Government was the response of the Prime Minister here in the House; second, with the Americans we have explored the possibility of compensation; third, our senior officials and myself have had direct exchanges with the American Secretary of State to consider all available options; fourth, the measures announced in the House yesterday by the Minister of Finance.

As I said earlier during Oral Questions Period, we and the Americans are now considering any other possible alternatives.

[*English*]

Mr. Turner (Vancouver Quadra): The figure of 4,000 jobs is the best number given to us by the Council of Forest Industries of British Columbia. If the shakes and shingles situation widens into general countervailing action against the entire Canadian industry there will be thousands and thousands of more jobs lost.

COMMUNICATION FROM UNITED STATES PRESIDENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. He proudly displayed his telex and letter to the President of the United States concerning the issue of shakes and shingles. Apparently he received a reply. Would he be willing to table that letter from the President?

Right Hon. Brian Mulroney (Prime Minister): No, Mr. Speaker. I have received a private reply from the President, as we have received from other heads of Government, dealing with that matter and others. As my right hon. friend knows as a former Minister of Finance and Prime Minister, that would be inappropriate.

* * *

NATIONAL CAPITAL COMMISSION

RIDEAU HALL—PUBLIC'S ACCESS TO GROUNDS

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, my question is addressed to the Minister of Public Works. For all intents and purposes the gates of Rideau Hall were recently closed to the people of Canada by the National Capital Commission, an act with which I totally disagree. Was this decision initiated by the RCMP for security reasons? If so, will the gates be reopened to the people of our country?

[*Translation*]

Hon. Roch La Salle (Minister of Public Works): First of all, Mr. Speaker, the decision was not made by the RCMP. Second, this comes under the National Capital Commission which did nothing more than standardize our practice with respect to official residences. There are several official residences. Third, it has also been guaranteed that, on very special occasions, visitors would still be able to gain access to Rideau Hall grounds.

Were it possible to go even further and make it easier still to visit the Governor General's residence, I would be the first to support such a measure.

* * *

[*English*]

CANADIAN JOBS STRATEGY

ACCESS TO INFORMATION

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Opposition Members of Parliament have been trying for some time, without success, to get some detailed and solid information on the Canadian Jobs Strategy. Will the Minister now confirm that at least two memos have been sent by her officials, in effect imposing a gag order on information pertaining to that program? Can she tell the House why the public, the media, and Members of Parliament cannot have access to detailed information on that program?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I would be delighted to tell the Hon. Member about the Canadian Jobs Strategy. This year we have already spent some $450 million under that program. That involves the participation of some 50,000 individuals. The programs are ongoing. I have had an opportunity to visit many projects across the country, whether under the Job Development Program or under the new Community Futures Program. All of them are in operation and I would be delighted to give the Hon. Member any amount of detail he wants.

Some Hon. Members: Hear, hear!

Mr. Nystrom: Oh, boy, these recorded messages.

DEPARTMENTAL MEMORANDUM

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, can the Minister then explain why a memo was sent on May 15, and I have a copy of the text here, explaining that MPs can have some information but, depending on the nature of the request, Public Affairs regionally will be contacted to confirm that this information is in the public knowledge. Can the Minister say why there is a gag order, and also explain why Members opposite campaigned for open government back in September, 1984, but now all of a sudden we have this secrecy?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I do not know any Department

which has been more open than the Department of Employment and Immigration. I may say that myself and my officials have been before committee more than any other Department of Government. I know the Hon. Member has asked us to come back from now until the middle of June. We are delighted to co-operate. I will be back, my officials will be back, and we will be delighted to answer questions from the Hon. Member.

* * *

TRADE

IMPOSITION OF TARIFFS ON U.S. PRODUCTS

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, the Secretary of State for External Affairs and the Minister of Finance have told us in effect that the tariffs imposed yesterday by the Canadian Government were to attract the attention of Washington to the important issue of protectionism. As my colleagues have pointed out, that is a bit like self-immolation in that it attracts a lot of attention. However, tell us how the imposition of approximately $80 million of additional costs for Canadian consumers helps negotiations with the U.S?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, is it truly the position of the Liberal Party of Canada that when action of this kind is taken without warning, costing jobs in British Columbia and breaking the spirit of the Quebec Accord, that we should do nothing? They might be a do-nothing Party, but this Government stands up for Canada.

Some Hon. Members: Hear, hear!

[*Translation*]

INQUIRY WHETHER GOVERNMENT GAVE NOTICE OF INTENDED ACTION TO UNITED STATES

Hon. Donald J. Johnston (Saint-Henri—Westmount): But Mr. Speaker, why did we suggest that the Prime Minister pick up the phone and call the President of the United States? How many times was this suggested?

Mr. Speaker, another question. The Government says it was shocked that it had received no notice from the President of the United States. What kind of notice did this Government give the Americans before yesterday's action?

[*English*]

Right Hon. Brian Mulroney (Prime Minister): First, Mr. Speaker, we are told that there is going to be no reaction from the Liberal Party regarding this provocative action taken by the U.S. Then we find out from the Member himself that the position of the Liberal Party is to export such timber from British Columbia to the U.S., exporting jobs. We are against both. We are defending jobs and progress in British Columbia against the Liberal Party.

Some Hon. Members: Hear, hear!

* * *

AGRICULTURE

MEETING OF MINISTERS OF WHEAT-PRODUCING COUNTRIES

Mr. Bob Porter (Medicine Hat): Mr. Speaker, I would like to address my question to the Minister of State for the Canadian Wheat Board. Yesterday in Vancouver the Ministers of five major wheat-producing countries met to discuss policies affecting the international grain sector. Was Canada's initiative at the Tokyo Summit, to place agriculture as a priority in the next GATT negotiations, discussed by those countries represented at the Vancouver meeting? In addition, are further meetings of these grain-producing countries being considered?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, yesterday's meeting was very definitely helped by the emphasis placed on agricultural trade problems at the Tokyo Summit. I think it is significant that we were able to meet and have a discussion to understand better how various policies affect the other grain exporters. I think it was also helped by the initiative taken by the Prime Minister at the Tokyo Summit and we all agreed that agriculture should receive comprehensive consideration at the next GATT round.

* * *

• (1450)

NATIONAL SECURITY

TAPE RECORDING OF PUBLIC SERVANTS' SECURITY CLEARANCE INTERVIEWS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Solicitor General. Several days ago I revealed in the House that federal public servants being interviewed for security clearances are being tape recorded secretly and without their consent by the civilian security service.

I want to ask the Minister to inform the House as to the full nature and extent of this reprehensible invasion of the privacy of public servants and indicate what action he, as Solicitor General, has taken to put a stop to it.

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, I have had this incident fully investigated. This did, indeed, take place on a limited number of occasions. We have been able to identify some six occasions where this took place. Although this practice is legal, in my view it is not proper. Instructions have gone out from the Director of CSIS to ensure this never happens again in the future.

REQUEST THAT TAPES BE DESTROYED

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased that the practice will not happen in the future. I do want to ask the Minister to assure the House that all those federal public servants who have been victims of this unethical security snooping will have any tapes or transcripts removed from their files and destroyed.

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, I think I can give that assurance with the sole exception that, obviously, if someone were to make a complaint to the CSIS, for example, it might be advantageous for that individual to have access to the tape. What I want to do is to ensure that the rights of all individuals who are affected are properly respected.

* * *

TRADE

U.S. DUTY ON CANADIAN STEEL PRODUCTS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In light of the new duties imposed by the United States last night on Canadian steel producers like Algoma Steel in Sault Ste. Marie, a new duty of 14.2 per cent on oil company tubular goods, what specific action is the Government planning to take in response to these new duties imposed by the United States for companies like Algoma Steel?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, these actions were taken after the working of a long process in the United States that is a quasi-judicial process. It was not at all a discretionary action, such as some of the others that have occupied debate in this House in recent times.

One of the companies involved, Ipsco, has indicated it is taking action in the courts. The Government of Canada earlier today made it clear that we are prepared to help Ipsco in any way we can. Naturally if other steel companies were to join in that or similar kinds of actions, that offer would apply to them.

EFFECT ON JOBS

Mr. Maurice Foster (Algoma): I wonder if the Secretary of State can tell us exactly what hope the Government can give to the 1,500 steel workers at Algoma who were already facing lay-offs later this year before these duties were imposed last night? Is the Government prepared to take any further action to insure their jobs?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we will certainly consider what action is open to the Government of Canada in that circumstance. We would naturally welcome any practical suggestions that might come from the Hon. Member, or from members of the unions involved or of the companies involved. I repeat that in so far as the United States is concerned this is the conclusion of a fairly long process that is not discretionary, that is quasi-judicial, that may be open to appeals by the courts. If the companies undertake those appeals the Government of Canada will help as much as we can.

* * *

[*Translation*]

MINES AND MINING

INQUIRY WHETHER IRREGULARITIES COMMITTED BY CERTAIN MINING COMPANIES IN ABITIBI

Mr. Guy St-Julien (Abitibi): Mr. Speaker, my question is directed to the Solicitor General of Canada. At a meeting between representatives of the mining industry and the Quebec and Ontario Ministers responsible for the industry, Mr. Savoy and Mr. Fontaine, a meeting held on May 10, 1986 in Val d'Or, the Quebec Minister mentioned that the Government would like to take advantage of several flagrant cases of abuse to terminate the flow-through shares plan in Ottawa. My question is as follows:

Could the Minister inform the House whether the RCMP is now investigating a number of mining companies in Canada that may have abused or violated the flow-through shares plan in Abitibi?

[*English*]

Hon. Perrin Beatty (Solicitor General of Canada): No, Mr. Speaker. As the Hon. Member will appreciate, in cases like this where an RCMP investigation may or may not be under way, it is not practice to disclose this information in the House of Commons. If any Hon. Member or any other citizen has information which would be relevant to the police we would certainly encourage them to turn it over.

* * *

LABOUR RELATIONS

PART-TIME WORKERS—PRORATED BENEFITS

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Labour. As the Minister is probably aware, the National Action Committee on the Status of Women on the weekend made benefits for part-time workers one of their five areas of priority. Can the Minister get up in this House and indicate whether it is the Government's intention to introduce legislation to expand the prorated benefits for part-time workers, especially since most of them are women?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, as the Hon. Member knows, Labour Canada has just completed

another study into part-time work to balance off the information that was not available from the Wallace report. The Hon. Member is also aware that prorating may be beneficial in some areas, but prorating as per time would cause a reversal in some benefits that are already available to part-time workers, such as maternity leave and UI benefits.

REQUEST FOR INTRODUCTION OF LEGISLATION

Mr. Rod Murphy (Churchill): Mr. Speaker, the Minister still has not answered my question. There has been study after study and commission after commission in the area of benefits for part-time workers. Is the Government willing to introduce legislation to provide benefits for part-time workers?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I am sure the Hon. Member is aware that there already are benefits. There are benefits of time for part-time workers, there are benefits there, and he knows there are some. The Hon. Member is also aware of the Wallace report which left a lot of very important questions unanswered. A study has just been completed by Labour Canada into the area of benefits for part-time workers. In due course we will be making a decision as to how we react to that need that is apparent.

* * *

[*Translation*]

TRADE

REQUEST FOR CLARIFICATION OF GUIDELINES GIVEN BY GOVERNMENT TO CANADIAN NEGOTIATING TEAM'S OFFICE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have a question for the Prime Minister which concerns the Canadian negotiating team's office and equitable representation of women and Francophones within that office.

Some people are saying that the Government is dragging its feet, while others say it has failed to give the office appropriate directives with respect to person-years and staffing.

Could the Government inform the House why it failed to give such directives to this office?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that was not the case, because I have personally, as well as through Mr. Tellier, the Cabinet Secretary, given specific directives to this office. Such directives of course reflected our very real desire to ensure that ultimately, this instrument would be an accurate reflection of our society, including, of course women and Francophones. A number of people were approached, but initially, certain people were obliged to decline. This of course in no way relieves those in charge of the office of their responsibility, since they received very specific directives from myself and Cabinet. I can assure the House that we will remedy the situation in the very near future.

[*English*]

ROLE OF PUBLIC SERVICE COMMISSION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): The Reisman group negotiating on free trade fall under the laws that govern employment in the Public Service of Canada. Given that the Public Service Commission reports to Parliament and not to the Government, why did the Government fail to establish the basic requirements of any employer, that is person years, first of all, and how long the negotiations are going to last? Mr. Reisman could not operate otherwise. Why is the Government intervening now between an agent of Parliament—the Public Service Commission—and Mr. Reisman?

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): On the contrary, Mr. Speaker. I may point out to the Hon. Member that there is no question of intervening, except that the Prime Minister and his Cabinet colleagues have an obligation to ensure that such instruments accurately reflect the make-up of this country.

And in this undertaking as in any other, the make-up of the office will include a considerable number of Francophones and women, and thus be an accurate reflection of our society.

* * *

[*English*]

VISIBLE MINORITIES

INTERNMENT OF JAPANESE CANADIANS DURING WORLD WAR II—REDRESS ISSUE

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, my question is directed to the Prime Minister. The Minister of State for Multiculturalism last week used a private telegram to him from five Japanese Canadian individuals in Vancouver to suggest differences in the community in Vancouver and to create the sense of divisions in the Japanese Canadian community. Will the Prime Minister now recognize that his Multiculturalism Minister is out to sabotage the redress process, and will he appoint someone else to undertake the work of arriving at a redress agreement?

• (1500)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, one of the quite regrettable events of the last Parliament and previous Parliaments was a formal declaration by the Liberal Party and the Liberal Government that they would not deal with the question of Japanese Canadian problems. That statement was made by the Liberal Government and it was a shame. It was a blot on the honour of Canada. With the co-operation of the House, we will make sure that that is corrected for the future.

I know my hon. friend is concerned about the timeliness of certain initiatives. I talked about an apology before the House. I talked about appropriate redress and about compensation that the House could consider. There can be no doubt that this Government, we hope in full co-operation with Members of the House of Commons, will act to correct the profound injustice inflicted upon the Japanese Canadian community by the Liberal Party for over 40 years.

* * *

Mr. Speaker: Order, please. I indicated yesterday that I was ready to rule on the matters that were raised last week by the Hon. Member for Windsor West (Mr. Gray) and the Hon. Member for Don Valley East (Mr. Attewell). Last week, two Members raised matters with regard to parliamentary language and the Chair undertook to review the record. I had the opportunity to review *Hansard* and was prepared to deal with the case of the Hon. Minister of Transport (Mr. Mazankowski) first, as requested by the Hon. Member for Windsor West. As the House knows, yesterday the Hon. Minister of Transport indicated his response to that matter on a point of order. Therefore, I regard that matter as closed.

* * *

POINTS OF ORDER

ALLEGED USE OF UNPARLIAMENTARY LANGUAGE

Mr. Speaker: With regard to the complaint by the Hon. Member for Don Valley East (Mr. Attewell), *Hansard* has reported an unparliamentary remark directed at the Prime Minister (Mr. Mulroney) and attributed to the Hon. Member for York South—Weston (Mr. Nunziata). I would therefore ask the Hon. Member for York South-Weston to tell the Chair if he is accurately reported in *Hansard* and, if he is, I would invite him to withdraw his remark.

Mr. John Nunziata (York South—Weston): Mr. Speaker, *Hansard* did, in fact, accurately reflect the statement I made. It indicates at page 13715 that I called the Prime Minister of Canada (Mr. Mulroney): "... an absolute fraud". I would like to take this opportunity to unequivocally, without reservation and without hestitation, withdraw any reference to the Prime Minister of Canada as being an absolute fraud, *res ipsa loquitur*.

Mr. Speaker: Order. The Hon. Member knows full well that the Chair knows exactly what *res ipsa loquitur* means. The Hon. Member will withdraw the implication he is leaving. He will simply withdraw it, please.

Mr. Nunziata: I so withdraw, Mr. Speaker.

OBLIGATION OF MINISTER TO PRESENT DEPARTMENTAL ESTIMATES

Mr. Sergio Marchi (York West): Mr. Speaker, I rise on a point of order. As of last Friday the House has deemed to have received and approved all Estimates from appropriate Departments. I want to point out that the Minister of State for Multiculturalism (Mr. Jelinek) has failed to present his Estimates to the appropriate committees despite the repeated calls and opportunities. Therefore, notwithstanding the fact that he is away on sports business, he has a responsibility as Minister of State for Multiculturalism and I want to call the Chair's attention to this abdication of a traditional parliamentary obligation.

Mr. Speaker: Order, please. I have given the Hon. Member some time but if he has a point of order I need him to tell me what it is.

Mr. Marchi: Mr. Speaker, the Estimates were approved on Friday. The Minister of State for Multiculturalism did not present his Estimates. Therefore, I seek some clarification from the Chair, given the fact that he failed to honour this commitment. I feel that as a member of the committee and a Member of the House of Commons—

Mr. Speaker: Order, please. The Hon. Member continues with his comments. I will give him one more chance to tell me what his point of order is. Does the Hon. Member have a point of order?

Mr. Marchi: Mr. Speaker, my point of order is that the Estimates for Multiculturalism have been approved falsely because the Minister did not present his Estimates. I seek clarification. If necessary, let us have the Minister of State for Multiculturalism come back from Mexico so that he can deal with his responsibilities honourably.

Mr. Speaker: Order, please. The Hon. Member appears to have an opinion of what should have happened or should not have happened. However, he is not raising a point of order.

Mr. Marchi: How about a question of privilege?

Mr. Speaker: If the Hon. Member wants to raise a question of privilege he will have to change the rules in order to allow him to do so at this time. The Hon. Member believes that the Estimates have been improperly adopted. If there was a point of order with regard to the Estimates, it had to be raised on Friday. Orders of the day.

Supply

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—CANADA-U.S. FREE TRADE NEGOTIATIONS—SUSPENSION OF UNILATERAL TARIFF ACTION

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

That this House condemns the failure of the government to act in Canada's interests in the free trade discussion with the United States and, in particular, for its failure to obtain an agreement to suspend unilateral tariff action by either country during the period of these discussions; and on the amendment of Mr. Axworthy (p. 13900).

Mr. Speaker: When the House rose, we were in the question and comment period of the speech by the Hon. Member for Essex—Windsor (Mr. Langdon). Was the Hon. Member about to reply?

Mr. Langdon: Yes, Mr. Speaker. A comment had been made by the Hon. Member for North Vancouver—Burnaby (Mr. Cook). I believe that the key points raised by the Hon. Member demonstrated quite clearly the point I was making about the way in which the Conservative Party has consistently lowered itself to the use of political insult instead of dealing with the substance of this issue. This gave rise to the suggestion that we were playing politics by taking an honest and sincere position on this issue.

The Hon. Member raised a second point concerning secrecy and suggested that as good poker players we should recognize we would be giving the Americans the upper hand by laying out all the studies that the Government was using. I want to make it quite clear to the Hon. Member that the Americans have the upper hand and it has not had anything to do with secrecy on the part of the Canadian Government.

I also want to point out that the false analysis by the Conservative Government in that argument is belied by the fact that it finally came out with 26 or 27 special studies which dealt with the issues of free trade. I believe that was also a fatuous and unnecessary attempt to act on a basis of flimflam, instead of bringing this important issue about the future of the country to a forthright debate. We could disagree about principles, disagree about arguments and disagree about facts, but at least respect the intentions of the Members on each side of the House.

Mr. Cook: Mr. Speaker, my only comment is that the Member for Essex—Windsor cannot have it both ways. He cannot complain that we are keeping everything secret, then turn around and compliment us for issuing a number of studies. During his speech he berated us for secrecy, but now in response to a question he says that we cannot keep things secret because we have already issued studies. If you have them, what are you complaining about?

Mr. Langdon: Mr. Speaker, as usual, the Conservative Party is trying to have it both ways. As usual, the Conservative Party has maintained secrecy with respect to this issue throughout the months in which it tried to use propaganda. We all remember the marvellous videos which reached our offices in which, unfortunately, Prince Edward Island was somehow overlooked. We had that kind of propaganda. We had secrecy with respect to the studies. Finally, the Conservative Government recognized that the secrecy had to be turned around. It did so, not because of its good intentions but for two other reasons; first, because it saw that the Information Commissioner of the Government was taking the Government to court. Here was a remarkable development. One arm of the Government was taking the other arm of the Government to court. Second, the office of the trade negotiator started to get a little bit "antsy" because we began to talk about getting a court injunction saying the Government could not take these talks to their first stages as long as the secrecy prevailed.

● (1510)

In the end, the Conservative Government brought out its 26 or 27 studies, none of which threatened the national security or the poker playing ability of the Government. However, it did at the same time leave masses of blank papers within virtually every study. Some people took it for granted that these blank papers represented something the Conservative Party was trying to hide and they were full of information. On the other hand, I took it for granted that the blank pages actually represented the absence of thought or analysis by the Conservative Government. So it was no surprise to me to see these hundreds of pieces of blank paper in the studies the Government finally released.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I am happy to participate in the debate this afternoon on a motion put forward by my colleague in the New Democratic Party. It has been subsequently amended by my colleague, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) and I will not add a second or third amendment, but there is perhaps one word omitted in the motion put forward by the NDP. The word I would use in the motion is the word "incompetence"; the incompetence of the Government of Canada in how it has handled the various free-trade talks now underway with our largest trading partner, the United States.

I do not believe anyone in this Parliament can doubt or question the trading relationship between Canada and the United States as it relates to its importance to Canada and the creation of economic wealth. Our trading relationship with the United States is very important. In my region of Atlantic Canada, and I say this, Mr. Speaker, because I know you have great concern about the various regions of the country, free trade has, historically, been sought by the people in Atlantic Canada, for a good number of years. This goes back to the early days of Confederation. I am sure the same argument could flow from the people of western Canada about their efforts to obtain some sort of free trade agreement with the United States.

The tariff policies of Macdonald, way back in our history, paralyzed the economies of many regions of Atlantic Canada. They were tariff policies which benefited one region and discriminated against another. Those of us in Atlantic Canada and those of us in western Canada, if I may presume to speak for them, liked the concept of free trade or freer trade with the Americans, but to say we aspire to that particular concept is one thing. It is quite another to say we have a strategy, a course of action and timeframe to put in place or to achieve that particular goal.

I take you back, Mr. Speaker, to 1932-1933—I am not sure but perhaps you were a young man at that time—when the former Premier of Nova Scotia, the Hon. Angus L. Macdonald, who later served in the wartime Cabinet, commissioned a study with regard to the effects of the tariff policy of Macdonald, particularly as it related to the Atlantic region. It was clearly spelled out that we in the Atlantic region were disadvantaged by that policy in the sense that a lot of movement outward took place subsequently, thereby causing economoic difficulties which have plagued us for many years.

When I talk about free trade, I do not want to just talk about it in theory or in concept. I think it has a very human face. But it is quite different now than it was back in 1909 or 1932. We have different social policies now. We did not have unemployment insurance, for instance, in those days. We did not have medicare or regional economic development and grants to industries to try to assist those less fortunate regions of the country. Inshore fishermen did not have unemployment insurance. So the elements have changed dramatically. I think in the over-all interests of Canada, it has been for the better. We are not dealing, and cannot deal, in total isolation with what has happened over the last number of years.

The present Government said to the people of Canada and to Parliament that it wants to conclude a comprehensive free trade agreement with the United States. But when one looks, and I say this sincerely and not in a partisan way, objectively at its strategy, its course of action, or the lack of a course of action, one can only come to the conclusion, and quite readily, that the whole concept, the whole objective, has not been well thought out by the Government. We are dealing not in theory. We are dealing with the sovereignty of a nation. We are dealing with economic opportunities for young Canadians in all regions. Therefore, there must be a serious tone and tenor of debate. The Government, by virtue of its election in September, has every legitimate right to place this item on its agenda if it so wishes. But having done that, surely there is an obligation on those of us who sit opposite or in the galleries to question the way in which the Government wishes to proceed on a particular matter.

I say to you, Mr. Speaker, and to this House, the initiative of the Government is wrong for Canada, not because the concept is wrong but because the Government's whole course of action and strategy is wrong. The Government is absolutely incompetent with respect to the United States and I am going to tell you why, Mr. Speaker.

Mr. King: You did so well?

Mr. Dingwall: I would hope the Hon. Member opposite would avail himself of the opportunity to perhaps ask a question or two instead of muttering and musing to his partner who perhaps cannot even hear him. Has the Government taken it upon itself to try to rectify the interprovincial barriers within the country in terms of the marketing board, various social programs which may have to be amended and the Regional Development Programs? Has the Government looked at interprovincial barriers? No, it has not done that. Did it call a First Ministers' Conference when the concept was initially put forward to discuss in a preliminary way the concept of free trade? No, it has not done that. Was it able to work out an understanding with the First Ministers as to how it ought to proceed on the process, let alone on the substance? As of last night the Government said yes. But it took a major initiative on the part of the United States for the Government to at least try to put a foot forward in an attempt to show that it wants to get its act together. That is a pretty incompetent and bungling way of dealing with a major issue affecting the Canadian economy and the sovereignty of the country.

• (1520)

It was suggested—and perhaps that word is wrong—it was implied through questioning of the Government front-benchers day after day that by negotiating with the United States on free trade that somehow Canadians would not have to worry about unilateral action being taken by the United States or, indeed, by Canada, with regard to countervails. In other words, the slate would be cleaned. It was implied that we would not have any more trade irritants until the end of those negotiations; and if we were to reach an agreement then perhaps they would be abolished forever and, if not, maybe they would be triggered into play. However, there was a clear indication that trade irritants would be placed on the back burner.

Yet what do we see today? We see the complete opposite. We see that a 35 per cent duty has been imposed on shingles and shakes. Within the last 48 hours we saw a 41 per cent duty imposed with regard to steel. We have seen countervail measures with regard to fish.

Someone in the Government did not think this matter through. The first thing it ought to have done, apart from meeting with the First Ministers, should have been to say clearly to the President of the United States: "If we are to proceed on free trade we have to halt trade irritants at the present time and then let's get down to negotiations". Logic would tell most Hon. Members that.

What we have done is allowed the United States the opportunity to continue to add to the agenda. We were in the midst of negotiations in good faith when the United States slapped on a 35 per cent countervail duty. What will it be tomorrow or the day after?

The Secretary of State for External Affairs (Mr. Clark), the former Prime Minister of Canada, did not seek such an assurance many months ago. It was a crisis situation in British Columbia. He went on bended knee to the Secretary of State of the United States, Mr. Shultz, and asked him then, after the fact. That is incompetence. That is clear and unequivocal incompetence by our national Government which is dealing with perhaps the most important subject matter that has come down the pike in a long time.

For one moment let us consider what happened in British Columbia. As if the Prime Minister (Mr. Mulroney) was taking part in a Shakespearian play, he displayed that he was absolutely devastated and upset that the United States would place a 35 per cent import duty on shakes and shingles from British Columbia. The fact of the matter is that the Premier of British Columbia informed the Prime Minister on May 7, 1986 that the matter was in the hands of the President of the United States. What did the Prime Minister do? Was he in Florida at that time? Was he basking in the sun somewhere? What was he doing on behalf of Canadians? What was the Secretary of State for External Affairs doing at the time? What was the Minister for International Trade (Mr. Kelleher) doing? What was the Minister of Finance (Mr. Wilson) doing? What were those Members in Cabinet from British Columbia doing? Were they all asleep? Obviously, the answer is yes. That is incompetence. One does not proceed with negotiations and allow something to take place which is detrimental to Canada, not just to British Columbia but to all of Canada. We look sloppy. We are acting sloppy. We do not have our act together. It is the national Government, not the provincial Governments, not the press gallery and not members of the Opposition, which is incompetent and at fault in this process.

I would like to read to Hon. Members what the Premier wrote to the Prime Minister on May 7. He said:

> As you know an investigation has been conducted under Section 201 of the U.S. Trade Laws regarding imports of wood shingles and shakes from Canada. The International Trade Commission has determined injury to U.S. industry and has forwarded recommendations to President Reagan.

The letter goes on:

> The matter now rests with the President who has full discretion in deciding what action, if any, is to be followed. He is required to announce his decision on or before May 24, 1986.

I can table this document if that is the wish of Hon. Members. It is here in black and white. It shows that the Government of Canada knew about this situation. What did it do? It waited until the announcement was made and then it took some retaliatory actions in regard to some matters which will affect the consumers of the country.

The Minister of Finance has said that the issue is behind us. What about the workers? What about the human side of these free trade talks? What about the unemployed? What about those individuals who want to provide for their families and who do not want to be on welfare? They want to provide an education for their children and an opportunity to make an honest and decent living in this great country of ours. I tell Hon. Members that these serious flaws by the national Government are, in my view, akin to total incompetence.

The Prime Minister made a great announcement that he has an agreement with the provincial Premiers. The only obligation he has from the Premiers is the obligation to say no at the end of the day. That is the only obligation he has. Thus he can go out and work night and day, or send his officials or the $1,000-a-day Simon Reisman, and they can veto it. The national Government is really in control!

It seems to me that the Government's action on this most important initiative was predicated on the view that if one smiles at the President of the United States, and if he smiles back, and if one sings with him, then somehow economic matters and foreign policy of great substance and effect will somehow resolve themselves.

• (1530)

If this great and special relationship with the President of the United States has done anything for Canada, it has hurt Canada. It would seem that there was an onus or an obligation on the part of the Prime Minister (Mr. Mulroney), representing all Canadians, to have telephoned the President of the United States upon receipt of the letter from the Premier of British Columbia and to have objected strongly to the measure. He should have said that it was not part of the Quebec summit. However, the Prime Minister did not do that. Again, where is the competence? Where is the thinking? Where is the logic? There is none.

We have a $20 billion surplus with the United States. We cannot think for a moment that the United States will sit by, will smile, and will say "Thank you very much, Brian. It is nice to know you. Maybe we will see you in Los Angeles or Washington at some point in time. We will have a great time. Our wives will have coffee, go on a little shopping spree, and have a good time", and somehow these matters will be resolved. It is a childish view of international economic matters and foreign relations. Again I point out that that is the view of the Government. That is incompetence, absolute and total incompetence.

I could go on and on and on dealing with things the Government is not doing, but the most recent evidence of its incompetence was saying to the United States that it would become involved in a trade war. Yesterday the Minister of Finance (Mr. Wilson) made a statement regarding retaliatory actions. Was that done to assist the workers in British Columbia? The answer is no, a clear and unequivocal no. Why was it done? It was done because they wanted to say to the United States that they were really serious. If that was so, they would have picked up the telephone some months ago and called the President. They would have said: "If we are to go on the route toward free trade, all unilateral actions are off while we are negotiating". That would have been the thing to do. However, good old smiley Brian smiled away, our Prime Minister, the great one,

the paragon of all Canadians, and sang on national television, only to be raped many weeks later.

I should like to refer to the conduct and behaviour of our Prime Minister, of the Secretary of State for External Affairs (Mr. Clark) who is not in his place, and of the Minister for International Trade (Mr. Kelleher). Your conduct, Mr. Speaker, is much wiser than theirs. I find those three Hon. Ministers to be not only negligent but grossly negligent in representing the best interest of Canadians now and in protecting, ensuring, and embellishing upon our possible economic benefits in the future. They have taken the ball on free trade. They have dropped it. They have fallen over the ball. They have picked it up and they have dropped it again. They have thrown it to both sides. They have thrown it backward. They fell into the puddle. They are all over the map. We are showing our American friends and the world on the international stage that we are incompetent. What effect does that have on our reputation as a foreign sovereign nation? Who is leading the charge? It is the Right Hon. Prime Minister of Canada. That is the problem with the negotiations.

At the outset I said that my colleagues in the New Democratic Party perhaps intended to have the word "incompetence" included in their motion. That is the intention of the amendment. I rest my case by saying that when Hon. Members opposite rise to question opposition Members, they should remember what they have done for workers in British Columbia. What will happen on June 6, 1986? As one of my colleagues said earlier, the answer is *res ipsa loquitur*.

Mr. Chuck Cook (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, Bob Thompson, who was a Member of the House of Commons for the area of Red Deer for a number of years, made a statement once to the effect that the Americans are our best friends whether or not we like it. That statement is as true today as it was in the sixties when he made it. When we talk about free trade, enhanced trade, or freer trade, we should keep that in mind.

The subject of enhanced trade with the United States has been selected often by the Opposition for debate in the House lately. I welcome the opportunity provided by the Opposition to explain again and again and again that the world is changing and that Canada wants and needs to be part of that change.

To put it simply, Canada cannot sit on the sidelines of evolving world trading patterns and then at some moment in the future turn around and say: "Stop the world, we want to get on". Canada must move first and fastest if we are to protect our markets outside our own boundaries.

Let us not for a moment be deluded into thinking that other nations are not eyeing the American market. All countries of the world are eyeing the American market. Unless we do everything we possibly can to protect ourselves and to ensure our share of that market, we could be in very serious trouble. Any vacancy or void that Canadians may leave will be filled by others throughout the world. We must fight back if we are to protect the jobs of Canadians involved in the creation of products and services for export. One out of every four jobs in Canada depends upon export trade. The Government is not being casual about the matter; we are being causal. We want to cause things to happen in trade.

Let me explain the trade talks perhaps in simpler language by referring to an analogy which may make it easier to understand. I will use simple business terms. Let us suppose that a company has a number of customers, one of which is the largest and takes three-quarters of the company's production. Let us also suppose that the company wants to expand. It may be for any one of a number of reasons. Generally speaking, all companies want to expand. Perhaps it is a generation of the family who wants to expand. In any event, that expansion will create more jobs. What should the company do? First, it will launch a sales campaign to sell more product. It will do something else of equal importance, that is, it will talk and talk with its major customer, the one who is taking most of its product. The company will do everything in its power to guarantee continued business with its large, number one customer. A small percentage fall-off in sales to the larger customer could wipe out the value of the total sales to many smaller customers.

This business approach has been described many times in many meeting rooms, seminars, class-rooms, and boardrooms. Good grief, I have done it myself. Most often it is summarized with the old expression, a bird in the hand is worth two in the bush. In this case the bird in hand is the American eagle, and I must add that there has never been an eagle yet that can handle a healthy beaver.

So it is with trade between countries. When a country has a number one customer, it does everything reasonable and profitable to keep that customer's business. In the case of Canada, our big customer is the United States. Indeed we would be foolish if in any program of export growth we did not attempt to protect our business with our most important customer. If we do not protect that business, then we will work years to replace even a small part of any losses in our sales to the United States.

• (1540)

Now we come back to the company I talked about. When that company decides it wants to guarantee, or at least protect, its sales to the number one company, what does it do? Practically everybody does one thing. You go out and talk to that customer. You find out how things are going. How are prices? What deals would help sales, and so on. The important thing is that the company sits down with the customer and talks about future sales. What can be done that will benefit, and I emphasize will benefit, both parties? How can a continued business relationship be beneficial to both? Those are the subjects they discuss, and so would Canada and the United States. We must talk to our best customer to see what things we can do together that will make our future business dealings more useful to both of us. That only makes common

sense. But I do not apologize for introducing a little common sense to international dealings by Canada. You see, Mr. Speaker, when you get some kind of arrangement with our major customer it makes a lot of things possible.

Let us go back to our company again. A long time agreement on sales opportunities allows our company, Canada, to plan ahead with more confidence. It is able to buy raw materials in larger quantities and save some money. Assured sales may allow extra money to be spent on research or on planned expansion. A number of positive benefits derive from knowing the rules of the sales game with the number one customer. There is a direct analogy between the company and the Canada-U.S. trade talks.

Let me emphasize that these are trade talks. It is of vital importance to Canadian exporters that they know the rules of the game for the future. The only way they can know the rules of the game in future dealings with the United States is if the Government of Canada sits down with the United States and works out those rules. What effective trade talks do is to blaze the trail ahead. It is the proper job of Government to be in the lead blazing that trail so that businesses coming along behind can walk with confidence, creating the jobs we need by selling more goods and services.

If one wants to complete the analogy, or at least round it off, we can do that by asking what our company would do to increase sales besides talking and working with the number one customer. The answer is clear. The company would talk to other customers, old and new, and make every effort to get the rules of the game settled with them as well. Of course that is precisely what Canada is doing as we prepare for the next round of GATT discussions, the Canada-world trade talks. We will be sitting down to talk with potential customers from around the world. Again, as with the case of the Canada-U.S. trade talks, it will be the job of our Government to blaze the trail, to make sure that the route to prosperity is clearly marked for Canadian exporters to give them a certain amount of confidence in what is going on.

It is hard for me to imagine that any Canadian would be against the idea of talking to any of our customers, let alone our best customer, about setting some rules for the future. That is necessary, yet the fact of today's debate being requested suggests that at least those Canadians who are in the opposition Parties are against talking to our customers, or at least they must declare themselves against such talks.

I wonder why they worry so much. Talks are not a risky proposition. Any politician knows that there are no bad questions, just bad answers. A business person will tell you that there are no bad sales discussions, just bad deals. The point is that Canada is not sitting down to talk either at the world talks or the U.S. talks with a requirement to come out with a deal at any cost. On the contrary. If Canada cannot make a deal which works to the benefit of Canada and which is good for us, there will be no deal. That is the clear statement of the Prime Minister (Mr. Mulroney).

We are going into these talks hopefully to buy insurance in a sense, but if the cost is too high, then we will not buy. Surely the worry cannot be because Canada is new to trade talks. That cannot be a worry. Trade is the longest single thread in our cultural fabric. Canada has always been a trading nation. We have relied on trade to build a nation of which we are proud. Now the nation must be proud of its traders. If we are proud of our traders' ability to compete, then we will certainly want to get right at the job of talking to the United States and others into lowering trade barriers so that our traders have a chance to compete on an equal basis.

Canadian traders are as fine as any businessmen in the world. We have to give them the opportunity to trade more. We have to knock down some of the walls that exist between Canada and the United States. I wonder if in Ontario, Quebec, the Maritimes, Atlantic Canada they have contemplated what it would mean if the total northeastern United States were open to trade. That is a market several times the size of all Canada. Coming from British Columbia in western Canada, we look at California, a market larger than all of Canada. If anyone thinks that British Columbia manufacturers cannot compete up and down the Pacific Coast without anything coming out of eastern Canada or the eastern United States, just look at the distances. Free trade, not necessarily, but enhanced trade very definitely is what is required. Let us give our business people the great opportunities they need. The time to go after these agreements is now. The sooner we have the trade talks the better. With the recent example of what has happened to Canada, to 4,000 people in British Columbia particularly with shakes and shingles, all I can say is that it is a pity these talks did not begin five years ago. If they had, perhaps we would not have these particular countervailing pressures right now. Certainly for the future of Canada these talks are vital.

For a country to build on trade and not to plan to continue as a world leader in trade would be denying our birthright. Canada is trade, and trade is very definitely Canada. While we will probably outsell our competitors in product by product and service by service, I hope we will continue the Canadian tradition of exporting ideas and humanity and surely as well—because I believe Canada has earned for itself a good reputation abroad—that is only partly the result of effective sales efforts. We are known as good people with whom to do business. In many countries that also means we are simply good people. We can be good traders too. It is a good reputation to have. While we certainly want to compete with all the vigour we can summon, we want always to be known as good people to do business with, good people to talk to. Of course, if we are to represent Canadian business at the trade talks, we must in turn be able to talk with Canadian business and labour. That is why we have established a continuing consultant and discussion structure second to none in the world. In all of the trade talks, our Government negotiators will be guided, and remember this, by ongoing discussions with representatives of every economic sector.

Sixteen individual committees will provide easy and understanding access for virtually every Canadian who wants an opinion heard by the Government and its negotiators. The names of the chairpersons for these committees have been announced. The decisions on the membership of the groups are being concluded this month. If any Member of the House does not have a list of the chairpersons, I would be pleased to provide one so that constituents may be well informed of their route to the top in talking trade here at home. It is important that the approach we take to the trade talks is a true reflection of the interests and character of all of Canada. That is why we have been so meticulous in establishing a workable consultative program and structure.

● (1550)

I believe that all the ingredients are in place for successful trade talks. The time in history is right. The time for Canada's economy is right. We have the experience as traders. We have created a mechanism that will allow the Government to speak for all Canadians. In short, we are ready to talk. The 10 Premiers are on side and want the talks to go on. We are ready to deal if there is a deal to be made.

From then on it will be up to Canadians, business and labour, to exploit that by building and enhancing the jobs and building this country economically again. I have no doubt in my mind that Canadian exporters can reach out and beat the world if given the opportunity. That is what the Government is attempting to do. It is creating the climate and getting guarantees that we can do it, then going from there. Enhanced trade is our future.

I wish that this subject, which is so important to the country, could have been handled on a non-partisan basis with all three Parties in Canada speaking with one voice to the Americans. That is not the case. Anyone reading the Debates of the House of Commons can see that there is a lot of negativism and disagreement among the political Parties represented here. I deeply regret that. This is just too important to the future of the country to play cheap political games with. I hope there will be some second thoughts when the talks get under way so that we will not be faced with the problems which we presently have.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, the last speaker for the Conservative Party regretted that all Parties were not speaking with one voice on this issue. I think we may have been able to speak with one voice on this issue if the Conservative Party and the Government of the Prime Minister (Mr. Mulroney) had shown a little realism in advance of the very unfortunate decisions which came down from the United States in the last couple of weeks. If there had been a sense of realism over there and we had confidence that the Government knew the score when going into these talks, there may have been a much greater possibility of speaking with one voice.

I welcome the opportunity to take part in this debate condemning the failure of the Government to act in Canada's interests in the free trade discussion with the United States and, in particular—and this is very important in my area—for its failure to obtain an agreement to suspend unilateral tariff action by either country during the period of these discussions.

I want to stress the importance of this issue, not only to Canada as a whole but in particular to British Columbia and my riding. While taking a look at the global implications of the trade talks and the way in which the Government has not dealt with them adequately, I want to focus on Canada's number one industry, that being the forestry industry. My Province of British Columbia is dependent on that industry. There are two basic factors involved here. The first is the question of the basic resource with which we operate, and the second is the question of markets. We are in trouble on both counts. This trouble is compounded by technological change over the last 15 to 20 years which has resulted in increased productivity by fewer workers. There is an up side to that in that it makes us more competitive, but the down side is that it has resulted in massive layoffs.

The long-term unemployment problem in British Columbia is more severe than in any other province in Canada. Of those who are unemployed in British Columbia, 31 per cent have been unemployed for more than six months, as compared to the Canadian average of 25.8 per cent. Fourteen point two per cent of those who are unemployed have been unemployed for over a year, as compared to 10 per cent in the rest of Canada. Unemployment itself is a very serious problem, but even more serious is the fact that many of those who are unemployed have been unemployed for periods of longer than six months and 14 per cent of them have been unemployed for longer than a year.

The question of markets is absolutely crucial to the lumber industry because it is oriented toward exports. The United States is one area where we had markets which are now being closed to us as a result of Government action. On May 20 a 35 per cent tariff was imposed by the Prime Minister's friend, President Reagan, on our shake and shingle industry. This will affect up to 4,000 workers in British Columbia. Tomorrow a decision is going to be made as to whether the United States International Trade Commission will proceed with a petition which calls for a very high countervailing duty on Canada's $3.5 billion softwood industry.

I want people to realize the personal problems which are created by this 35 per cent tariff on the shake and shingle industry. I talked with the operators of a small shake and shingle business in my riding. Like so many of these operations, it is a husband and wife operation which has a few employees. They are involved in helicopter logging to get cedar shake bolts out of very difficult terrain. Some of these shake bolts are then processed in a small mill which they have and others are shipped by truck to a larger shake mill in the Fraser Valley. They are then exported to markets in California. These people work very hard and have a reasonable standard of living as a result of their hard work. They are able to give employment to a small number of people in the community.

The 35 per cent tariff is going to leave them with only a fraction of their business and they are going to have to lay people off. They feel they have been betrayed. They ask where their Government was when this happened. Why was this 35 per cent tariff imposed? It was like a bolt out of the blue to them. They had heard vague rumblings that something was happening in the United States, but they wonder why their Government was not on the job looking after them. What good did it do them to have a Prime Minister who constantly proclaimed his friendship with President Reagan? When it came to the crunch that did not mean a thing.

I am reminded of the words of the American humorist, who, I suppose, had some insight into the American character, who coined the expression: "Christmas is over and business is business". It seems that the friendship between the Prime Minister and President Reagan is over and business is business. Right now the American Government is in the business of mid-term elections and that is what is important to Americans. They are concerned about who will win the election. In order to win the election there is a great deal of protectionist talk. Canadian interests are completely expendable in that talk.

When it comes to the crunch, the United States will always act in its own interest or in what it sees as its own interest. It is important that we act in our own interest as well. We cannot condemn the United States for acting in what it perceives to be its own best interest. That is a natural thing to do in this world. Why are we not acting in our best interests? Our Government is not doing that. Instead, for the past year and a half the Government has been constantly proclaiming that the United States is the best friend we have ever had, that we can depend upon it to give us a good deal if only we are supportive of it, and that we have to give it every benefit of the doubt. We have given it the benefit of the doubt and it has now given us the benefit of a 35 per cent punitive tariff imposed on our shake and shingle industry. That is only the beginning. We have also seen the imposition of a 41 per cent tariff on certain steel products. We wait with considerable anxiety for what is going to be coming down in the days ahead on our $3.5 billion softwood industry.

• (1600)

Canada is highly dependent upon exports. Indeed, it is overly dependent on exports, particularly the export of primary resources, semi-processed and otherwise. In debates a few years ago on this subject, when members of our Party spoke of the need for a more diversified economy, prominent Conservatives said that there is nothing wrong with being hewers of wood and drawers of water. As someone who has worked in the woods I certainly appreciate the dignity of that kind of honest labour. However, the question we ask and the question the Government should be asking is, what happens to the hewers of wood when nobody wants to buy the wood anymore? They are laid off and become redundant.

The history of the forest industry in British Columbia, indeed in all of Canada, is a history of boom and bust. This reflects our dependence on external markets. Those markets have been in the U.K., Europe, and other parts of the world, but in latter years they have been primarily in the U.S. When we look at the action the U.S. is taking against us right now, we should not for a moment suppose that it is because the U.S. does not want our timber. It is simply that it does not want it right now. It is just not convenient for it to have our timber and our cedar shakes and shingles going into its market at the present time.

A few years ago the U.S. approached Canadian lumber producers seeking assurances that we would continue to supply its markets. It looked to us as a dependable reservoir of resources. However, like with all reservoirs, it wants to be able to turn the tap on and off to suit itself. Presently it does not want our shakes and shingles, or it wants the raw product so that it could process it itself and have the jobs.

It has been said many times in this House that up to 4,000 jobs are affected by this 35 per cent tariff. That does not take into account the spin-off jobs. This afternoon both the Minister of Finance (Mr. Wilson) and the Secretary of State for External Affairs (Mr. Clark) denied that 4,000 jobs were affected, but they did not say how many were. Certainly it is a very signficant number. Until I hear a better figure from the Government I am prepared to be very concerned about 4,000 jobs in that industry. The Government's attitude is perhaps reminiscent of the senior Canadian diplomat in Washington who was quoted in *The Vancouver Sun* last Saturday as saying to American officials that it would be no big deal if the Reagan administration put a protective tariff on Canadian shakes and shingles. The official is quoted as saying that there would be a lot of rhetoric but it would not really be a big matter. For the Province of British Columbia, suffering from continued high and long-term unemployment, the loss of an additional 4,000 jobs is a big deal. It is not just a matter of rhetoric, and we would like to see something more than rhetoric from the Government.

Over the past 10 years we have seen the Canadian share of the American softwood lumber market grow from about 20 per cent to almost 32 per cent. That indicates very clearly that we are able to compete. We have skilled workers in our industry. We have better mills. Certainly the lower value of the Canadian dollar has been a significant factor in this increase. As to shakes and shingles, the fact that we have better resources of cedar than the northwestern United States is a significant factor. This tariff is not going to mean that the Americans can sell more of their own shakes and shingles, unless we are stupid enough to supply them with the raw product. I hope that is not the case.

While we have shown we can compete, and there are powerful forces in the U.S. who do not want us to do so, it is important to recognize that there are also market forces in the U.S. who do want our product. It is important to recognize that U.S. consumers are going to be hurt by this tariff, just as

Canadian workers will be hurt. Following the imposition of the tariff two weeks ago there was a bit of a scramble to buy up squares of shakes and shingles in the U.S. The price skyrocketed as a result. U.S. consumers saw what the long-term effects of this would be on them.

What we in this Party have been saying for the past year, primarily through our forestry critic, the Hon. Member for Skeena (Mr. Fulton), is that our Government should recognize the situation which is developing in the U.S. This did not come like a bolt out of the blue. Our Government should take cognizance of the growing protectionist sentiment in the U.S. and take concrete action to prevent it from growing. There are consumer organizations in the U.S. who are going to be hurt by this action. Home builders and developers are going to be hurt. The Canadian Government should have been working with those groups to make sure there was a countervailing force in the U.S. to stand up against the lumber industry. Instead of that, we have had the single-minded reliance on the friendship between the Prime Minister and President Reagan. Of course, that first line of defence completely collapsed a week and a half ago when President Reagan stabbed our Prime Minister in the back and announced this 35 per cent tariff.

This afternoon in Question Period the Secretary of State for External Affairs said there are political realities in the U.S. that cannot be wished away. He was of course referring to this protectionist sentiment. However, if there are realities that cannot be wished away, there are other realities which we should have been developing. There is the reality of those consumers who are going to be hurt by this tariff. There is the reality of home builders who are going to be hurt by this tariff. Why was our Government not working to develop some of those realities? What were we doing to help foster the other reality? Basically we were doing nothing.

This morning our Leader, while speaking on this issue, said that the first item on the table in any negotiations should be an end to unilateral tariff action and countervailing duties. The question he asks, and the question the shake and shingle operators and softwood lumber operators in British Columbia are going to be asking, is, what good is any kind of trade agreement when the U.S. has such easy access to countervailing action? We need to remember that when a free trade agreement was reached between the United States and Israel there was a clause in it that said that any countervailing processes would continue to be in effect. I think it is very important that our Government should learn from the lesson of May 20 when that tariff was slapped on us, that in any discussions with the United States the very first priority should be to put an end to that kind of unilateral action.

• (1610)

We should have known that the fix was in a long time ago when President Reagan was having difficulty getting the free trade proposal on the fast track approved by the United States Senate, and several United States Senators were holding back from this because of the growing protectionist sentiment in their ridings. We should have known that we were in trouble when President Reagan sent them a letter giving them the assurance that U.S. lumber producers would get their so-called fair share of the market and that action would be taken to ease the Canadians out of the market. Of course that is what we are seeing in spades right now.

The shingle action is only a token of what is liable to be coming down the pike later on. We have seen the 41 per cent tariff on steel products. Wherever we compete to our advantage we are going to see this kind of action by the United States. As long as we have the possibility of this kind of unilateral action we do not have any protection. What good would any comprehensive or enhanced trade agreement or free trade agreement do us if the Americans have access to that kind of a process?

In retaliation, yesterday our Canadian Government announced some retaliatory measures, some increased duties that seemed designed almost as much to hurt Canadian consumers as to show the United States that we mean business. There is no help in the announcements made yesterday that are going to give any real aid to the shingle and shake producers who were thrown out of work.

We have the question, what is going to happen tomorrow and in the days ahead to our softwood market? We already are supposed to have free trade in forestry products. We have concerns that have been raised by other members of our Party over jobs in the auto industry, concerns over our cultural industries.

I urge this Government to make our Leader's suggestion its number one priority for any talks, and that is that there should be no more unilateral tariff action, no more unilateral countervail action. Surely there are other mechanisms that have to be developed that can lead to a better flow and regulation of trade than this sudden imposition of crippling and punitive tariff actions by one country upon another when those two countries are supposed to be friends.

In conclusion I would simply like to make one concrete suggestion that might help to alleviate the situation of shingle and shake producers. I urge the Government to develop a comprehensive campaign to develop shake and shingle markets in eastern Canada where we do not use shakes in the same way that they do on the West Coast. Let us develop a market in eastern Canada that could at least take some of the sting and some of the slack out of that industry that has been so cruelly hurt by the best friends that the Prime Minister has ever seen.

Mr. Cook: I have two points only by way of comment to the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly). I am utterly amazed, having heard his speech, that he obviously does not know that the Premier of British Columbia has already placed an embargo on any cedar logs being shipped to the United States. I am also utterly amazed at hearing him talk about an eastern market for shingles and shakes when earlier today one of my colleagues was talking

with a couple of mill operators in the East Kootenays who have never shipped to the United States and who said that it all goes to eastern Canada. I hope that in future speeches he will show he has perhaps learned a little more about the economy of British Columbia and some of the things going on before making statements in the House which are incorrect, at the very least.

Mr. Manly: The embargo is good, I welcome it. What I am saying is that it should be permanent. There should not be any possibility of the export of cedar logs to the United States. We have had a Government in Victoria, the Social Credit Government, that has allowed over the past few years prime logs to go out of British Columbia to Japan and to China. Jobs have been exported by that Government with every log that has gone out. I do not want to see that happening with our cedar industry. I have some difficulty taking things at face value that are done by the present Premier of British Columbia. I still think there is room to develop a shake market in eastern Canada that has not been developed to the extent that it can be. I would urge the Government to do that.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I have two or three things that have been of concern to me with regard to the free trade discussions that have been undertaken by this Government and the Government of the United States.

I think it is fair to say that we now have a pretty clear picture of where we stand with regard to the U.S. as it applies to the question of trade. If we ever had any doubt about whose interest was to be served by any decisions taken by the U.S. administration, then I think that that doubt has been cleared up.

The Prime Minister (Mr. Mulroney), I think in good faith, believed, by virtue of a friendship and a song or two in Quebec City, that the relationship between Canada and the United States had improved to such an extent that the likelihood of the U.S. taking punitive, unfair action against Canada had been dramatically diminished.

I think we now know that this is not the case, that the U.S. interest, as it defines it, is always paramount in anything it does. Its whole purpose, notwithstanding the rhetoric of the administration and, in particular, of the President of the United States, is to secure for itself the greatest advantage, notwithstanding the detrimental effect that any action in that regard might have for any other jurisdiction.

Now having said that, I want to make it clear that I did not personally expect it to be otherwise. I cannot recall a time when it was ever any different. I certainly do not remember any time in modern history when the United States took an action which was not deemed to be to its advantage. I would not expect it to take any other action. It is because of that expectation that I have, which I think is probably based on reality, that I am concerned about what is now being undertaken by the Government of Canada.

The Congress of the United States is elected to serve the people of the United States. The individual people serving in that Congress, whether in the House of Representatives or in the Senate, are elected to solve the problems of the people of the United States. They are there by virtue of the fact that the people in their districts or in their states believe that they will properly and adequately represent the interests of the individuals living in those districts or states. It has been my experience from dealing with U.S. politicians that they have been extremely parochial in the way they have addressed concerns. I have gone to Canada-U.S. meetings and have frequently visited Washington. I have travelled through much of the United States and met with many representatives, past and present. Every time we speak about issues, they talk about issues that affect their local district and never speak about issues affecting their country as a whole, let alone world-wide concerns.

• (1620)

I ask Members of the House to recollect a single occasion during meetings they have had with representatives of the Congress of the United States, whether it be the Senate or the House of Representatives, when anyone has spoken about matters other than those of local, parochial interest. I ask my colleagues who have gone to such meetings whether they can remember such an occasion?

Mr. Murphy: Yes.

Mr. Deans: My colleague from Churchill says that he can. While his memory is faulty at the best of times, my other colleagues are nodding in agreement at what I am saying.

The fact is that the decisions that have been made for many years by quasi-judicial and non-judicial bodies in the United States have been in their own self-interest. Let me give some examples. They passed a Farm Bill. Was the purpose of that Farm Bill to assist Canada or to help some other part of the world? No. Its purpose is to enable American producers to breach the markets of the world at a price below that charged by other countries. That Farm Bill hurt Canada and Canada's farmers the most. Furthermore, the markets which the Americans sought first were traditional Canadian markets. That is what our friends did when they sought to determine how they could best solve their economic problems.

But they did not stop there. What did the Americans do when there was a little dispute over hogs? They immediately moved to impose restrictions. We had a dispute over fish, and they moved to impose restrictions there. They moved to impose restrictions as a result of a dispute over lumber.

Yet did we do anything illegal or wrong? Did we infringe the understanding that currently exists between our two countries with regard to trade? No. We continued to operate as always.

The United States was experiencing an economic downturn. I might say that this was coupled with a very strong American

dollar which they refused to address. These factors left them in a non-competitive situation so that their consumers were purchasing at least as much, if not more, products from other countries than they had been purchasing before. Another reason for this is that we have technologically advanced in some areas to the point where we are able to sell more cheaply than the Americans. Furthermore, in many cases we took up a larger part of a market not because we were selling more but because our share of the previous market now looked much larger because that market had become smaller. In any event, they decided that we were selling too much and would no longer tolerate this. We were not selling improperly, we were not subsidizing, dumping or shipping in bulk. We were selling on consignment. Yet the Americans, the people with whom we are about to enter into a free trade arrangement, decided they would no longer tolerate this. They talk about free trade, but we had free trade arrangements with them in some of these areas.

The shake and shingle issue has been talked about frequently in the House. We have had free trade in shakes and shingles for 50 years and have operated with no tariff. Yet some kind soul in Congress in the United States decided that one or more of his or her friends was being hurt by this 50 year old arrangement between our two countries. We were not doing anything wrong, they simply did not like what was happening. Therefore, they decided to impose an exorbitant tariff on our product.

An Hon. Member: Who did it?

Mr. Deans: My colleague asks a very good question. It was the President of the United States who personally imposed this tariff. He is the same President who is the very good friend of our Prime Minister. He is the same President who stands up the very next day to extol the virtues of free trade and states that the Americans are as committed as ever to the concept of free trade. I believe that they are as committed as ever to the concept of free trade because I do not believe they were ever very committed to it. I suggest that their concept of free trade is what is best for them and any changes they undertake will be in their own self-interest.

It is time that we held our Government accountable for what it is attempting to do. Canadians have been faced with the U.S. Farm Bill, with actions on such things as raspberries, fish products, hogs, shakes and shingles, and lumber. Now we face action on steel because Americans failed to reinvest money in the steel manufacturing areas and used it to diversify into other areas. They failed to modernize their equipment and became non-competitive. We reinvested our money, built our industry and attempted to develop technology. Now we are going to suffer.

It is time the Government woke up and smelled the roses. It is time that it understood what is happening in this world, and it is time that it stood up for Canada. It must begin paying attention to what is happening in the United States.

The President has no mandate to negotiate free trade. He would not receive support from Congress or the Senate for a mandate for a free trade arrangement with Canada. Therefore, how did he manage to obtain a 10-10 tie in the Senate Finance Committee without that support? He made a promise to solve such issues as the shakes and shingles question. Perhaps this is the only way he can get a sufficient number of votes in Congress to carry a free trade arrangement. Perhaps he will have to take similar action in other areas where irritations exist. Will the President have to undercut further the steel industry of Canada or take similar action as he has on shakes and shingles, as I predict he will take tomorrow on softwood lumber? If he must take these actions in order to get the votes he needs, what will be left for us? Where will be our benefit? What is it we are going to get out of these negotiatons? How much do we have to lose before it is recognized that the level playing field asked for by the President has a great, huge hump in the middle right after the game got started and we got locked into our end?

• (1630)

This is what concerns me the most. There has not been a fair opportunity to contemplate reasonably what Canada is seeking. When this issue first arose we were going to have free trade. Then were going to have enhanced trade. Then they decided to make it freer trade, whatever that means. And would it only be in matters relative to tariffs? "No, that would not work", thought the Government, "we had better make it non-tariff things, too". How would the Government negotiate all that? It would hope that the Americans would be fair and reasonable with us.

Mr. Manly: We could get someone for $1,000 a day.

Mr. Deans: My colleague, the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly), said that we would get someone at $1,000 a day to do it for us, together with cars and offices and all the other paraphernalia that go with it.

We ask: "What are we going to negotiate? Is everything on the bargaining table?" Our Secretary of State for External Affairs (Mr. Clark) replies: "Our culture and our social policies are not on the bargaining table. Our auto industry is not on the bargaining table". But the fellow on the other side simultaneously, as if programmed, says: "Everything is on the bargaining table".

Mr. Cook: I rise on a point of order. With the greatest of respect to the Hon. Member, I am really tired of his turning around with his back to the Speaker and to these benches and lecturing his own caucus. I would appreciate his speaking to the House of Commons and addressing his remarks through you, Mr. Speaker, rather than having his back to you through most of his speech.

Supply

The Acting Speaker (Mr. Charest): Order. I do remember hearing the Hon. Member for Hamilton Mountain (Mr. Deans) always addressing the Chair—

Mr. Deans: Absolutely.

The Acting Speaker (Mr. Charest): —which is the proper thing to do.

Mr. Deans: If the Hon. Member had to look over and see what I can see, he would turn this way, too. I do apologize to at least one or more of the Hon. Members—well, at least one.

Mrs. Landry: No sexist remarks.

Mr. Deans: You are assuming I mean you. You ought not to jump to conclusions, let me say through you, Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Deans: Where was I when I was so rudely interrupted?

Mr. Rompkey: The Secretary of State for External Affairs (Mr. Clark).

Mr. Deans: Oh, yes. There was the Secretary of State for External Affairs on the one side saying: "Oh, yes, social programs, culture and the Auto Pact are not on the bargaining table". Then we heard Mr. Murphy—not this one but the other one, the fellow from the United States—saying at almost exactly the same moment in time, as if they were programmed to speak simultaneously so they could confuse the issue even more: "Oh, yes, social programs will have to be looked at. Culture is certainly something we are concerned with and want to discuss. And, aha, the Auto Pact, we are certainly going to take a look at that". Who does one believe? Who is telling the truth? Is Mr. Murphy feeding his people one line while we are being fed an entirely different line? It is not that I do not accept the word of the Prime Minister when he says he does not want, nor will he abide, having those matters dealt with, but the fact is that the U.S. has made it abundantly clear that those issues are negotiable.

If we are committed not to negotiate in those areas, would it not make sense that we clear up with the Americans in advance the areas in which we feel no useful negotiation could take place? There is no point in sitting and paying $1,000 a day plus expenses, plus all of the cost of the entourage, office refurbishing and the cars and trips for everyone to trundle their behinds down to Washington or to some other place, if they are going to sit down and talk about something we have already decided cannot be negotiated. That makes no sense.

So I say to the Prime Minister again, as I must, let us deal with what we know we are prepared to discuss. If there are things we are not prepared to discuss, let us not pay the cost and waste the time of the negotiators in those areas.

The second point I would like to make is one I asked about last week. We are going to have issues such as the shakes and shingles matter, and other similar kinds of disagreements, arise in the course of the next year or two years. I know that. My colleague from Vancouver knows that as well. Common sense tells us that this will be the case. Does it not make sense that as the first item for negotiation, if the talks must proceed, we sit down and work out a mechanism for the resolution of those—

The Acting Speaker (Mr. Charest): Order. I am sorry to interrupt the Hon. Member but the time allotted for his speech is now overdue. If the Hon. Member wishes to wind up very briefly, I will offer it to him.

Mr. Deans: Thank you, Mr. Speaker. Let me just quickly ask if it does not make sense to work out a mechanism for dealing with those things as they arise during the course of negotiations and relinquish, if we must, the right to unilateral action? That strikes me as making some sense. Let us not continue with the countervail arrangement in the U.S. about areas of dispute right now. Let us agree that there could be in place another kind of mechanism, bilateral in nature, that we could use to resolve our differences. If we could agree on that, I think a lot of people in Canada would be a lot more comfortable with the ongoing negotiations.

I appreciate the extra moment, Mr. Speaker. I assume that was the time taken by the Parliamentary Secretary in the non-point of order he insisted on raising.

Mr. Orlikow: Mr. Speaker, I would like to ask the Hon. Member a question. He spent some time describing the kind of things the American negotiator, in particular, Mr. Murphy, was saying, about programs Canada has which must be put on the table in the discussions on free trade. We know from the memorandum we obtained from our own Department of External Affairs that the Americans have a dozen or more programs to subsidize their fishing industry, their agriculture, and so on. Every state in the United States has legislation which gives its employers, workers and companies an edge in purchasing against every other state in the United States, let alone against Canada. To the Hon. Member's knowledge, has the Secretary of State for External Affairs (Mr. Clark) or Mr. Reisman ever said publicly to the American negotiators, or to the Canadian public: "Hey, guys, if you want to talk about our programs, which you think give an edge to Canadian producers, how about the programs you have?" Have our negotiators ever raised those kinds of questions, to the Hon. Member's knowledge?

Mr. Deans: Mr. Speaker, my colleague raises a fascinating point because I do not think it is well known to many in the House, let alone the country as a whole, that the United States has a substantial number of direct and indirect subsidy programs to assist its producers and manufacturers. I cannot recall—and obviously I do not hear everything that is said—anyone from our Government ever suggesting that, first, there are such programs and, second, that those programs will have to be reviewed. As I look back I cannot help but feel that that is part of what is missing in the debate. It would have been

very helpful in the House of Commons if we had had an opportunity to place on the record not the type of partisan disagreement which we frequently have on the record but, rather, a more statistically analysed counterpoint on what Canada is prepared to negotiate, what the U.S. has indicated it is willing to negotiate and what sorts of programs for subsidy purposes exist in each of the countries. I think it would have been very helpful for us and for the public of Canada to have had that information, and even for the U.S. Congress to have had that information. I doubt very much if many in the U.S. Congress are aware of the degree of subsidization that takes place within the United States. Most of them do not come into contact with that, and they are specialists in certain areas.

• (1640)

The other minor point I wish to make, to which my colleague has alluded many times, is that it is often thrown up that the Auto Pact is a good example of a free trade arrangement. The Auto Pact is not a free trade arrangement at all. It never was, and it was never intended to be such. The Auto Pact is a managed trade arrangement. It was structured in order to allow for industry rationalization. It was set up in such a way as to take five automobile manufacturers that serviced in 1965 most of the North American consuming public. It was designed to allow for a balance of manufacturing and sourcing in each of the countries based primarily on their sales potential. So that there was some reasonable benefit that flowed to each country as a result of the auto industry, which was deemed to be, and was, one of the main industries in central Canada.

That is a managed trade arrangement. It is not a free trade arrangement. I have heard it said by many government Members and by members of the Cabinet that somehow the auto industry is an example of what we might get through free trade. That is not free trade. It never was and it was never intended to be such. It worked well because it was managed and because it required that certain things be done that benefited each of the countries involved.

Of course, if we could work out similar types of managed trade arrangements in other industry sectors then I think we should attempt to do that. The larger the industry sector and the more diversified it is, the more difficult it is to do. It is harder with an industry sector with 1,000 companies as opposed to one with five major companies. We would have to try to see if that is possible. I suggest that if the Government were looking at the type of arrangement in which there are clear benefits set out in the agreement which had to be made available to each of the participating countries, then we would not be nearly as concerned as we are right now.

[*Translation*]

The Acting Speaker (Mr. Charest): Questions or comments. Debate. The Parliamentary Secretary to the Minister for International Trade (Mrs. Landry).

Supply

Mrs. Monique Landry (Parliamentary Secretary to Minister for International Trade): Today, Mr. Speaker, I should like to talk about the wider ramifications of our trade relations with the United States.

Our Government is supportive of a significant lowering of international trade barriers between Canada and the United States, and I am quite convinced that our negotiations on freer trade will lead to an increase in this country's international competitiveness, new job creation, and real income.

Mr. Speaker, I admit that reasonable and well-meaning people may entertain legitimate concerns about the political, cultural and social consequences for Canada of an over-all trade agreement with the United States.

Allow me to try to allay some of these fears. First I should like to respond to the statement that there is no point in changing the *status quo*. Why try to fix something which works well, some say. These same people claim that Canada's economy is not doing too badly and they point to the fact that for a number of years now our trade balance with the United States has definitely been on the plus side. Unfortunately those who express this short-sighted outlook fail to take into consideration the fact that our economy is saddled with serious structural problems which have developed over the past years or decades. A sure sign of this is that during most of the 70s and the 80s Canada, among the major industrialized countries, posted the lowest productivity gains and one of the highest increase in costs.

This caused our competitive position to deteriorate, resulting in a substantial devaluation of the Canadian dollar in relation to the US currency. We are progressing, but we still have a long way to go before fully recovering from the recession of the early 1980's which affected Canada more severely than most of the other industrialized nations.

On the other hand, a number of other negative factors make it impossible for us to hang on to the *status quo*. Traditionally, Canada has always relied heavily on the aboundance of its natural resources as a source of employment and income. Technological changes, however, have caused the world demands for some goods to fall and, in Canada, this problem has been compounded by the increasingly strong competition from developing countries which are desperately seeking foreign currencies.

In the case of finished products, sold on domestic and foreign markets, not only are we facing the fierce competition of other advanced industrialized nations, but we are also coming under increased pressure from newly industrialized nations. These new considerations have combined with two other phenomena which have a profound impact on our country. I refer first to the technological revolution which is taking place now, and second, to the resurgence of protectionism in the world, nowhere more evident than in the United States, our biggest customer.

It has become almost a cliché to say that of all the industrialized nations of the world, Canada is the only one, apart from

Australia, which does not enjoy the assured access to a market of over 100 million inhabitants.

In the mid-1950's, such important and powerful countries as West Germany, France and Italy, not to mention a number of smaller European countries, had already felt the need to join forces to create a major-size market, in order to improve their competitive position internationally. Eventually, all the nations across the Atlantic joined either the Common Market or the European free trade area. We believed for quite a long time that we could survive and prosper without joining a wide market of this kind. But the major developments which have occurred recently and which I have described earlier—the slowing down of the productivity growth, the drop in demand for our resources, the increased competition from newly industrialized nations, the accelerated technological development and the rise of protectionism in the world—clearly demonstrate that the Canadian economy has become dangerously isolated and extremely vulnerable.

In line with a recent statement from the C.D. Howe Institute, I suggest that the status quo cannot represent a goal for our economic policy if we want the standard of living of Canadians to continue improving.

• (1650)

I think that is the lesson to be learnt from all the events that have lead to the development of a broad consensus supporting the twofold trade initiative launched by the Canadian Government last fall with a view to liberalizing trade, both multilaterally and bilaterally. This consensus also reflects the urgency for Canada to reach an agreement with its neighbour so as to reduce its vulnerability in the event of rigorous enforcement of the protectionist measures now in effect in the U.S. and measures that are now, as we know, being adopted and others that may be adopted, by the U.S. Congress. I believe that many Canadians have finally realized that obtaining broad and assured access to the vast American market will help our manufacturing sector achieve the degree of specialization and level of production that will make it fully competitive, not only south of the border but throughout the world.

Mr. Speaker, I am sure that the Canadian manufacturing sector can be of world calibre. We need only look at how many manufacturing industries reacted to the major reductions in trade barriers that have taken place as a result of the GATT agreements. Exports of manufactured products went from 7.8 per cent of all Canadian exports in 1960 to 42 per cent in 1984. Nevertheless, there are still many Canadian industries that would benefit enormously from unlimited access to the vast U.S. market. Those who are opposed to a new trade agreement with the United States claim that one of the consequences would be a considerable rise in unemployment, by which quite a number of people may be affected, according to certain statements in labour circles. Since trade and trade policies have always been of vital importance to this country, we have pioneered a number of studies on both the theoretical and practical impact of free trade. I could even say that the number of economic studies carried out in Canada on the question of free trade with the United States greatly exceeds the number of studies done before the European Common Market, the European Free Trade Zone or any other regional trade arrangement was put in place. Practically all these studies concluded that free trade, by improving efficiency and guaranteeing access to a large market, would in time result in a substantial net increase in the number of jobs and a considerable rise in real income of Canadian workers. In a report prepared by the Economic Council of Ontario last fall, Professor Richard Harris of Queen's University estimated that eliminating all trade barriers between Canada and the United States would increase employment in Canada by more than 5 per cent. According to Professor Harris, the real income of Canadian workers would increase substantially since free trade would result in a 5 per cent reduction in the price of goods imported from the United States. Furthermore, reducing trade barriers would bring about a substantial increase in the productivity of Canadian companies. Interestingly, in the long run, almost all gains as a result of increased productivity would benefit Canadian workers, resulting in higher real wages, still according to Professor Harris. There are of course some quantitative differences concerning the impact of reducing trade barriers, but the general consensus is that it would result in major economic benefits to Canada.

I am thinking in particular of the in-depth studies which have been made, such as the report published last year by the Royal Commission on the Economic Union, various reports published by the Economic Council of Canada and the analyses made by the C.D. Howe Institute and Informetrica, a highly respected firm of consultants.

As the Hon. Members are all aware, Mr. Speaker, and as I am personally convinced, these evaluations have been strongly supported by a great many small and large Canadian businesses represented by such important associations as the Canadian Chamber of Commerce, the Canadian Federation of Independent Business, the Canadian Manufacturers Association and the Business Council on National Issues.

I would like to emphasize the variety of analyses and facts which indicate that freer trade between Canada and the United States would result in more jobs, but far be it from me to suggest that a large number of workers would not have to change jobs.

As for other resources, these changes are not only essential, but they are an integral part of the process which we have to go through if we want to benefit from freer trade. However, there is nothing extraordinary about these transfers. Indeed, in a recent report entitled *Reorienting the Canadian Economy*, the C.D. Howe Institute came to this conclusion:

> Dynamic change is the standard in Canada.

The author of this report cautiously estimates that, in 1984, nearly 50 per cent of all Canadians working that year changed jobs, either within the same business, or by joining another company. As this example clearly illustrates, the economy is in constant and dynamic change in response to technological

change, consumer demand and trade policy, to name but a few of the factors which are always coming into play.

It is important to understand that any major trade agreement should provide for a phasing out of obstacles to trade over several years. This process would be aligned with the successive reductions brought about by GATT and would in fact be consistent with the series of reductions which are about to be undertaken and which will continue until the end of 1987.

By phasing out obstacles to trade, we would reduce the disturbances caused by the adjustment process, and it would be much easier for the Canadian industry to take advantage of the new opportunities provided by the opening up of foreign markets. However, the Government recognizes that it would be necessary to continue to offer adjustment assistance programs to facilitate the transition process.

I would now like to respond, Mr. Speaker, to another major concern which has been expressed many times. Some people fear that a freer trade agreement with the United States will translate into a massive exodus of American affiliated companies as parent companies adjust their production in the United States to meet the requirements of the Canadian market.

Frankly I am not too sure how I should refute this allegation, particularly when it comes from these same Canadian nationalists who have always maintained that all economic woes could be traced back to the ownership and control of Canadian industries by American interests. Strangely enough, these same people also complain that Canada is now the target of a series of take-overs by foreign interests. The assertion that a great many American subsidiaries will call it a day and go home is apparently based on the fallacious assumption that most such companies continue to operate in Canada only to sidestep high tariff barriers and strictly to supply the small Canadian market.

This happens to be the premise underlying the study done for the Government of Ontario by Illinois Institute of Technology Professor Jack Baranson. However, he defeats his own argument when he admits that there is already wide-ranging trade between subsidiaries and parent companies in the United States.

Mr. Speaker, if everything points to a massive exodus of U.S. subsidiaries, I wonder why we have not seen any sign of it yet, given the fact that we have already done away with major trade barriers. Indeed, direct American investments have continued to pour in during most of the past ten years and, more often than not, this increase is particularly significant if we keep in mind the income which remains in Canada for possible re-investment. Sure enough, the odd subsidiary would leave Canada as a result of a bilateral trade agreement, but then other companies would rush in to fill the void.

Trade agreement or no trade agreement, there will always be comings and goings due to changing circumstances and new opportunities. This is nothing new.

In the final analysis, the question is whether subsidiaries of American and other foreign corporations can operate profitably in this country, and whether they have confidence in our nation's outlook for the future.

As matters now stand, and according to a number of surveys, there is no intention on the part of American corporations to withdraw *en masse*. Rather than worrying over a possible withdrawal of American capital, we should be concerned about the very significant outflows of funds resulting from direct investments by Canadians in the United States, because they topped the $30 billion mark between 1974 and 1984.

There is no end in sight either to that outflow of capital that would be badly needed in Canada. According to surveys of investment intentions made by Professor Don Daly of York University, many Canadian businesses intend to significantly raise the level of their investments in the United States in the near term.

In my view, that kind of behaviour reflects the view of investors that there are no comparable opportunities in this country, given the current economic conditions. In a study done by the C.D. Howe Institute, Richard Lipsey and Murray Smith emphasize a second major factor. "Just as tariffs imposed by Sir John A. Macdonald under his national policy led to the establishment of American plants and subsidiaries in Canada, existing and expected non-tariff measures in the United States attract to that country Canadian investments and the resulting jobs."

To conclude, Mr. Speaker, that unfortunate situation should convince us not only to seek a comprehensive trade agreement that would eliminate or significantly reduce non-tariff barriers which attract Canadian capital into the United States, but also to lay the foundations for a restructuring of the Canadian economy, which would create major investment opportunities in this country.

The Acting Speaker (Mr. Charest): Questions or comments. The Hon. Member for Winnipeg North (Mr. Orlikow).

• (1700)

[*English*]

Mr. Orlikow: Mr. Speaker, I have a question for the Hon. Member. We had a speech which sounded exactly like the kind of lecture which an economics professor gives to his first year economics class. She quoted a professor from Queen's and she quoted the C.D. Howe Institute posing the question this way: "If we had complete free trade between Canada and the United States, everybody would be better off." That may well be true. But, of course, there is no evidence that the Americans are interested in real free trade.

In the last few weeks the Americans imposed a countervail duty against our East Coast fisheries, a substantial duty against the shake and shingle industry in British Columbia, and yesterday a substantial duty was imposed on steel pipe and

other steel products. Given that this is what the Americans are doing, and there is no suggestion in any of the discussions that the American Congress would give up its right to impose countervail duties on any particular product which it feels hurts one or other industry in the U.S.A., what reason is there to believe that we can get complete free trade?

What everybody is saying who is opposed to the free trade concept is: "Let's negotiate with the Americans, the Japanese or the European Economic Community in any area on any product, on any manufactured equipment that we produce, and if we can make an arrangement that will benefit both countries, then let us do that." But to talk about free trade as if the Americans are ever going to agree to complete free trade between Canada and the U.S., given their record of the last few weeks, it seems to me is to be talking about pie in the sky.

[*Translation*]

Mrs. Landry: Mr. Speaker, the comments made by the Hon. Member seem strange to me, because as we very readily realize, the current situation, the status quo has a tremendous negative impact on our economic situation and on our agreements with the Americans concerning our products. This is another reason for negotiating with the United States with the hope of reaching an agreement under which we will no longer be the victims of the protectionist measures that are now the trend in the United States. I think the Hon. Member should agree with me that the status quo is no longer acceptable. We must strive, in the interests of Canadian industries and Canadian jobs, to reach understandings with our American neighbours so that we no longer fall victim to the kind of protectionist measures that are now hitting us.

[*English*]

Mr. Orlikow: Mr. Speaker, nobody is questioning that it would be advantageous if we could come to an agreement. Why is it that when the Americans put a countervail duty on our East Coast fisheries because they say we have programs that subsidize our fishing industry, unemployment insurance or support loans at low interest for modernizing ships, nobody in Canada, not the Prime Minister (Mr. Mulroney), not the Secretary of State for External Affairs (Mr. Clark) nor Mr. Reisman, the very astute, tough bargainer, says to the Americans: "Just a minute. You are putting a countervail duty on our fish. You have half a dozen programs, loans at subsidized rates for improving the fishing industry, subsidies to build better vessels, you have a whole range of programs"? Why is it, Mr. Speaker, that when the Americans put a countervail duty on steel yesterday, we did not say: "You have a whole series of programs to subsidize your steel industry to make it more efficient, and yet you are saying to us that you are going to put duties on our products that we try to sell to you because we have programs to help our people"? Why do we not say to the Americans: "What are you going to do about the subsidies and the assistance that you give to your industries and workers?

[*Translation*]

Mrs. Landry: Mr. Speaker, I can only repeat to my hon. colleague that, as concerns the disagreement which we are now having with the United States, it is precisely by negotiating new procedures that we can eventually avoid the need to provide such compensation for all industries. This is what we are now saying. As for what you said earlier, we are not certain either that these negotiations will be finalized. The Secretary of State for External Affairs (Mr. Clark) and the Right Hon. Prime Minister (Mr. Mulroney) have both repeated many times that no agreement will be signed if it is not to the advantage of our country and of jobs for Canadians.

We therefore must repeat that we shall sign an agreement only if it benefits Canadians, but there is definitely a need as we are always facing protectionist measures which harm the employment opportunities in Canada.

[*English*]

Mr. Rompkey: Mr. Speaker, I want to follow up on questions from my colleague, the Hon. Member for Winnipeg North (Mr. Orlikow). I must ask the Hon. Member if this is not an Alice in Wonderland approach. The Americans have just imposed a tariff on fish. We have always had trade with the U.S. As a matter of fact, 70 per cent of our fish goes to the United States. Historically, Atlantic Canada has traded primarily with New England, as my colleagues across the way will know. The Member says we must not maintain the status quo. The fact is that the situation is getting worse. Tariffs are being imposed on fish because the Americans say we have subsidies. The irony is that the last Budget did away with those subsidies. We no longer have fishing vessel insurance. We no longer have fishing vessel subsidies. The Government has made the fishery completely user-pay. It is now charging for environmental forecasts and is charging berthing fees. Everything in the fishery is now user-pay.

• (1710)

The point I am making is that at a time when the Government is moving to user-pay in the fishery and eliminating subsidies, the Americans are slapping tariffs on Canadian fish, which they did not do before. What does the Hon. Member suggest we say to Canadian fishermen? Should we tell them to have faith in the Americans? Should we tell them to have faith in the negotiating process, that the status quo is not good enough and that we are going to get a better deal for them? The fact is that they see their situation worsening and going downhill. What would my colleague say to those fishermen if she were in my shoes and representing them?

[*Translation*]

Mrs. Landry: Mr. Speaker, as far as our negotiations with the United States are concerned, we say that we must first of all strenghten and increase our markets, but that it is also necessary to implement new structures to avoid incidents such as those mentioned by the Hon. Member. We in the Government also admit that it is unfortunate, but as long as we have

not developed new structures to prevent such incidents, we shall always be faced with this type of situation. It is therefore urgent to negotiate new agreements so that we do not have to face such a prospect in the future.

[*English*]

Mr. Orlikow: Mr. Speaker, I would like to ask the Hon. Member a question which has to do with her province. The bulk of workers in the clothing, textiles and shoe industries live in Quebec. Those industries in Canada and the United States are being decimated. Hundreds of thousands of workers are being laid off and hundreds of plants have closed because those industries in Canada and the United States cannot compete with the low wage imports from Third World countries. What will a free trade agreement between Canada and the United States do for the hundreds of thousands of workers in her province who work in the clothing, textiles or shoe industries?

[*Translation*]

Mrs. Landry: Mr. Speaker, I think that we all agree that the main danger to our textile and footwear industries comes from Third World countries rather than from the United States. In this regard, we also give a lot of attention to our multilateral negotiations under GATT because we shall also have to adjust our mechanisms as far as these other countries are concerned. I am pleased to add that, while we are in the process of undertaking bilateral negotiations with the United States, the Canadian Government recognizes the importance of multilateral negotiations to consider all aspects of its dealings with other countries.

The Acting Speaker (Mr. Charest): Debate. The Hon. Member for Laval-des-Rapides.

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I welcome this opportunity to take part in the debate on the motion presented by the Leader of the New Democratic Party, which reads as follows:

That this House condemns the failure of the government to act in Canada's interests in the free trade discussion with the United States and, in particular, for its failure to obtain an agreement to suspend unilateral tariff action by either country during the period of these discussions.

An amendment to the main motion, on which the House will be asked to vote, was moved, adding the following:

—and for its failure to assist Canadian workers who are adversely affected by such unilateral actions.

Mr. Speaker, it is clear that the motion does not ask Hon. Members, at least not for the time being, to take a position for or against discussions with the United States. The purpose of the motion is to examine the way the Conservative Government has acted since the beginning of the negotiating process with the United States.

Mr. Speaker, I think we have to say that, taken word for word, the motion as amended by my colleague, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), reflects a situation that is plain to see for any observer of the political scene.

First of all, before the Conservative Government came to power and hatched this plan of negotiating a free trade agreement—perhaps we should have a better definition to know exactly what we are talking about—but before the Prime Minister of Canada started these negotiations, there was no specific action by Customs to block exports of Canadian fisheries products to the United States. Before the Conservative Government started these discussions, there were no American measures against exports of agricultural products, pork in particular. Before the Conservative Government started these talks, there were no U.S. subsidies to undermine our exports or compete for international markets with agricultural products from Western Canada. Before the Conservative Government started the talks referred to in this motion, there were no tariffs to block exports of cedar shingles to the United States, and before the Conservative Government started these talks with the U.S., there was no 41 per cent tariff on certain steel products exported from Canada to the United States.

Mr. Speaker, we can only conclude that the negotiations of the Conservative Government are a dismal failure, and so it appears obvious to me that all impartial observers would readily support the motion introduced by the leader of the New Democratic Party (Mr. Broadbent) and amended by my colleague the Hon. member for Winnipeg—Fort Garry (Mr. Axworthy).

Mr. Speaker, the incompetence of the Mulroney Government to do its job properly is there for everyone to see. This is why it should be severely censured for having so obviously failed to protect the interests of Canadians.

One might wonder why the Conservative Government, and particularly the Prime Minister, have performed so miserably. The answer is that they get off or got off on the wrong foot. Mr. Speaker, I should like to quote the remarks made by the Prime Minister no so long ago, barely a few months before the election.

Imagine, he was the Leader of the Opposition, urging Canadian men and women to support the Conservative Party. Here is what the head of the Government thought of free trade with the United States, free trade being defined as total abolition, I suppose, of tariff and non-tariff barriers, as he explained in his intervention here in the House last September when he announced the opening of free trade negotiations with the United States.

Here is what Mr. Mulroney, the present Prime Minister, the Prime Minister of Canada said a few months before becoming Prime Minister with respect to free trade with the United States. He spoke in English, so I quote him in English:

[*English*]

The Prime Minister (Mr. Mulroney) said free trade would be "like sleeping with an elephant. If it ever rolls over, you're a dead man. And I'll tell you when it's going to roll over. It's going to roll over in times of economic depression".

Supply

[*Translation*]

This is what the present Prime Minister of Canada had to say on the concept of free trade with the United States hardly a few months before he was elected to the position he is in now. The question that comes to one's mind, without passing judgment on the substance of the free trade issue, is this: Did the Prime Minister have a mandate from the Canadian people to negotiate or to enter into such negotiations?

I suppose that historians who follow the present actions of the Government and draw a parallel with the suggestions the Tories made a few months before the election could easily recite to the Prime Minister (Mr. Mulroney) many of the speeches made by Mr. Disraeli in the British House of Commons when he was attacking his Leader, the Conservative Prime Minister Mr. Peel, on the issue of the implementation or repeal of the Corn Laws. Because at that time Conservatives in England had stated their position publicly against the repeal of the Corn Laws. Everybody recalls that. Disraeli had this to say about his Prime Minister and his Party:

• (1720)

[*English*]

A Conservative Government is an organized hypocrisy. That is what Disraeli was saying about Peel when he abolished the corn laws, because the Conservative Party of England in those years campaigned against the abolition of the corn laws. Today the Prime Minister of Canada, who campaigned against free trade, is now in full negotiations with his friend, the President of the U.S. I wonder if we can apply to this situation the same kind of speeches that Disraeli was applying to Peel about the corn laws.

[*Translation*]

There is also another aspect which tells us that this Government deserves to be condemned, as indicated in today's motion, because they launched those negotiations on a basis that is not very sound in my view. The premise to the Prime Minister's argument was the following: Let us be nice with the President of the United States, and the Americans will be nice to us. Or: Let us be nice with the Americans on a number of questions, that is money in the bank for free trade negotiations. Everybody recalls that.

He told us, when an American ice-breaker entered our waters without being invited, that it was a significant encroachment upon Canadian sovereignty. But there was the usual argument: It was money in the bank for free trade negotiations.

When the American Government and the President applied pressure to have us change the rules on screening foreign investments . . . The indirect suggestion was that we should be nice to the Americans, and this will be money in the bank for the free trade negotiations.

When we amended the National Energy Program, certainly to please some very conservative circles that existed in Canada, big corporations we did that for them, but also we did that to please the Americans because, to use the Prime Minister's terms, that was money in the bank.

I can tell you that when we consider the results, the money in the bank has not yielded much interest. Because we suddenly realize that we have a Prime Minister who has banked on his personal relations with the American President, who has said yes to the National Energy Policy and to the passage of the American icebreaker in Canadian waters, and who has accepted the NORAD agreements without saying a word. All of this because this was part of his policy to be nice to the Americans.

It is easy to see that at the international level, negotiations cannot be conducted this way. That is why the motion as amended properly reflects the reality without taking a stand for or against free trade negotiations; but it can be very easily demonstrated that this was a deplorable failure. Because there are today in British Columbia 4,000 jobs being jeopardized and in danger of being lost because the American Governement has imposed a countervailing duty of 35 per cent. How many hundreds of jobs are being jeopardized by the imposition of a 41 per cent tariff on some steel products? How many Atlantic coast fishermen are affected by a specific tariff? How many hog producers? What about the agricultural policy of the United States? And they say on the Government side that the purpose of the negotiations was to stop American protectionism. What a good deal! There has never been so many tariffs, quotas, protectionist measures since this Conservative Government came to power.

Are we to conclude that because the Prime Minister is too weak and willing to go down on bended knees, the American President take this opportunity to tighten the screw?

[*English*]

Mr. Rompkey: The emperor has no clothes.

Mr. Garneau: It is easy to demonstrate that until now this Government has failed completely in its negotiations with the U.S. Canadian workers in the shake and shingle industry are losing their jobs. Our fishermen are losing their markets. This morning I heard the Secretary of State for External Affairs (Mr. Clark) saying we want to protect our markets. When the President wrote his letter to Senator Packwood what did he say? He said that in any agreement with Canada the U.S. will retain the right to implement countervailing measures.

[*Translation*]

Mr. Speaker, this means that at the very moment we were involved in negotiations with the United States, the U.S. President had already decided—whatever the previous speaker or the Secretary of State for External Affairs (Mr. Clark) said this morning—the American Government and the President, in a letter to Senator Packwood, had already clearly indicated that the U.S. Government intends to reserve the right to impose countervailing measures to protect American industry.

Ironically, and this shows just how poorly the Prime Minister of Canada (Mr. Mulroney) has handled this whole

affair, a total disaster, the sectors where free trade already existed, the sectors that were not subsidized, are now the very sectors that are most severely affected.

Mr. Speaker, there is no way the Canadian Government will convince this House that the new agreements will prevent the U.S. Government from imposing countervailing measures. The American President said the exact opposite in his letter. And I don't think the President of the United States is about to lie to the Finance Committee of the U.S. Congress. So I think the Government should realize that it better not try and sell us a bill of goods.

Mr. Speaker, now about the substance of the question. I think that everyone, at least on this side of the House, and I realize that the Members of the Tory majority, even if they do not agree and they realize their Government is a failure, I realize they will have to vote with the majority and defeat this motion, but the fact remains that the substance of the question—

We on the Liberal side have shown during 20 years of administration—and I could go back much further than that—that the Liberal Party of Canada has always taken an open approach concerning foreign countries. We do not have to be lectured by those who today, well certainly none of us because we were not there, but I can remember a time when the Conservatives had campaigned against free trade and managed to elect their Party leader, Mr. Borden, at the end of the debate. There was something left. I think there is a lesson there, and it is that the various Government we had since then—Liberal of Conservative, but mostly Liberal—have always defended the interests of Canadians and as a result were re-elected on a more regular basis. But since then the various Governments have always kept in mind the historic example of 1910-11. Canadian men and women as well as politicians never forgot the note President Taft had sent to some people in his administration. We must remember that because history repeats itself, and I always like to quote this remark of President Truman who once said: The only part of things one does not know is that part of history which one does not remember. We must keep history in mind. With respect to the 1911 negotiations, I wonder if today a similar note might not be found sooner or later in the files of the American President.

At the time, President Taft had said: "Basically . . . " As I cannot find the quote in my notes, I shall have to paraphrase it. He said something like this: "I understand the concerns of Canadians about the Reciprocity Agreement. I can understand them because, basically, this will open up many new markets and develop very close links between the two countries, and finally, Canada will become an adjunct of the United States." The quote has just been found. Here is what President Taft said in his note to the Government which was made public by accident, thus killing any chance of success that the Reciprocity Agreement might have had. President Taft had written the following:

• (1730)

[*English*]

The amount of Canadian products we would take would produce a current of business between western Canada and the United States that would make Canada only an adjunct of the United States . . . I see this argument made against reciprocity in Canada and I think it is a good one.

[*Translation*]

When I look at that today, I say to myself: Yes, as the Liberal Governments have always done in the past, we have to increase our markets, but we must always remember that the main thing is to protect Canada as a nation. We have to protect the integrity of the political sovereignty of this country, and I am not saying this because I want to wrap myself in the Canadian flag, but simply because, in these trade negotiations, we have to maintain our identity and political independance and not put ourselves in a situation where we would come to depend even more than we do now on the major powers, especially the United States.

The position of successive Governments, both Liberal and Conservative, since 1910 has been to choose multilateralism over bilateralism so that the integrity of our political sovereignty would be protected, and it is best protected by agreements between a number of countries of varying economic strength sitting around the same table to sign agreements such as in the case of GATT. Some might say that we have drawn all that could usefully be drawn from the General Agreement on Tariffs and Trade. For my part, I do not think that it is true because until now, the GATT rounds have been used only for the purpose of reducing duties, which means that they have dealt only with tariff policies, or virtually only with tariff policies plus a number of measures which prevent the Governments from granting excessive subsidies, for instance, and which allow compensatory action to be taken.

However, I think we have reached a stage where the range of action of the GATT must be widened, and this indeed is what Canada should try to have on its agenda at least for the Montevideo discussions: extending the scope of negotiations to services and non-tariff measures that hinder trade, but on a multilateral basis.

Mr. Speaker, you are indicating that my time has expired. I would like to remind you that the motion now before us is not a motion for or against freer trade. The motion now before us asks whether this Government, ever since the negotiations opened last Fall, has acted to ensure maximum protection for Canadian interests. In view of what has transpired in the areas of fisheries, farm products, forest products and steel, not to mention this newly declared tariff war, Mr. Speaker, the conclusion is quite simple—this Government has failed in its task, and the majority of members in this House should support the motion.

[*English*]

Mr. McCain: Mr. Speaker, I have some questions I would like to ask.

Supply

I would like to make a very brief statement as a preliminary. I first heard of free trade in the House of Commons in Ottawa when it was proposed by a gentleman who lives in Vancouver and happens to be a representative of the Official Opposition in the other place. I thought it was not a bad idea since I came from Atlantic Canada and I believed that it should be pursued. Atlantic Canada has had two periods of prosperity really, the first one during the industrial revolution in the United Kingdom when we had free access to the United Kingdom's markets for whatever product from Atlantic Canada; and the second in that period of time when we had reciprocity between Canada and the United States. We have never been prosperous when we have had to trade east and west. Nor has the West been as prosperous as it might otherwise have been when it has to trade east and west.

Canada's regions are such that they either trade across the water by the most economic source of transportation or we trade north and south to the nearest market for our products. There is a great deal of merit from an Atlantic point of view to pursue free trade as was proposed by that distinguished gentleman from the other place, and constantly discussed in Canada-U.S. relations through the Canada-U.S. parliamentary association in a constructive way.

Now I have some questions. Why does Canada find itself in the position of not being able to respond to this or virtually any other difficulty in which we now find ourselves without being committed to pay compensation to the country against whose action we reciprocate? How did that happen? Why did we negotiate ourselves into that position when we started GATT negotiations in the late 1940s? Why did we sign an agreement which left a law in place in the United States which stated unequivocally that if any production in that country was damaged it could, indeed, impose a surtax? Why did we sign that document? Why have we perpetuated that document in the continued negotiations which have taken place?

These are questions which I would like to hear Members from across the way answer. Why do we expect that we can sit in this House and wash all the dirty linen that Canada might have in trade before the television, when certainly there must be some respect for those who were trying to improve the position of Canada by trade negotiations? Why are we doing this? We cannot conduct international negotiations on the floor of the House of Commons. It never was done when the former Government was in place on an extended basis, why do they want to do it now?

There have been complaints about the surcharge on fish products going from Atlantic Canada. I ask you, why did those people who were former cabinet Ministers from Atlantic Canada not speak up? Why did they not take notice to the structures in the United States which were complaining when we set up the socialist company with unlimited access to tax dollars to export fish to the United States? Why? Why are we now criticizing today's Government for acts for which today's Canadians have to pay? Why? These are questions that the Opposition has ignored. It has ignored them utterly in its total presentation today.

Why did we sign GATT? Why did we sign a treaty with any other nation, such as the European Economic Community, which did not allow Canada an opportunity to surcharge exports of agricultural products to Canada? Why did we do that? Why are we now complaining?

If you take a glass of reconstituted apple juice today you will find that it probably came from the European Economic Community to the detriment of our trade in Canada.

I have just one more question. Why, in dealings with GATT, did we accept the subsidized product from Europe to the point that those countries sold us their wine in Canada at less than the cost of the bottles and we had no opportunity, by virtue of negotiations of the former Liberal Government since the late 1940s, to take any punitive action against them without giving compensation to the European Economic Community? We are boxed in left, right and centre by former negotiations. Let us address these things fairly and honestly.

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I wonder how I should handle the series of questions that have been put, because they were somewhat inconsistent—

• (1740)

[*English*]

The first part of my answer—

Mr. McCain: Not one contradicts the other.

Mr. Gauthier: Let him answer.

Mr. Garneau: The Hon. Member said there is no contradiction. I want to repeat what his Leader said a few months before the election. He said that free trade with the United States was like sleeping with an elephant. If it ever rolled over, you are a dead man. He said: "I will tell you when it is going to roll over. It is going to roll over in times of economic depression". My answer to the Hon. Member would be to ask if he would be happy to have, as a minimum, the same situation that existed in Atlantic Canada before his Government took over? There was no specific duty on fish exports from the Maritimes. There was no specific duty for hog producers.

[*Translation*]

Mr. Speaker, what could I say? When I suggested in my speech we advocated freer trade, I was not looking for an argument with the Hon. Member. It has been the action of successive Governments since 1910 to open up markets, whether in the United States, whether in the Pacific Rim countries, whether in other areas of the country . . . Liberals were never against freer trade, quite the opposite. We have always looked for better access to markets.

But the Hon. Member asks why we have not provided better protection under the GATT to certain markets by repealing measures that could prevent nations from imposing special tariffs on specific products? Quite simply, I would suggest to him that when the President of the United States writes a letter to Senator Packwood saying that in any agreement with Canada he will ensure that the right of Americans to impose countervailing measures will be protected, of course I wish every luck to the Government in trying to reach an understanding that would prevent that kind of thing.

But what we are saying is that broader agreements must be reached. We are not against freer trade, we are against the fact that this Government badly conducted negotiations from the start, because we are now losing our markets. We are not protecting them, we are losing them as far as lumber, steel, fisheries and farm products are concerned. The inescapable conclusion is that this Government is a failure.

The Acting Speaker (Mr. Charest): A short supplementary question. The Hon. Member for—

[*English*]

Mr. McCain: Let it be noted that not a single question that I asked was addressed.

Mr. Dingwall: Mr. Speaker, I have a question for my colleague. Would he comment with regard to the position taken historically and more recently by the Leader of our Party with regard to the free trade issue? Would he not agree that the Government of Canada has been very incompetent in proceeding with negotiations for free trade because it has not made a request of the Government of the United States to eliminate any unilateral action taken by either side? Does he not believe that the failure of the Government to make that request amounts to total incompetence and a bungling of the free trade issue?

[*Translation*]

The Acting Speaker (Mr. Charest): A few seconds only; the Hon. Member for Laval-des-Rapides (Mr. Garneau) has the floor.

Mr. Garneau: Mr. Speaker, I fully agree with the remarks my colleague the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall) has just made. It is clear that we have entered these discussions unprepared. There have been no debate in the House; it was even contrary to the position adopted by the head of the current Government during the election.

It is not surprising that the negotiations should have ended up in such a mess.

The Acting Speaker (Mr. Charest): Order, please! It being 5.45 p.m., it is my duty, pursuant to Standing Order 82(9), to interrupt the proceedings and forthwith put every question necessary to dispose of the proceedings.

Therefore, the motion is as follows: Mr. Broadbent, seconded by Mr. Deans moved:

That this House condemns the failure of the Government to act in Canada's interests in the free trade discussion with the United States and, in particular, for its failure to obtain an agreement to suspend unilateral tariff action by either country during the period of these discussions.

The question is on the amendment of Mr. Axworthy, seconded by Mr. de Corneille:

That the motion be amended by deleting the period and by adding the following:

and for its failure to assist Canadian workers who are adversely affected by such unilateral actions.

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

Some hon. Members: Yea

The Acting Speaker (Mr. Charest): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Call in the Members.

(*Division No. 264*)

YEAS

Members

Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blaikie
Boudria
Broadbent
Copps
Deans
de Corneille
Dingwall
Epp
(Thunder Bay-Nipigon)
Finestone
Frith
Gagliano
Garneau
Gauthier
Gray
(Windsor West)
Heap
Henderson
Hovdebo
Jewett
Johnston
(Saint-Henri-Westmount)
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald
(Broadview-Greenwood)
Murphy
Nicholson
(Trinity)
Nunziata
Nystrom
Orlikow
Ouellet
Parry
Prud'homme
Riis
Robichaud
Robinson
Rodriguez
Rompkey
Rossi
Waddell
Young—47.

NAYS

Members

Attewell
Beatty
Bernier
Bertrand
Bissonnette
Blackburn
(Jonquière)
Blais
Blenkarn
Bouchard
Bourgault
Bradley
Brightwell
Brisco
Browes
Cadieux
Caldwell
Champagne
(Saint-Hyacinthe-Bagot)
Champagne
(Champlain)
Clark
(Yellowhead)
Clark
(Brandon-Souris)
Clifford
Clinch
Coates
Cochrane
Collins
Comeau
Cook
Corbett
Cossitt
Côté
(Lac-Saint-Jean)
Côté
(Langelier)
Crofton

Supply

Members

Crosbie
(St. John's West)
Crouse
Darling
Daubney
Della Noce
Dick
Domm
Dorin
Ellis
Fennell
Ferland
Fontaine
Fraleigh
Fretz
Friesen
Gagnon
Gass
Gervais
Girard
Gottselig
Graham
Gray
(Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault
(Drummond)
Gustafson
Halliday
Hamilton
Hardey
Harvey
Hawkes
Hees
Hicks
Hnatyshyn
Hockin
Holtmann
Howie
Hudon
James
Jardine
Jepson
Johnson
(Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kempling
Kilgour
Kindy
King
Ladouceur
Landry
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald
(Kingston and the Islands)
MacDougall
(Timiskaming)
MacKay
Mayer
Mazankowski
McCain
McCrossan
McCuish
McKenzie
McKinnon
McMillan
Merrithew
Mitges
Moore
Murta
Nielsen
Oberle
O'Neil
Oostrom
Paproski
Pennock
Pietz
Porter
Price
Ravis
Redway
Reid
Reimer
Ricard
St-Julien
Scott
(Hamilton-Wentworth)
Shields
Siddon
Sparrow
Stackhouse
Stevens
Stewart
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Tremblay
(Québec-Est)
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current-Maple Creek)
Wilson
(Etobicoke Centre)
Winegard
Wise
Witer—144.

● (1810)

[*English*]

The Acting Speaker (Mr. Charest): I declare the amendment lost.

Mr. Deans: Mr. Speaker, I rise on a point of order. If you were to check, I think you would find a disposition to apply the same vote to the main motion and have it recorded as such.

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Charest): By unanimous consent the House agrees to apply the same vote to the main motion. Therefore, the next question is on the main motion.

The House divided on the motion (Mr. Broadbent), which was negatived on the following division:

(Division No. 265)

YEAS

Members

Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blaikie
Boudria
Broadbent
Copps
Deans
de Corneille
Dingwall
Epp
(Thunder Bay-Nipigon)
Finestone
Frith
Gagliano
Garneau
Gauthier
Gray
(Windsor West)
Heap
Henderson
Hovdebo
Jewett
Johnston
(Saint-Henri-Westmount)
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald
(Broadview-Greenwood)
Murphy
Nicholson
(Trinity)
Nunziata
Nystrom
Orlikow
Ouellet
Parry
Prud'homme
Riis
Robichaud
Robinson
Rodriguez
Rompkey
Rossi
Waddell
Young—47.

NAYS

Members

Attewell
Beatty
Bernier
Bertrand
Bissonnette
Blackburn
(Jonquière)
Blais
Blenkarn
Bouchard
Bourgault
Bradley
Brightwell
Brisco
Browes
Cadieux
Caldwell
Champagne
(Saint-Hyacinthe-Bagot)
Champagne
(Champlain)
Clark
(Yellowhead)
Clark
(Brandon-Souris)
Clifford
Clinch
Coates
Cochrane
Collins
Comeau
Cook
Corbett
Cossitt
Côté
(Lac-Saint-Jean)
Côté
(Langelier)
Crofton
Crosbie
(St. John's West)
Crouse
Darling
Daubney
Della Noce
Dick
Domm
Dorin
Ellis
Fennell
Ferland
Fontaine
Fraleigh
Fretz
Friesen
Gagnon
Gass
Gervais
Girard
Gottselig
Graham
Gray
(Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault
(Drummond)
Gurbin
Gustafson
Halliday
Hamilton
Hardey
Harvey
Hawkes
Hees
Hicks
Hnatyshyn
Hockin
Holtmann
Howie
Hudon
James
Jardine
Jepson
Johnson
(Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kempling
Kilgour
Kindy
King
Ladouceur
Landry
Lawrence
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald
(Kingston and the Islands)
MacDougall
(Timiskaming)
MacKay
Mayer
Mazankowski
McCain
McCrossan
McCuish
McKenzie
McKinnon
McMillan
Merrithew
Mitges
Moore
Murta
Nielsen
Oberle
O'Neil
Oostrom
Paproski
Pennock
Pietz
Porter
Price
Ravis
Redway
Reid
Reimer
Ricard
St-Julien
Scott
(Hamilton-Wentworth)
Shields
Siddon
Sparrow
Stackhouse
Stevens
Stewart
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Tremblay
(Québec-Est)
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current-Maple Creek)
Wilson
(Etobicoke Centre)
Winegard
Wise
Witer—145.

The Acting Speaker (Mr. Charest): Therefore, I declare the main motion lost.

Mr. Gurbin: Mr. Speaker, I rise on a point of order. Having been absent for the first vote, I hope to be included with my Party in the second vote.

Some Hon. Members: Agreed.

[*Translation*]

The Acting Speaker (Mr. Charest): It being 6.12 p.m., the motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2.00 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.12 p.m.

HOUSE OF COMMONS

Wednesday, June 4, 1986

The House met at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

CANADIAN NATIONAL RAILWAYS

FUTURE OF CN SHOPS IN MONCTON

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the future of the CN shops in Moncton is a matter of great concern to the people of Atlantic Canada. The facility represents 1,200 jobs to the Moncton area. The loss of those jobs would have a devastating impact on the region's economy.

On April 22 I met with members of the "Save Our Shops Committee" of Moncton. They are very concerned that the Government is going to allow CN to close the shops even though the Minister of Transport (Mr. Mazankowski) clearly gave his assurance last summer that the shops would not close as long as he was Minister.

The Minister of Transport has reversed himself faster than the tides in the Bay of Fundy, and the people of New Brunswick cannot understand why. The Government has made an unequivocal promise to keep the CN shops in Moncton open. The Government now has a duty to honour that commitment.

* * *

HUMAN RIGHTS

U.S.S.R.—PLIGHT OF IDA NUDEL

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, some 15 years ago Ida Nudel and her sister Ilana Friedman applied for exit permits to emigrate to Israel from the Soviet Union. Ilana Friedman was allowed to leave and has been living in Israel for 14 years. She is in Ottawa today urging the Government to make the highest possible representations for an exit permit for her sister who is still in the Soviet Union. Ida Nudel is 55 years old now and in poor health. She lives in Moldavia, 1,000 kilometres from Moscow, and needs medical treatment. She is isolated from friends and family who have left the Soviet Union. She is the last remaining member of her family in the Soviet Union.

The Soviet Union, as do Canada and other countries, recognizes in the Helsinki Accord the right of people to leave for purposes of family reunification and, indeed, for any other purpose. Family reunification is an urgent humanitarian concern, and one could hardly find a better case than the one for Ida Nudel.

The NDP caucus urges that the Secretary of State for External Affairs (Mr. Clark) make representations for Ida Nudel.

Mr. Speaker: Order, please. Sixty seconds.

* * *

CANADIAN ARMED FORCES

CALL FOR ACQUISITION OF NUCLEAR POWERED SUBMARINES

Mr. John Oostrom (Willowdale): Mr. Speaker, the Government is considering the potential purchase of four conventional submarines. Defence Department planners are presently analysing eight designs. Their acquisition will enable our navy to enhance its ability to enforce Canadian laws and protect Canadian sovereignty. The Arctic, however, will remain virtually defenceless since only nuclear powered submarines are capable of operating under the ice pack. Nuclear powered submarines can operate in any climatic conditions and are able to be on station year round. Such a presence will enable the Government to protect the Arctic's fragile ecosystem from any hazard.

• (1405)

Enforcement of our laws can only be accomplished if we have a physical presence in the area. In the harsh Arctic environment nuclear powered submarines are the only safe, efficient, and cost effective means we have available to maintain a permanent presence which, in turn, will ensure our sovereignty. Therefore, the Department of National Defence should seriously consider the nuclear powered option for our Navy, giving Canada the capability of enforcing our laws in all three oceans.

Mr. Speaker: Order, please. Sixty seconds.

S.O. 21

[*Translation*]

ENVIRONMENTAL AFFAIRS

CANADIANS' PARTICIPATION IN PROTECTION, CONSERVATION AND DEVELOPMENT OF ECOLOGY

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, to demonstrate our solidarity with the world community our Government has made sure that Environment Week in Canada would coincide with the United Nations decreed World Environment Day. Governments, industry, community groups and associations as well as the general public are making concerted efforts this week to protect and conserve our natural heritage, for ourselves and for future generations.

Canadians have become heedful of the fact that environmental protection is everyone's business, particularly so after the incidents in Bhopal, India, the Chernobyl nuclear accident in the U.S.S.R., and acid rain or water pollution in Canada. Ever mindful of our own environment, we can show that all Canadians are quite prepared to join the world community to protect, conserve and maintain our ecology.

* * *

EMPLOYMENT

REQUEST THAT MINISTER PROVIDE GRANT REQUESTED FOR PROJECT CONCERNING ELDERLY IN PAPINEAU RIDING

Hon. André Ouellet (Papineau): Mr. Speaker, a projet in my riding submitted for approval under the Job Development Program was rejected outright by the Governement. We are talking about an application for funding for a project as straightforward as home maintenance and helping the elderly handicapped do their shopping. A lot of workers, especially young unemployed workers, are available to do this work. Personally, I think it is appalling that the Government of Canada should refuse to fund a program aimed at helping these elderly citizens.

How could they reject the extremely modest budget involved because other projects "were better suited to the priorities of this region and this community"? What higher priority could there be than providing essential services for handicapped senior citizans and helping them to lead a normal and healthy life and to live in decent surrounding in their own neighbourhood?

I want to ask the Minister of Employment and Immigration (Miss MacDonald) to reconsider her decision and grant the requested funding to maintain what I would qualify as essential services.

[*English*]

AGRICULTURE

INTERNATIONAL GRAIN MARKETS—MEETING OF WHEAT EXPORTING COUNTRIES

Mr. Brian White (Dauphin—Swan River): Mr. Speaker, over the last few days, at the urging of the Hon. Minister responsible for the Wheat Board (Mr. Mayer), trade and agriculture ministers from the world's five major wheat exporters met in Whistler, British Columbia. For the first time in years representatives from Argentina, Australia, the EEC, the U.S.A. and Canada have met to find ways of fixing what is now wrong with international grain markets.

The previous Government stood idle while the present problems were developing, but we have taken the first step in finding a means of resolving the troubles in the international grain markets. We realized that the meeting would not provide overnight solutions to all of the problems afflicting grain producers, but it constituted an important first step in de-escalating the agriculture subsidies war. In addition, this meeting provided a forum for the participants to gain a first-hand awareness of each other's concerns and positions. I urge all Members of the House to support the Minister in his efforts to help grain producers all across Canada.

* * *

ENVIRONMENTAL AFFAIRS

THREAT TO ECOLOGY—NEED FOR ACTION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, this is Environment Week. For those concerned about the environment there was the Brundtland Commission in Ottawa last week, and this week there is the World Conservation Strategy Conference and the Fate of the Earth Conference. All of these arise out of and highlight the increasing concern that, by the way we continue to subordinate the sustainability of the biosphere to short-term economic goals, we are undermining the very foundation of any and all future economies.

The record of the Government has not been good on environment issues, the sound and fury of the current Minister signifying nothing, notwithstanding. We need all those Conservatives who worry about the fiscal deficit to begin to worry about the ecological deficit, the way we are borrowing or even stealing from the potentially clean air, water, soil, and healthy bodies of the future in order to avoid changing our lives today and challenging those who have a vested corporate or bureaucratic interest in putting off the day when we act to stop pollution and to stop it now. We need the moral equivalent of war against pollution if we are to have a fully human future.

• (1410)

HUMAN RIGHTS

U.S.S.R.—PLIGHT OF IDA NUDEL

Mr. Bill Attewell (Don Valley East): Mr. Speaker, on June 1, 1978, after seven years of harassment and interrogation, having applied to immigrate to Israel from the U.S.S.R., Ida Nudel placed a banner outside her apartment window which said: "KGB, give me a visa to Israel". For this desperate display she was tried for malicious hooliganism and sentenced to four years of internal exile. It has been a 15-year struggle for Ida, who is known as the guardian angel for her activities on behalf of Soviet prisoners of conscience.

Ida's only living relative, her sister, Ilana Friedman, and Mr. Friedman are here in Ottawa today. Both Ida and Ilana are Holocaust survivors. Ida has heart trouble, ulcers, and may have duodenal cancer. I ask the Government of Canada to bring the strongest possible pressure on the U.S.S.R. to gain Ida Nudel's visa to be reunited with her sister Ilana in Israel.

* * *

[*Translation*]

EMPLOYMENT

FORMATION OF EMPLOYMENT-CREATION COMPANY IN SAGUENAY-LAC-SAINT-JEAN REGION

Mr. André Harvey (Chicoutimi): Mr. Speaker, instead of depending on sponsors from outside the region, the people of Saguenay-Lac-Saint-Jean announced Monday the creation of a company that will sponsor new businesses. The SOCCREMP, which has a start-up capital of 10 million, aims to create about 50 businesses and at least 300 jobs within the next two years. The SOCCREMP is innovative because it is funded by major businesses in the region, by small investors and by the Quebec and Canadian governments.

As the Member for Chicoutimi, I am proud of this initiative taken by the people of my riding who managed to set up a local company with the support of local people. The spirit of economic renewal is alive and well in our region, and we intend to participate even more actively in the movement to create jobs which was started by the Conservative Government and which has maintained a record average of 30,000 new jobs a month, compared with 1,250 per month for the Liberals during their disastrous last fifty months in power.

[*English*]

BANKS AND BANKING

ESTABLISHMENT OF INTERNATIONAL BANKING CENTRES—SELECTION OF CITIES

Miss Aideen Nicholson (Trinity): Mr. Speaker, in the Budget Speech of February 26 the Minister of Finance (Mr. Wilson) said the Government was prepared to facilitate the establishment of international banking centres, or IBCs, in Canada. This is an important indication of support since any IBC in Canada will require special federal as well as provincial tax concessions for it to compete on the same footing as other such centres world-wide. The question is: why did the Government specifically designate Montreal and Vancouver as future IBCs instead of taking its usual line of letting market forces decide?

There is already considerable international financial activity in Toronto, and the related jobs and services could be disrupted or jeopardized if the Government restricts its support for the IBC concept to Montreal and Vancouver. If the Government is not prepared to extend its support to Canadian cities generally, it should not act without carefully weighing the impact on existing banking activity in other locations.

* * *

VETERANS AFFAIRS

VETERANS INDEPENDENCE PROGRAM

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, Hon. Members well know that our society is aging and that this will pose entirely new challenges for all Canadians. Our veterans population, with an average age of 66, offers us a preview. The Department of Veterans Affairs is responding to the challenge in an innovative and effective way.

The Veterans Independence Program, or VIP for short, is giving veterans the assistance they need to remain healthy and independent in their own homes and out of institutions. This assistance is all individually tailored to the particular veteran's needs and it can run the range from elevating devices to Meals on Wheels, to yard maintenance. From the taxpayers' perspective, the VIP is money wisely spent because 10 veterans can be helped through the program for the cost of keeping just one in an institution. It is no wonder that many feel VIP will prove to be a forerunner of social programs to come.

Oral Questions

ABORTION

DISBANDMENT OF PRINCE EDWARD ISLAND THERAPEUTIC ABORTION COMMITTEE

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, the only hospital in Prince Edward Island which still has a therapeutic abortion committee announced last night its decision to dismantle that committee. As a result—

Some Hon. Members: Hear, hear!

Mr. Robinson: As a result, the women of Prince Edward Island will be denied access to safe legal abortions merely on the basis of geography. Women from P.E.I. wishing access to this procedure must now travel abroad at considerable expense, or resort to back-room abortionists, thus causing further delays and health risks. Poor women in that province who cannot afford to travel will be denied access to therapeutic abortions altogether. This development in P.E.I. highlights the inherent inequalities in present Criminal Code provisions governing abortion which make a mockery of sexual, geographic, and economic equality in Canada. Despite the fact that recent Gallup polls indicate the majority of Canadians would like the Government to ensure access to safe therapeutic abortions, the Government justifies its refusal to act on the ground that public opinion is divided.

• (1415)

On June 2 the Minister responsible for the Status of Women responded to the National Action Committee on the Status of Women that he would take initiatives to ensure uniform delivery of abortion services across Canada. It is time for the Government to stop waffling—

Mr. Speaker: Order, please. Sixty seconds.

ORAL QUESTION PERIOD

[*English*]

TRADE

U.S. TARIFF ON CANADIAN CEDAR SHAKES AND SHINGLES—COMMUNICATION FROM UNITED STATES PRESIDENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Deputy Prime Minister. On Friday about 4,000 British Columbia shake and shingle workers will lose their jobs permanently unless the President of the United States is asked by our Prime Minister to revoke that tariff.

On the same Friday, two days from now, about 15,000 to 16,000 Canadian lumber jobs will be in jeopardy if the American countervail action goes forward. Will the Deputy Prime Minister prevail upon his leader, the Prime Minister, to produce a copy of the reply that President Reagan wrote to him in response to the Prime Minister's own letter on shakes and shingles, a letter which the Prime Minister was only too eager to publicize and wave in this House?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Right Hon. Leader of the Opposition should know, from his rather extensive period in government, that in normal circumstances correspondence of that nature is not tabled on the floor of the House of Commons.

[*Translation*]

Mr. Turner (Vancouver Quadra): Mr. Speaker, a former Prime Minister like the Secretary of State for External Affairs ought to know that our Prime Minister has already published his letter to the President. Why doesn't he ask the President's consent for publishing his reply?

REPLY FROM UNITED STATES PRESIDENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my supplementary is as follows: Why did the Prime Minister authorize Bill Fox, his director of communications, to summarize the contents of that letter for the press?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am not in a position to confirm the proposal the Leader of the Opposition just made—

[*English*]

—nor am I able to comment with any authority upon his use of 17th century French.

[*Translation*]

Mr. Turner (Vancouver Quadra): Lucky the name Joseph is easy to translate!

[*English*]

REQUEST THAT PRIME MINISTER TELEPHONE UNITED STATES PRESIDENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we were doing fine in our trade relations with the United States until our Prime Minister got into the act and opened up this whole can of worms. Will he prevail on the Prime Minister to call the President directly, call off the 35 per cent tariff, and block that countervail action on Friday?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I suppose the next proposition by the Leader of the Opposition will be that Canada was doing fine when it was excluded from the G-7 while he was the Minister of Finance.

As a matter of fact this country was not doing at all well in our trade relations with the United States prior to the beginning of these negotiations. If you need any verification of that you can ask any one of the thousands of Canadians in industry after industry whose jobs are threatened now by a system that does not work. That is why we are embarked on negotiations to try to put in place a better system, to provide better security and a better future for the workers of this country.

U.S. INDUSTRY'S PETITION FOR IMPOSITION OF TARIFF ON CANADIAN LUMBER EXPORTS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, in response to the Secretary of State for External Affairs I just remind him that the Hon. Leader of the Opposition has attended a lot more G-7 meetings than the Secretary of State for External Affairs or his leader has ever thought of attending.

I would like to direct my question to the Secretary of State for External Affairs. Indications out of Washington this morning are that Secretary of Commerce, Mr. Baldrige, is planning to accept the petition by the U.S. lumber industry in spite of the efforts by Ambassador Gotlieb to forestall that action.

Will the Prime Minister personally intercede with the President to use his discretion to reject that petition, even though we know he was not prepared to do that in the case of the shake and shingle industry? Surely in a case where there are so many jobs and such a large industry at stake, he will intercede now.

• (1420)

Mr. Speaker: Order.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member knows very well, and should not try to create confusion among the public of Canada, that there is very little flexibility open to the administration in this case. Today in Washington in the name of Canada, Ambassador Gotlieb, after consultation with, among others, the Member for Humber—Port au Port—St. Barbe, the Member for Mission—Port Moody and the Member for Skeena—all of whom were involved in the representation to make sure it was as strong as possible—gave an indication that we regard this acceptance of this petition as a denial of the basic principle of natural justice. In effect it involves double jeopardy because nothing at all has materially changed either in Canadian practices or in United States law since a decision was taken in 1983 under the same procedure on the same matter.

Mr. Axworthy: There is no doubt that we share that sentiment but the result is the same. The action is proceeding.

GENERAL AGREEMENT ON TARIFFS AND TRADE

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my supplementary question is directed to the Secretary of State for External Affairs. Does the Government now intend to take this matter to a formal invocation of Section 22 or 23 of the GATT agreements so that this unfair action by the United States can come under the auspices of the international trading system and we can bring the full force of the international community to bear against this inequitable action by the U.S. administration?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we will do everything that is open to us. We will follow every action that we think will work to try to protect the Canadian industry against this action, and indeed against the inconvenience of another long investigation that we believe would yield no result of the kind the Americans are seeking but that will cause considerable apprehension among members of the Canadian industry. I trust that we will enjoy, in the actions that we undertake, the full support of Members of the House of Commons, of the provinces and of industry and labour, as we have sought to involve them in the representations that were made this morning so that, in case there is any question about that, it is clear that Canada is speaking together on this matter in the protection of Canadian interests.

CANADA-UNITED STATES NEGOTIATIONS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is also directed to the Secretary of State for External Affairs. He will know that Ambassador Gotlieb made two legal arguments on behalf of Canada today. In light of the actions that have been occurring on both sides of the border, will the Secretary of State indicate whether Ambassador Gotlieb also made the case that now is the time for an act of good faith on behalf of the Americans if they are serious about proceeding with free trade talks? This is an opportunity they could seize to make that case very clear on their behalf.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I cannot confirm whether or not Mr. Gotlieb made that particular point on behalf of Canada. If the Member is asking indirectly a question which has been asked directly in the House before, whether we would threaten to cut off talks that are in Canada's interest if we do not prevail on the question of this petition, the answer is no, that threat will not be made by Canada because we believe those talks are clearly in our interest, and we believe that events of recent days have demonstrated just how vulnerable this country is to the present situation and how much we are in need of a better system.

Mr. Riis: That was not the point I was making.

CANADIAN POSITION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I was simply asking the Secretary of State for External Affairs if our Ambassador made the case that now is the time for the United States to provide an act of good faith by saying, in terms of enabling free trade talks to continue, that it will not proceed with this countervail petition?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have indicated that I do not know whether that particular point was made by the Canadian Ambassador today. One of the reasons we have ambassadors is that they do some of the things that the Foreign Minister is not free to do.

Oral Questions

U.S. INDUSTRY'S PETITION—REQUEST FOR TABLING OF DOCUMENTS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, in light of the seriousness of this petition continuing, is the Secretary of State for External Affairs willing to table in the House the documents that would portray very clearly Canada's position in making its case for the United States not to proceed with this particular initiative?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I believe the Hon. Member knows that his colleague, the Member for Skeena, as well as other Members of Parliament who were involved in briefings and debriefings this morning after the visit by Ambassador Gotlieb to Mr. Baldrige, were provided with quite extensive information as to the nature of the Canadian case. Certainly, if he is unable to get that information from his colleague, I will see if I can make it available to him directly. Whether or not I would want to establish the precedent of tabling it in the House of Commons, he will understand is a matter I would want to consider.

• (1425)

CANADA-UNITED STATES TRADE RELATIONS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Minister of Finance. On Monday the Minister announced Canada's latest broadside in the growing trade war with the U.S., which this Government, through its total incompetence, has created. Would the Minister explain why, only since this Government took office, Canada has become involved in a disastrous trade war involving such items as hogs, fish, wheat, steel, shakes and shingles, and even raspberries, with a country which previously respected Canada and was our best trading partner?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member is well aware of the acceleration in protectionist pressures which has been taking place in the U.S. Congress over the past few years. If he is not, he should go to Washington, talk to some of the Congressmen down there and learn about it first hand.

There is no question, as my colleague, the Secretary of State for External Affairs, said yesterday, there is a trade war in the United States between the protectionist pressures and the free traders. That is fundamental to the actions which are being taken and which have been pressed upon the administration in recent years, not just actions taken by it but actions which have been forced through the ordinary course of law which is open to U.S. citizens.

[*Translation*]

INQUIRY WHY GOVERNMENT IS OPENING SECOND BATTLEFIELD IN TRADE WAR

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, if there is a trade war or a tariff war or whatever the Minister wants to call it with the United States, why, when the Minister announced reprisal actions last Monday to continue this skirmish, did he open a second front, this time with Japan, by imposing customs duty on certain products such as computer parts and semi-conductors? Why open a second front in this continuing trade war?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member understands that it is not possible for Canada to take action unilaterally against just one country. What we did during the course of our considerations leading up to the actions we took on Monday was to identify those areas of trade which were predominantly with the United States. In this particular case I believe 88 per cent of the trading was with the United States.

CANADIAN POSITION ON IMPOSITION OF TARIFFS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the same Minister. If it is possible for the United States to take very specific actions aimed at particular countries, and it is possible for the European Community to do the same, why is it not possible for us in our retaliatory measures to be equally specific and precise in aiming what we choose to use as retaliation against the United States itself?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not know whether the Hon. Member is referring to the shakes and shingles industry. I believe 99 per cent of the imports by the United States of this particular product are from Canada. That is why the effect of its action was almost 100 per cent on the Canadian market. But I remind the Hon. Member that the rules of the General Agreement on Tariffs and Trade do not allow a country to take specific discriminatory actions.

EFFECT OF CANADIAN TARIFFS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the Minister has said that these precise areas were chosen because they were outside GATT. So I come back to the Minister and ask him why can it conceivably make sense for us to be slapping new tariffs on Japan, France, Britain and on other countries which supply these products, and expect that to hurt the United States? Why should that kind of nonsense be permitted?

• (1430)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, either the Hon. Member is confused or he is deliberately trying to confuse Canadians when he says that the shakes and shingles matter is outside GATT. It is outside GATT because it is a tariff that is not bound under the General Agreement on Tariffs and Trade. However, any response that we take in relation to the action taken by the United States in the shakes and shingles issue must be done within the rules of GATT or else we leave the trading system, we leave GATT or we will be

taken to task in front of the tribunals of GATT. That is something the Government is not prepared to do, although it may be something the Party of the Hon. Member is prepared to do.

[*Translation*]

REQUEST FOR CLARIFICATION OF TARIFF INCREASING COSTS FOR CANADIAN CONSUMERS

Mr. David Berger (Laurier): Mr. Speaker, my question is also directed to the Minister of Finance. We have seen the unanimous reaction of industry spokesmen concerning the imposition of a tariff—

[*English*]

Mr. Speaker: Order, please. I take it the House is reacting to the Hon. Member's holding up of a display. He knows that is not allowed. Question, please.

[*Translation*]

Mr. Berger: Canada shot itself in the foot and did not even hurt the Americans.

How can the Minister impose a tariff which will translate into job losses in the Canadian industry and higher costs for Canadian consumers, whereas the Americans are the ones who should have their knuckles rapped?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as I indicated to the House yesterday, protectionism is an issue on which no side can win. It costs consumers on both sides. This is one of the reasons we are in the negotiations toward a comprehensive agreement with the United States on trade. It is quite clear that any knowledgeable observer will say that it was necessary for the Government of Canada to respond in order to demonstrate our displeasure with the actions taken by the United States. That is what we did on Monday.

RESULT OF TARIFFS

Mr. David Berger (Laurier): Mr. Speaker, the Government says it did this to express our displeasure. When an elephant walks through one's garden, one does not step on the plants it missed.

Some Hon. Members: Oh, oh!

Mr. Berger: I ask the Minister why we are hurting ourselves. Will the Minister not admit that the sole result of his action, his so-called reprisal, will be to increase costs for Canadians and risk our trading relations with the Japanese as well as the Americans?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member expresses concern about the possible escalation of this matter, a point with which his Leader, the Right Hon. Leader of the Opposition, agrees. On the other hand the Hon. Member for Winnipeg—Fort Garry says that it is not enough, we should have done far more, "Let's provoke a trade war".

Mr. Axworthy: I didn't say that.

Mr. Wilson (Etobicoke Centre): Get your act together, boys. We just don't know where you're coming from.

* * *

ENERGY

PRICE OF HOME HEATING OIL

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources, whose Parliamentary Secretary told the House of Commons on April 7 that the price of home heating oil was about to drop. On May 29 in answer to a member of his own Party in the House of Commons with respect to when we can expect a drop in the price of diesel, home heating and general aviation fuel prices, he said: "In the fullness of time". When will the Minister take some action to prevent the continued gouging of Canadian consumers?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, because of the actions of this Government Canadian consumers are benefiting from lower oil prices—

Mr. Riis: What about aviation fuel?

Miss Carney: —especially farmers. In terms of home heating oil, considering the fact that this is June I think that possibly the Hon. Member should wait until the home heating season starts in order to measure the drop in prices.

GOVERNMENT POSITION

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, the Minister will surely know from her former employment that there are people in Canada who are still heating their homes.

Some Hon. Members: Hear, hear!

Mr. Parry: Mr. Speaker, is the Government telling the people of Canada that it does not care about the inflated revenues which are being squeezed out of them? Is this a deliberate policy decision by the "Oilman of the Year"?

Mr. Hnatyshyn: Oilperson.

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I lost the thread of the question—

Some Hon. Members: Oh, oh!

Miss Carney: —as a result of the Hon. Member's accolade.

Mr. Riis: Try aviation fuel, Pat.

Miss Carney: I can only repeat the fact that the consumers are benefiting from lower gasoline prices. The price of home heating oil which is sold under contract should be reflected in

next season's bills. As the Hon. Member should know, aviation fuel is also sold under contract.

* * *

TRADE

IMPOSITION OF TARIFF ON IMPORTED BOOKS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, all the Government has done with its retaliatory tariff policy is to hit out at Canadians who read books, not just American literature but books from other countries as well. My question is for the Minister of Finance.

If the objective of Canada's tit-for-tat, tariff-for-tariff policy is actually to retaliate against American protectionism, how does the Minister explain that he has caused increased costs to Canadian consumers, book publishers and retailers by slapping tariffs on other nations such as France and England with which we have absolutely no bone to pick?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as I indicated in response to a question from a member of the New Democratic Party, we have tried to identify those areas of our trade which are predominantly with the United States. I believe in the case of books it is 90 per cent in this particular tariff category. We have tried to focus the response to the United States which is obviously the object of our displeasure.

Mrs. Finestone: The $26 million which Francophones spend will not cause them to be appreciative of that.

[*Translation*]

EFFECT OF POLICY ON CONSUMERS

Mrs. Sheila Finestone (Mount Royal): Here is my supplementary question, Mr. Speaker: Does the Minister realize that the new tariff will penalize reading enthusiasts who will have to shell out an additional $2.6 million to buy books imported from France, and that such a harmful policy will cost francophone consumers, especially in Quebec? We are not talking about chicken feed, and this is an ill-advised policy.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think I need not point out to the Hon. Member, but possibly I should, that there is a benefit as far as Canadian authors are concerned relative to those particular books coming in from other countries.

Mr. Shields: Supplementary.

FINANCE

PETROLEUM AND GAS REVENUE TAX

Mr. Jack Shields (Athabasca): Mr. Speaker, my question is for the same Minister. When will the Minister be announcing the total, absolute, and final removal of the Liberal 10 per cent Petroleum and Gas Revenue Tax?

Some Hon. Members: Oh, oh!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I guess that is supplemental to the tax question.

Mr. Speaker: Order, please. It is not a supplementary question. It will be treated as a separate round and allowed.

Ms. Copps: No. He asked for a supplementary.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the Hon. Member is quite aware of the measures announced on April 30 which are of benefit to the small producers in the oil and gas industry. I believe that those measures will provide something just short of $200 million worth of benefit to the industry over the next two or three years. This is a good response to a particular problem which the industry faces. We are reviewing the matter on an ongoing basis.

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NUCLEAR ENERGY

REQUEST FOR INQUIRY INTO NUCLEAR FUEL CYCLE

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. In light of the recently verified widespread concern of Canadians about nuclear energy, is the Government reconsidering its position of only a few weeks ago that no inquiry into the nuclear option is necessary? Will the Government be moving soon to launch an inquiry into the whole nuclear fuel cycle in Canada?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, as the Hon. Member well knows that is not the position that I announced in this House. He knows that well because he was in this House when I made our position clear—

Mr. Riis: What is it? What are you going to do?

Miss Carney: —which is that I have asked our officials involved in the industry to be part of the international investigation into Chernobyl. After they find out what we can learn from that unfortunate and unhappy incident we will consider whether or not there is a basis for such a review. For the Hon. Member continually to insist that I have said that there will be no review is wrong.

STORAGE OF NUCLEAR WASTES

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, a Conservative promise to have such an inquiry was made before Chernobyl and therefore could be lived up to before the results of any investigation into that accident are forthcoming.

Does the Minister consider the recent statements by AECL with respect to its offer to store wastes, from mini-reactors that it wants to market, at Pinawa in Manitoba to be a violation of the promise she made to Manitoba that radioactive wastes would not be stored in Manitoba?

• (1440)

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, as the Hon. Member knows, that question is hypothetical. It is provided that before any sites are selected in Canada, there will be full public hearing processes. No nuclear waste will be stored in the facility that he discusses.

Mr. Blaikie: Why did they make the offer?

Miss Carney: He is yelling across the floor with his usual grace asking why they made the offer. May I point out that no offer was made.

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CAPE BRETON DEVELOPMENT CORPORATION

ANNOUNCEMENT OF LAY-OFFS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Deputy Prime Minister in the absence of the Acting Minister of Regional Economic Development and concerns the Cape Breton Development Corporation. In January, 1985, there were 4,000 employees but today there are 2,800 and the union has been notified that next March 479 additional employees will be terminated. In the absence of the Prime Minister I would ask the Deputy Prime Minister if he believes this to be fair in view of the unprecedented high unemployment rate that has besieged Cape Breton Island.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, as the hon. gentleman knows, there have been 1,000 new jobs in that area due to the formation of the Atlantic Enterprise Program by the Government. As a matter of fact, in my observation from sitting in this House, more has been done in the last 20 months, for that area of the country, than in the entire time I have been here.

REQUEST FOR GOVERNMENT ACTION

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, the situation is so serious that one could conclude that the Deputy Prime Minister is either intentionally misleading the House or—

Mr. Speaker: Order, please. The Hon. Member knows he must withdraw that and just put his question.

Mr. Dingwall: Mr. Speaker, I withdraw that but I remind the Deputy Prime Minister that the facts do not say—

Mr. Speaker: Order, please. The Hon. Member knows he should just put a question.

Mr. Dingwall: Will the Deputy Prime Minister give a directive to the Cape Breton Development Corporation pursuant to Section 99 of the Financial Administration Act to ensure that those workers are not terminated next March in view of the fact that Government policies have seen the unemployment rate increase from 15 per cent in 1984 to a high of 26.8 per cent now?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the unemployment rate, particularly in Atlantic Canada and specifically in that region, is at a level that does not make any of us happy and makes all of us strive to improve it. We believe that our record in improvement in Atlantic Canada is a heck of a lot better than that displayed by the Government the Hon. Member supported when it was in office. We will continue to seek that kind of improvement and job-creation activity that will ensure a secure future for the people of Nova Scotia and specifically that region.

* * *

TRADE

IMPOSITION OF TARIFF ON IMPORTED BOOKS—REQUEST FOR WITHDRAWAL

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is directed to the Minister of Finance who will be aware by now that many Canadians, including readers and not just book store owners, are very unhappy with the Government's decision to impose a tariff on periodicals and books. On reflection, will the Minister agree to withdraw a tariff that Canadians are beginning to consider a tax on reading?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me repeat what I said on Monday afternoon. I took no pleasure in announcing the actions the Government would take in response to the U.S. shakes and shingles action. This is something that, as I said, was a necessary response to indicate quite clearly to the Americans that we did not agree at all with what they had done. It is very important that we make that response in order to avoid having that sort of thing happen again in the future.

Oral Questions

GOVERNMENT POLICY

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I wonder if the Minister would tell us what confidence Canadians can have in the so-called decision that culture would not be on the bargaining table? Might Canadians not reasonably think that the Government has reneged on yet another policy?

Hon. Michael Wilson (Minister of Finance): The answer is no, Mr. Speaker.

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CANADA POST CORPORATION

RURAL MAIL DELIVERY ROUTES

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, my question is directed to the Parliamentary Secretary to the Minister of Consumer and Corporate Affairs and the Minister responsible for the post office. As the Parliamentary Secretary knows, hundreds of rural mail delivery routes are currently being assessed for the possibility of closure, including four in my riding. What criteria is Canada Post employing in deciding which routes should be cut and what guarantees, if any, do rural Canadians have that they are not being discriminated against simply because rural routes are easier to close than urban routes?

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, first I would like to assure the Hon. Member for Brandon—Souris that Canada Post Corporation is working under a mandate that was supported by two Governments. That mandate is to reach self-sufficiency. In that process it is necessary from time to time to review the operations and we leave it to Canada Post to review those operations and use the necessary means it has at its disposal as a Crown corporation, something to which we all agreed in 1981, to bring about the objective of self-sufficiency. In conclusion, I can advise the House that the deficit of Canada Post as reported by the President, Don Lander, is down to $200 million.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF ETHIOPIAN MINISTER OF FOREIGN AFFAIRS

Mr. Speaker: May I draw the attention of Hon. Members to the presence in our gallery today of His Excellency, Mr. Goshu Wolde, Minister of Foreign Affairs for Ethiopia.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF RIGHT HON. ROLAND MICHENER

Mr. Speaker: I also draw the attention of Hon. Members to the presence of the Right Hon. Roland Michener.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

RAILWAYS

CN SHOPS IN MONCTON—INQUIRY CONCERNING COMPLETION OF STUDY

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, my question is directed to the Parliamentary Secretary to the Minister of Transport.

[*English*]

The Minister has answered many of my questions on the CN shops in Moncton by referring to the internal study being conducted by CN. Can the Parliamentary Secretary inform the House as to the progress of the study? How long will it be before the study is completed? Does the Minister have any advance knowledge of the contents of that study?

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the Minister of Transport is hopeful that he will be seized of that particular study before the end of this month.

ANNOUNCEMENT OF LAY-OFFS

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, are the lay-offs announced last Friday by CN affecting 105 workers in the area the result of this internal study? Are more layoffs coming our way? We cannot take much more.

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I think the Hon. Member is aware, as indeed are most Hon. Members, that this is the position of Canadian National Railways. It was given a mandate and it has now responded. A review of this response is presently under way and the Minister should have the results before the end of the month. I think I can assure the Hon. Member that this will be the end of it for the time being.

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PUBLIC SERVICE

SHIPS' CREWS—REGIONAL PAY SCALES

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have a question for the President of the Treasury Board regarding the current dispute with federal Government ships' crews. Does the Minister agree with the principle of parity for

workers in different parts of the country doing the same work? If so, will he tell us why he is still penalizing federal government ships' crews in Atlantic Canada by refusing to pay them the same wages as ships' crews in the West?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, first I would be happy to inform the House that, following our obtaining an injunction in Federal Court on Friday, the situation has been normalized. The employees are back to work and there is no illegal strike any longer. There has been an agreement made between management and labour to sit at the table as early as tomorrow morning to resolve their differences.

DESIGNATION OF WORKERS AS ESSENTIAL AND SURPLUS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, is the Minister aware that 100 per cent of these workers have been designated essential workers, thus denying them the right to strike legally, yet at the same time a large percentage of them have been declared surplus and are in danger of losing their jobs? Could the Minister explain how it is that a worker who is essential can be declared surplus?

• (1450)

Mr. Blackburn (Brant): Think about that one.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, it is very obvious that these workers are critical for the health and safety of the public in the operations which they pursue. In rationalizing the services, some workers may have been declared surplus. It is certainly not one of the major issues in the current dispute. As I said, talks will be resuming tomorrow morning with the union, and I have every hope that we will be able to complete those negotiations successfully as we have in the prior 64 collective bargaining agreements signed earlier this year.

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PORNOGRAPHY

IMPORTATION OF BOOKLET AND VIDEO CASSETTE

Mr. John Oostrom (Willowdale): Mr. Speaker, my question is for the Minister of National Revenue. Children are Canada's greatest asset. The Government must ensure that children are provided with a stable and productive environment which will allow them to excel in the adult world. Could the Minister please investigate why the booklet "Pedophiles: Lovers of Children" and the video cassette, "Little Girls . . . Dirty Desires" are allowed to be imported into Canada?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I can certainly identify with the concern of the Hon. Member opposite. I would like to assure him that our Department has reviewed both of these items, and despite the titles the contents therein have not been found justifiable in terms of prohibiting their entry under the relevant tariff items. However, if there is any further change in the content, another version or whatever, I would appreciate having it brought to my attention.

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ENVIRONMENTAL AFFAIRS

GREAT LAKES—REPORTED WITHHOLDING OF RESEARCH PAPER

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question, in the absence of the Minister of the Environment and of his Parliamentary Secretary, is directed to the Deputy Prime Minister, if I could have his attention.

Mr. Nielsen: You have it.

Mr. Caccia: In yesterday's *Globe and Mail* a highly respected reporter writes that at least one research paper to be given at the International Association of Great Lakes Research was ordered withheld for more Government scrutiny. Will the Deputy Prime Minister tell this House when the Minister of the Environment will stop muzzling his scientists?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Minister of the Environment is not muzzling his scientists. I think all people recognize that the Minister of the Environment has great credentials with environmental groups and is working hard with them to fulfil his responsibility. In terms of the specifics, I will take note of the question and bring it to the Minister's attention.

STATEMENT ATTRIBUTED TO DEPARTMENTAL OFFICIALS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in light of the Minister's answer, will he please explain to the House why Environment Canada officials, who have asked not to be named, said:

> —there are orders from senior management to avoid releasing information that might reflect badly on the federal Government and Environment Minister Thomas McMillan.

Can the Minister explain that?

Hon. Jake Epp (Minister of National Health and Welfare): Yes, Mr. Speaker, I can explain it very quickly. I am sure when the Member was a Minister of the Crown he tried very carefully to make sure that information coming from officials and from the Department was accurate. The Minister of the Environment is saying the same thing.

Ms. Copps: Pretty boy muzzle.

Mr. Epp (Provencher): The Minister is not muzzling anyone. Allegations which the Member has made are just that. They are newspaper articles and they have as much validity today as they have had other days around this place.

Oral Questions

CANADIAN JOBS STRATEGY

JOB DEVELOPMENT PROGRAM—FUNDING IN VANCOUVER

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, my question is for the Minister of Employment and Immigration. Regional headquarters of the CEIC in Vancouver have been told to freeze all funding of applications under the Job Development Program until September. This is supposed to be a continuous intake program. Can the Minister, in order to alleviate the tremendous problems this has created for many applicants in my constituency and in neighboring constituencies who have made all their plans, return the funding that has now been frozen?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, we have already approved some $27 million in new projects for this fiscal year alone. In addition to that, Mr. Speaker, under the Canadian Jobs Strategy we have some $450 million worth of projects operating all across the country.

I must say for the benefit of the Hon. Member and others that those projects continue. They continue to be funded. Moneys continue to be allocated to them. We have, through our annual budget, a plan whereby money will be spent over the balance of the year. Certainly the bulk of it will be spent during the times when unemployment is at its highest, that is, during the fall and winter months, and we want to make sure that some of that money is spent during that time.

Mr. Speaker: Order, please. I think the Hon. Minister knows that this is a little long.

TREATMENT OF APPLICATIONS

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, the Minister knows that all funds have been frozen in the Vancouver region. Is she aware that $2 million worth of applications will be lying around all summer? Apparently the Minister wants to save up all the money until September, disappointing the applicants who have been told they had every reason to believe they would get funds, so she can make a big blow in September.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, we try to keep on funding projects all the time. If the Hon. Member wants a list of all of the very worth-while projects that are being funded in British Columbia, I will be more than prepared to provide them to her, including a number of projects in her own riding.

EDUCATION

CHIEF JUSTICE'S STATEMENT ON POST-SECONDARY FUNDING

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, my question is for the Secretary of State. Last week our national Liberal task force was told by presidents of universities—the Minister can't hear me, Mr. Speaker.

Ms. Copps: He is not interested.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): Another immortal comment from Copps.

Mr. de Corneille: Last week our—

Some Hon. Members: Question.

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

Mr. Clark (Yellowhead): Help him out, Sheila.

Mr. Speaker: Order, please. Does the Hon. Member have a question, please? I am waiting.

Mr. de Corneille: Mr. Speaker, last week our national Liberal task force was told by presidents of universities, faculty associations, and student unions, that post-secondary education is in a financial crisis, which is exactly what Chief Justice Brian Dickson said at the same time in western Canada—

Mr. Speaker: Order, please. The Hon. Member has now been something over one minute. Could we have a question, please?

Mr. Beatty: We want to hear Sheila's supplementary.

Mr. de Corneille: Does the Secretary of State agree with the Chief Justice, or does he deny that students and teachers are facing such a crisis?

An Hon. Member: Ask him to repeat the question.

Mr. Clifford: Do you remember the question?

Some Hon. Members: Oh, oh!

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): If I may respond to this lengthy question, Mr. Speaker, I would say to the Hon. Member that we have stated on several occasions that—and I said so to the Hon. Member in parliamentary committee—we assumed education was first and foremost a provincial responsibility. Still it does not preclude the federal Government, through the Secretary of State, from maintaining close relations particularly with university councils and students associations with a view to defining more

precisely the role the federal Government might play in the education field in years to come.

[*English*]

REQUEST FOR INCREASED FUNDING

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, the Minister was indicating to me that he couldn't hear. That is why I was so lengthy.

Some Hon. Members: Oh, oh!

Mr. de Corneille: Mr. Speaker, is the Minister's Government finally going to step in above and beyond its 5 per cent solution, which is barely more than inflation, to salvage our higher educational system before it starts producing second-class teachers and second-class students, and ultimately have a meltdown—

Some Hon. Members: Sit down.

Mr. Speaker: Order, please.

[*Translation*]

Mr. Bouchard: Mr. Speaker, if the Hon. Member is urging me to assume the responsibilities of the provinces, I will not do so. We know what happened when the previous Government tried something like that. What we intend to do, ever mindful of federal responsibilities—

[*English*]

Mr. Speaker: With relief, it is three o'clock. Order, please. I am in receipt of a point of order arising from Question Period from the Hon. Member for Essex—Windsor (Mr. Langdon).

* * *

• (1500)

POINTS OF ORDER

ALLEGED USE OF UNPARLIAMENTARY LANGUAGE—IMPUTATION OF MOTIVES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I rise on a point of order. The Minister of Finance (Mr. Wilson), during—

Mr. de Corneille: Mr. Speaker, I have a point of order.

Mr. Speaker: Order, please. Order, please! The Hon. Member for Eglinton—Lawrence (Mr. de Corneille) will resume his seat. The Hon. Member for Essex—Windsor (Mr. Langdon) is on a point of order. I will recognize the Hon. Member in a minute.

Mr. Langdon: During an exchange which took place during Question Period the Minister of Finance suggested that I was attempting to deliberately confuse the House, something at which he is much more a master than I.

An Hon. Member: Shame on you.

Mr. Langdon: Mr. Speaker, could it be made clear that the GATT provisions do permit retaliatory action—

Mr. Speaker: Order, please. Order, please! I heard the comment at the time and had to query in my own mind whether there was in fact a breach of parliamentary language. I did not, at the time, think there was, although I must say that the Minister was coming close to imputing motives, which is a breach of our rules. However, I think the Hon. Member is now coming into the area of the facts of debate on the matter which is not a point of order. Does the Hon. Member have a separate point of order?

Mr. Langdon: Mr. Speaker, my direct point of order is that unparliamentary language and unworthy motives have been suggested. I would ask the Minister of Finance to withdraw those—

Mr. Blackburn (Brant): Resign.

Mr. Langdon: —especially in view of his inaccuracy.

Mr. Speaker: I thought the words used by the Hon. Minister were: "attempting to deliberately confuse the country".

Mr. Blackburn (Brant): Is that all? Oh, well, that's okay. Tories are doing that every day.

Mr. Speaker: Order, please. If the Hon. Member has taken an imputation of motives against himself out of those words, I would ask the Hon. Minister—

Some Hon. Members: Oh, oh.

Mr. Speaker: If the House responds to the matter a disorder is created, and that appears to be what has happened. I take it that the Hon. Minister did not mean anything personal against the Member and would so indicate.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, far be it from me to do anything that was personal. I guess I was very confused. If I imputed a motive, then I withdraw the motive.

Some Hon. Members: Hear, hear!

REQUEST FOR APOLOGY

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, I would like to ask if the Secretary of State (Mr. Bouchard) would care to apologize in view of the fact that my remarks were stopped in his favour because he was indicating to me he could not hear what was being said. I stopped several times because of that. I wish he would kindly apologize—

Mr. Speaker: Order! Order, please! I stopped the Hon. Member's remarks because they were long. Order, please.

Mr. de Corneille: On a point of order, Mr. Speaker.

Mr. Speaker: Order, please!

Question of Privilege—Mr. Boudria

Mr. de Corneille: The reason I stopped—

Mr. Speaker: The Hon. Member will resume his seat.

Some Hon. Members: Oh, oh!

Mr. Speaker: I have received two notices of questions of Privilege. I must deal with them in the order in which I received them. I will recognize the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) on a question of privilege.

* * *

PRIVILEGE

MEMBERS' ACCESS TO PARLIAMENT

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I rise on a question of privilege. If you deem that I have established a *prima facie* case of privilege, I am willing to move the appropriate motion.

It is a long established parliamentary principle that Members of this House are to have unimpeded access to Parliament when the House is in session and that anyone attempting to obstruct this access could be found in breach of the privileges of this House. Erskine May, in his *Treatise on the Law, Privileges, Proceedings and Usage of Parliament*, nineteenth edition, states the following:

—on 6 June 1780 the Commons resolved, "That it is a gross breach of the privilege of this House by any person to obstruct and insult the Members of the House in the coming to, or the going from, the House, and to endeavour to compel Members by force to declare themselves in favour of, or against any proposition.

Mr. Speaker, this issue involved the High Constable of the City of Westminster in the year 1780.

Yesterday at 12.25 p.m. I was temporarily denied access to Parliament Hill when the RCMP escorting the Prime Minister's (Mr. Mulroney) limousine stopped the House of Commons green buses from accessing the Hill because the Prime Minister's limousine was travelling on the same roadway.

Some Hon. Members: Oh, oh!

Mr. Boudria: I have informed the Sergeant-at-Arms of this situation as well as the RCMP who blocked the roadway in question. I ask for your guidance, Mr. Speaker, and as the custodian of the rights of Members of this House to ensure that this kind of action is not repeated.

Some Hon. Members: Oh, oh!

Ms. Copps: Why don't you guys shut up and listen to him.

Mr. Boudria: In closing, I want to remind you that similar issues have been raised in this House. On May 27, 1981, such an issue was raised by the late Tom Cossitt, M.P., and the Hon. Member for Annapolis Valley—Hants (Mr. Nowlan) raised such an issue on May 21, 1981, on the floor of the House of Commons.

Some Hon. Members: Hear, hear!

Hon. Ray Hnatyshyn (President of the Privy Council): I rise on the same question of privilege. I will speak very briefly. It is a time-honoured privilege of Members to have free and unlimited access to the precincts of Parliament. In citation 105 Beauchesne mentions the definition of parliamentary precincts which have never been deemed to include the grounds surrounding the buildings. Once outside the buildings, security and control of access is a matter more directly under the control of the executive branch of the Government. The RCMP does provide security on the grounds surrounding the precincts of Parliament. The Hon. Member will know that security is a matter of real concern in this day and age. The RCMP are doing a very worthwhile job of providing that security.

The RCMP did not stop the Hon. Member. They stopped the bus. There is nothing precluding the Hon. Member from getting off the bus and walking—

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: Mr. Speaker, the Hon. Member could have used another device or could have asked the bus driver to take another route. I ask you, Mr. Speaker, whether this is not—

Mr. Boudria: That's not true. Why don't you say the truth in this House. That is a bunch of nonsense. You are abusing my privileges as a Member. That's ridiculous and you know it is.

Mr. Speaker: Order, please. Order!

Some Hon. Members: Oh, oh!

Mr. Boudria: If you do not know what you are talking about, why don't you sit down.

Some Hon. Members: Oh, oh!

Mr. Boudria: It is that kind of arrogance that gets everyone upset.

Ms. Copps: He should have floated on Ray Hnatyshyn's hot air.

Mr. Speaker: I had hoped that perhaps at least when questions of privilege were raised in the House we could stay calmer. Has the Hon. President of the Privy Council (Mr. Hnatyshyn) finished his arguments?

Mr. Hnatyshyn: Mr. Speaker, I do not quite understand this. The fact is that the Hon. Member was not prevented from carrying out his duties and responsibilities. There was a very understandable delay in terms of the bus route but, as I pointed out earlier, this is not a breach of the Hon. Member's privileges. It is an understandable and justifiable security

precaution which takes place from time to time. I would think Hon. Members would applaud the RCMP for being on the job and doing a good job.

Some Hon. Members: Hear, hear!

Hon. Herb Gray (Windsor West): Mr. Speaker, I rise on the same question of privilege. I would like to make a very brief comment in support of my colleague's question of privilege. I submit that the issue of what can be defined as a parliamentary precinct is not relevant in this case. If the precedent is that the matter of access by a Member of Parliament to the parliamentary precinct arises only when the Member is in the precinct, the whole thing does not make any sense. Surely the point in question is relevant to the extent that the Member is not permitted to reach the parliamentary precincts. If it is clear that the Hon. Member, whether he was on foot or travelling in a bus or a car, was not permitted to reach the parliamentary precincts, then I submit there has been a breach of privilege.

Some Hon. Members: Oh, oh!

An Hon. Member: So much for your credibility.

Mr. Gray (Windsor West): I think that the Member, in trying to reach the parliamentary precincts, should have the right to choose his means of going there. It is not the business of the guards of the Prime Minister (Mr. Mulroney) to say that a Member cannot come to Parliament unless he goes there in the way they choose. This system is not based on the concept that Members should walk so that the Prime Minister (Mr. Mulroney) may ride in his big limousine.

• (1510)

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. I have examined the precedents because similar matters have indeed, as the Hon. Member indicated, been raised in the past. There might some day in some way be an issue relating to whether a matter is on the Hill or within the precincts, but I have examined the circumstances and requested a full report from the RCMP and the Sergeant-at-Arms. I have examined all the facts of the matter that the Hon. Member has put before me in exactly the same way that Speaker Sauvé dealt with the case presented to her by the Hon. Member for Annapolis Valley—Hants (Mr. Nowlan). My reaction in this situation is to find that in the circumstances presented to me I cannot find a *prima facie* case of privilege. However, as the Hon. Member would expect, these matters and the relationship of the green buses and Members to the precincts and exits to the Hill will again be discussed with the RCMP thoroughly.

PRIVILEGE

ALTERATION IN *HANSARD*

Mr. Speaker: On a second and separate question of privilege, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy).

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I want to raise a very serious matter of privilege related to a statement at page 13902 of yesterday's *Hansard* by the Secretary of State for External Affairs (Mr. Clark). There is a major variance between what is recorded in the written *Hansard* and the electronic *Hansard* which fundamentally changes the meaning of the statement he made. It was a matter of some dispute at that time. He was making allegations that were properly challenged, he withdrew them, and what he said has been altered in *Hansard*. I was very careful to check the electronic *Hansard*. I realize one can alter the "blues" to correct syntax or grammatical errors, but not to fundamentally alter the meaning of a sentence. That has been done in this case.

I submit, Mr. Speaker, that you carefully examine what is written in *Hansard* and compare it with the electronic version and, when you see that there has been a substantial alteration, ask to have yesterday's *Hansard* withdrawn and the proper correction made so that it properly reflects the record of this House.

Mr. Speaker: The Hon. Member gave me proper notice. I have not come to a conclusion on this matter and I intend to reserve. The Hon. Member will know that, at least to this point, the official record of the House of Commons has been the officially published *Hansard*. He is asking the Chair to consider a very significant matter and I intend therefore to reserve and consider it quite seriously.

ROUTINE PROCEEDINGS

[*Translation*]

CANADA PENSION PLAN AND FEDERAL COURT ACT

TABLING OF DRAFT AMENDMENTS

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, pursuant to the provisions of Standing Order 67(2), I have the honour of tabling, in both official languages, copies of the document entitled "Draft Amendments to the Canada Pension Plan and the Federal Court Act".

Petitions

[*English*]

PETITIONS

USE OF PENSION INCOME IN CALCULATION OF UI BENEFITS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my pleasure to once again present a petition on behalf of a number of residents of Kamloops, British Columbia, who are still concerned about the announcement by the Minister of Employment and Immigration (Miss MacDonald) that laid off workers, after January 1, 1986, will have their pension benefits deducted from their unemployment insurance benefits. They call upon the Government to ensure that all retired employees keep their pension benefits and receive their unemployment insurance benefits without deduction of pension income.

RIDEAU HALL—PUBLIC'S ACCESS TO GROUNDS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have several petitions from residents of Canada concerned about the closure of the grounds of the Governor General's residence. The petitioners call upon Parliament to open up that decision in consultation with a group of residents who are representative of the large and growing opposition to the closure of those grounds in order that a *modus vivendi* be created that will satisfy both the Government and the public. The petitions are signed by several hundred petitioners.

USE OF PENSION INCOME IN CALCULATION OF UI BENEFITS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the responsibility and duty to present a petition signed by many residents of Kamloops, British Columbia. They protest changes to the Unemployment Insurance Act which see pension income treated as earned income for unemployment insurance purposes. They call upon Parliament to withdraw this iniquitous provision.

PRICE OF GASOLINE—REQUEST FOR WITHDRAWAL OF FEDERAL SALES TAX

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I have the honour to present close to 10,000 names on a petition from the Province of Manitoba. The petitioners request that the major sales tax applied to gasoline at the federal level be withdrawn and that a federal-provincial conference be called at the earliest possible moment to discuss how a major reduction in the price of gasoline can be effected at both the federal and provincial level. There are 10,000 names which represents close to 5 per cent of all the drivers in Manitoba.

DECORUM IN THE HOUSE OF COMMONS

Mr. Chuck Cook (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, you may want to sign this one yourself. I have the honour and pleasure to present a petition from a number of residents of the lower mainland of British Columbia, including the mayors of both the city and district of North Vancouver. They pray that the House promote the resolution of conflict in Parliament by encouraging Members to listen with greater empathy and reflection to the concerns expressed by their fellow Members, and to refrain from name calling, sarcastic put-downs, judgmental terms, and other conflict increasing language.

Some Hon. Members: Hear, hear!

Mr. Speaker: I would like to check that that is in order! No, the Hon. Member for Kenora—Rainy River (Mr. Parry).

CONTINUATION OF MAIL DELIVERY SERVICE TO RURAL AREAS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I have the honour and duty, in accordance with the ancient traditions of this honourable House, and in accordance with Standing Order 106, to present two petitions this afternoon. The first petition is signed by a majority of the residents of what is now known as Rural Route #1, Rainy River. It calls upon this House to ensure that Canada Post continues to provide service to these isolated postal customers.

The second petition is signed by a similarly weighty proportion of the residents of what is known as Rural Route #1, Pinewood, Ontario. They, too, call upon this honourable House to ensure that rural mail customers are not deprived of the fundamental right of mail service in Canada.

Mr. Speaker: There being no further petitions, by consent we will revert to tabling.

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table in both official languages the Government's response to petitions Nos. 331-429 and 331-465.

* * *

CANADA PENSION PLAN

REFERENCE OF DRAFT AMENDMENTS TO STANDING COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been consultations between the Parties and I think you will find a disposition to accept the following motion by unanimous consent and without debate. It reads as follows:

That, notwithstanding any Standing or Special Order of this House, the document entitled "Draft Amendments to the Canada Pension Plan", Sessional Paper No. 331-7/45, laid upon the Table earlier this day, be referred to the Standing Committee on National Health and Welfare.

● (1520)

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

Some Hon. Members: Agreed.

Mr. Speaker: And there being such consent, shall the motion carry?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—SUSPENSION OF AIR CANADA FLIGHT ATTENDANT

Mr. Ian Deans (Hamilton Mountain) moved:

That this House believes that the recent action by Air Canada, in suspending flight attendant Toni Corrado for 30 days as the result of her reply to questions from a Progressive Conservative convention delegate during a flight from Vancouver to Montreal, was improper and denies the principle of free speech as guaranteed in Canada's Charter of Rights and Freedoms.

He said: Mr. Speaker, I want to begin by saying that I hope in the process of making my argument this afternoon that not only will the Government pay particular attention to the points I am trying to make, but that the Crown corporations and other agencies of this Government and all other Governments across Canada will likewise pay heed.

Canada's Charter of Rights was hailed by many people as a very progressive and acceptable move, both in its original form when the Right Hon. John George Diefenbaker introduced it

in 1960 as a Bill of Rights, and subsequently when it was introduced and passed in 1981 by the then Parliament under the leadership of Prime Minister Pierre Elliot Trudeau.

I want to point out that back in 1960 the Right Hon. Diefenbaker said:

This measure that I introduce is the first step on the part of Canada to carry out the acceptance either of the international declaration of human rights or of the principles that actuated those who produced that noble document.

Later in that decade in 1968 the Right Hon. Lester B. Pearson said:

Canadians could take no more meaningful step than to entrench firmly in our Constitution those fundamental rights and liberties which we possess and cherish.

In 1981 the then Prime Minister Trudeau said:

We must now establish the basic principles, the basic values and beliefs which hold us together as Canadians so that beyond our regional loyalties there is a way of life and a system of values which makes us proud of the country that has given us such freedom and such immeasurable joy.

Article 1 of the Charter says the following:

1. The Canadian Charter of Rights and Freedoms guarantees the rights and freedoms set out in it subject only to such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society.

Article 2 then goes on to describe the fundamental freedoms that we in Canada enjoy. It says the following:

2. Everyone has the following fundamental freedoms: (a) freedom of conscience and religion; (b) freedom of thought, belief, opinion and expression, including freedom of the press and other media of communication; (c) freedom of peaceful assembly; and (d) freedom of association.

I want to make it clear that what I am talking about today is that fundamental freedom enjoyed by all Canadians that has not been taken away from anyone by virtue of any law being passed by Canada at the federal level. In other words, I am making the case at this point that Toni Corrado, among others working for Air Canada, or for that matter for anyone else, enjoys the right to freedom of speech under the Charter of Rights and Freedoms.

There is no law, as would be required under Section 1, that has been passed by this House which would in any way limit that freedom she and others enjoy.

I want to go on to point out that it says in Article 32, under the application of the Charter:

32. (1) This Charter applies (a) to the Parliament and Government of Canada in respect of all matters within the authority of Parliament including all matters relating to the Yukon Territory and Northwest Territories;—

It goes on to say the same applies to the provinces. I point out that those three sections support the argument that must be made about what happened to Toni Corrado, and what could be used by others against similar kinds of things, were they to arise. Clearly, Air Canada falls within the definition of a matter that falls within the authority of the Parliament of Canada and the Government of Canada. Clearly that woman, like all other employees of Air Canada and other employees of the Government and its agencies, is entitled to the protection of the Charter because there has been no movement by this Government or any other Government to relieve them of that protection.

Supply

The Minister of Transport (Mr. Mazankowski) responded to a question by my colleague, the Hon. Member for Regina West (Mr. de Jong), with regard to the incident of the disciplining of this flight attendant. The Minister said, as recorded at page 13721 of *Hansard* on May 28, 1986 the following:

Air Canada has no policy that prohibits public contact employees from discussing politics, religion or any other subject with customers.

Not only has Toni Corrado exercised her rights within the Charter of Rights and Freedoms, but she did not violate any of the requirements of employment with Air Canada.

Let me put on the record what caused this matter to be raised. In a letter dated March 18, 1986 addressed to the Hon. Don Mazankowski, P.C.M.P., Minister of Transport, Room 135E, House of Commons, the following is stated:

Dear Don:

I wish to lodge a formal complaint in regard to an attendant on our flight Air Canada No. 156, Vancouver to Toronto, March 11, 1986. The attendant's name is Toni Corrado and her official number is 57. She resides in Toronto.

I was travelling with a group of people to the Montreal convention. When she learned this she continued to complain about you and the Progressive Conservative Government and their interference during the last strike. She advised us not to let anyone east of Toronto know that we were Conservatives.

I hope that you will deal with this matter appropriately.

It was a pleasure seeing you in Montreal and we enjoyed meeting your wife.

Yours sincerely,
Mrs. Donna Ford

I put to this House that nothing contained in that letter could lead anyone to believe that the flight attendant named had done other than to exercise her rights under the Charter, and neither had she breached any of the regulations governing employment with Air Canada as outlined by the Minister in the House. I think we can lay that to rest. If the complaint and the words used in that complaint were an accurate description of what took place, I do not think anyone could argue but that it in no way indicates that that particular employee had done anything but exercise her rights according to the Charter of Rights and Freedoms.

• (1530)

The Parliamentary Secretary to the Minister of Transport (Mr. Forrestall) is presumably here to defend this inappropriate action. If that flight attendant said that she disagreed wholeheartedly with New Democratic Party policy and thought that: "Ed Broadbent, Ian Deans and Les Benjamin acted inappropriately", and if she said she was not satisfied with our conduct during the strike, I say to the Parliamentary Secretary that I do not believe for one moment that Mrs. Ford would have written that letter. I also do not believe that Air Canada would have paid one iota of attention to it because the complaint is so trivial.

That is why this is such an important matter. This letter was clearly sent to the Minister because it was from one Conservative to another, asking that certain action be taken to punish someone for doing something to which they are entitled. I suggest to the Parliamentary Secretary, as I would to the Minister if he were here, that the obligation of the Government in this regard is to assure that every Crown corporation, every agency of the Government and every Department of the Government understands the rights and freedoms that are enjoyed by every Canadian. No agency, including Air Canada, has the right according to any statute to discipline an employee for having exercised his or her legal rights. That understanding goes to the very nub of what is wrong in this case.

I do not want to leave the impression at all that I think the Minister of Transport knew personally that this was happening. I have never said that and do not believe it to be true. However, this letter is clearly both of a business and personal nature, given the reference to their meeting. Therefore, I suggest that when such a letter is sent to the Minister, his officials or personal staff should bring it to his attention. Furthermore, I believe that when Air Canada received a copy of that letter from the Ministry officials it would have automatically assumed that this letter would have been seen by the Minister—since it was addressed to him and contained personal references—and he would have authorized that it be sent to Air Canada for action. That is where the buck must stop.

When this letter was sent, it should have been pointed out that according to the information contained in the letter, the attendant named therein simply exercised her right as a citizen of Canada to be critical, pass judgment, or make comment about the actions of the Government, Parliament or the actions of individual Ministers.

Miss Carney: While on the job?

Mr. Deans: The Minister of Energy, Mines and Resources (Miss Carney) asks: "While on the job?" Yes. Let me quote the Minister again, in case the Minister of Energy did not hear it the first time. The Minister said:

—Air Canada has no policy that prohibits public contact employees from discussing politics, religion or any other subject with customers.

Quite clearly, if there is no such policy then the woman in question did not violate any policy. If there is such a policy, it would be in violation of the Charter of Rights in any event. The Government should consider this matter, with all of its ramifications, as well as its implications.

This is not a matter for the collective agreement, nor a question of whether someone can be disciplined for violating the collective agreement. The collective agreement in no way addresses this matter.

Mr. Forrestall: Absolutely incredible.

Mr. Deans: The collective agreement does not address this matter. This concerns a fundamental right of every Canadian, whether or not there is a collective agreement.

Mr. Forrestall: I suggest you are using an individual for another purpose. Sophistry is what it is.

Mr. Deans: I want to suggest to the Parliamentary Secretary who is blabbering on about something, and he obviously should know better, that he should try to make it clear to the Government that we did not pass the Charter of Rights and Freedoms so that it would apply only to those for whom it happens to be convenient. That was not the purpose of this Charter which hangs proudly in most offices, most schools and most public buildings. We did not say that there are five or six classes of people in Canada, some of whom have protection under the Charter and others who do not. We did not approve of disciplining people for doing things the Government does not like, notwithstanding the fact that those people clearly have that right under the Charter. We did not say that it would be acceptable to use a collective agreement between two parties at the federal level to discipline someone for doing something to which they are entitled under the Charter.

The Parliamentary Secretary should take this issue seriously because it can affect any employee in any Crown agency at any time. There is absolutely no doubt that we stated quite clearly that the Charter of Rights and Freedoms guarantees the rights and freedoms set out in it, subject only—which is the key—to such reasonable limits prescribed by law. I suggest to the Parliamentary Secretary that the freedom of speech, unless it is in violation of a law, is absolutely guaranteed.

Mr. Forrestall: Right. You could find out the facts, but that would not be convenient to your argument.

Mr. Deans: I contend that in the case of this woman there is no such law that prohibits her from exercising the expression of her views about the Government or anything else that is not prohibited. It is time the Government understood that.

This is not simply a question of a woman's battle for her job. This is a case of a 30-day suspension without income. Such a suspension means you would worry yourself sick over whether you can make your rent payment, your loan payment or whether you can afford to buy enough food. This is a 30-day suspension for criticizing the Government. We would be up in arms if this took place in Russia; but no, this is Canada. I understood that we in Canada did not take such punitive action against people. I understood that we treated people fairly.

I have seen Members rise in the House time after time to argue that it is the right of everyone, subject only to such reasonable limits as prescribed by law, to criticize the Government as they so wish. I remind the Parliamentary Secretary that it is not so long ago that the Conservative Party, when in opposition, was screaming at the Government about a man who was employed by the Government and whose responsibility it was to enforce the change to metric in Canada. He went out and spoke against that change. The Conservative Party argued, I believe quite strongly, and perhaps even with some justification, that the penalty the man had to endure was wrong. I ask the Parliamentary Secretary to tell me that what this woman did was in any way different or was as bad as what was done by a man who ultimately became a leadership candidate for the Conservative Party at its convention when it chose its now leader, the Prime Minister (Mr. Mulroney).

• (1540)

I see a double standard which I find, quite frankly, very disturbing. It is not simply a question of this woman and her rights, it is a question of whether the Government of Canada believes that the Charter of Rights and Freedoms, which all of us who were here supported in this House at its final point, means anything. The question is whether we believe the right to free speech is a fundamental right of every citizen and cannot simply be frittered away by the whim of someone sitting in a corporate boardroom. The point is whether that fundamental right will be upheld by the Parliament of Canada and whether the Government of Canada will insist that that right be upheld by agencies of Government.

I say to the Parliamentary Secretary if he believes, as I do, that when we passed that law we intended that everyone not prohibited by law should be given the benefit of protection under the Charter, and particularly under the freedom sections, then he surely must understand that a letter of complaint of the type written cannot be used as justification for denying anyone the right to express his or her honest opinion about the actions of the Government which governs a democracy in which he or she lives.

Miss Carney: Mr. Speaker, I have a couple of questions to ask the Hon. Member. I believe he has been informed that the Minister of Transport is at a federal-provincial conference meeting today.

Mr. Deans: No, I was not informed of that.

Miss Carney: He could have found that out by calling his office. The point has been made by the Government that this particular complaint—may I say to the Hon. Member for Hamilton East (Ms. Copps) that it is our 10 minutes.

Mr. Boudria: The time belongs to the House.

Ms. Copps: That's right.

Miss Carney: Do I have the floor, Mr. Speaker?

This complaint was handled in a routine manner by the Executive Correspondence Unit of the Department of Transport. I would like to point out at this time that so far this year there have been 53 referrals to Air Canada. In 1985 there were 144 referrals, 1984 there were 114 referrals and in 1983, the year we were not in power, there were 159 referrals to Air Canada. Does the Hon. Member suggest that these were all from one Conservative to another or does he understand the fact that this is a routine matter handled in a routine way?

Mr. Boudria: You would have to be pretty naive to believe that.

Mr. Deans: Mr. Speaker, I can see that the Hon. Member has lost her touch in terms of asking questions.

Supply

Let me point out that I did not for one moment suggest that all the complaints which go into the Government are from Conservatives. I am suggesting that this one was, quite clearly, because it was admitted to have been. But the problem is that not all complaints breach the fundamental rights of other people. Not all complaints touch upon whether or not the right to freedom of speech is being violated.

What has to be done is that this Ministry, and all others, have to be sensitized to clearly understand that when complaints which clearly touch upon the right to freedom of speech come in, they cannot be left simply to the whim of the individual corporation or Crown agency to make a determination as to how to deal with them. If one was going to deal with this kind of complaint fairly, what ought to have been done, if some action was needed, was to send a letter to Air Canada pointing out first that a complaint was made, and second, that under the Charter its employees have the right to freedom of speech, and third, that under the operating instructions of Air Canada there is no prohibition to exercising that right and, therefore, how in the normal course of events one should respond to this particular complaint.

It is a different matter from having arrived to catch a flight and finding the door locked and the flight gone ahead of time. That kind of complaint is quite different. If one did not like the quality of food served it would be a different complaint. However, a complaint which touches upon and violates the individual rights of people to exercise their freedom of speech must be handled differently.

[*Translation*]

Mr. Valcourt: Mr. Speaker, I have a comment. I certainly do not have the experience of the Hon. Member of the New Democratic Party who started this debate, but I am absolutely astounded that he would have Canadians believe, while he is brandishing the Charter of Rights and Freedoms in front of the House of Commons, that he wants to defend those rights and freedoms when he actually wants to use the Government, the Government's executive powers, to interfere in the adjudication of a grievance involving this employee and Air Canada.

What the New Democratic Party is asking Mr. Speaker, and what the Liberal Party has endorsed by the kind of questions it has asked this week, is for the Government to interfere in a dispute, covered by a collective agreement, between an employee and her employer, and "guarantee" the employee's rights and freedoms. The same Canadian Charter of Rights and Freedoms guarantees that every Canadian may seek redress before the courts, so that our rights may be protected.

Mr. Speaker, what makes me different from a Liberal or a New Democrat is probably the fact that I have enough faith in our institutions and our laws to leave it up to the Charter and the guarantees it gives me that I can go before a real court—and not before a partisan court like the House of Commons or the Government, the Executive—in order to deal with such a problem.

Mr. Deans: Mr. Speaker, I think the Hon. Member does not understand the problem. It is a very serious problem for the individuals concerned and for other people as well. This is not just a problem for this particular person. It is a problem that concerns other people and other employees as well.

[*English*]

What I am suggesting is that this goes far beyond just this one incident, and it would not have happened had the Ministry responded properly in the first place. This person has been put in jeopardy by virtue of what many people consider to be an inappropriate action taken in error by the Ministry, not by the Minister, by the Ministry.

[*Translation*]

Yes! Absolutely! It was a letter addressed to the Minister. It was a personal letter, certainly.

[*English*]

Miss Carney: Mr. Speaker, the point has been made that this letter should have received special treatment because it was a personal letter, that it was a "Dear Don" letter. I have a "Dear Don" letter here dated January 30, 1985. It states: "Dear Don, representations have been received from one of my constituents—" and the name is here "—a copy of his December 4 letter is enclosed for your information". It continues: "May I ask you to direct your officials to look into this situation. A report would be appreciated". This letter is signed by Ed Broadbent, the Leader of the New Democratic Party, and was replied to by the Minister who pointed out: "After receipt of your correspondence, officials of Air Canada were contacted to obtain their response to the concerns which have been raised". Is the Hon. Member suggesting that it was improper for a Conservative to file a complaint with the Ministry of Transport but it is not improper for his own Leader to file a complaint and have it dealt with in the normal manner?

• (1550)

Mr. Deans: Mr. Speaker, this is ludicrous. I would like to try to get my point across. There is a substantial difference between a letter asking someone to look into whether a bridge was built, whether a road was paved, whether the food on Air Canada's flight was any good or whether a flight can be changed in order to accommodate a different schedule for people who live in the area. Of course those types of letters can be sent on immediately. However, I am suggesting that when a complaint which infringes upon the freedom of speech of an employee is lodged, then a directive should go back to the individual complaining that freedom of speech is in fact a fundamental right in Canada and, therefore, there is nothing that can be done to take it away, nor should there be.

Mr. Valcourt: Mr. Speaker, I have a question for the Hon. Member. The Hon. Member talks about what happened on

this flight. He was not there and I was not there. It is a question of fact to be determined by someone. Is the Hon. Member suggesting that we should short-circuit the procedure under the collective agreement to have these facts established by whatever tribunal, or by whatever method is provided for under that agreement? Maybe he does not have all the facts in this matter.

Mr. Deans: Mr. Speaker, I am prepared to concede that it is entirely possibly that there is information that I do not have. There is information which I do have which I have not even put on the record because I did not want to get into whether one person was right or another person was right. In my opinion that is not what we are discussing today.

Let me put it this way. The letter clearly sets out the complaint. The complaint was that the flight attendant "continued to complain about you and the Progressive Conservative Government and their interference during the last strike." That was the complaint. The answer to it is simple. It is the right of any Canadian to complain about the Government's actions or the actions of the Minister. That is the answer. There need have been nothing more done about it.

I am suggesting that by not taking that action the Government made this into a problem for that young woman. It places her in a position in which she is denied the rights to which she is entitled under the law. It places the matter in a forum that is absolutely inappropriate for dealing with matters such as this.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I too am happy to join in this debate. Notwithstanding the Government's protestations, there are a great many Canadians who are very concerned about what this particular issue does to their rights and freedoms as individuals. If in fact the Corrado incident on the Air Canada flight to the Progressive Conservative convention was an isolated incident we could say that it was a mistake, the Minister of Transport (Mr. Mazankowski) inadvertently passed along this letter which set in motion a series of events that led to the suspension of this particular airline attendant.

In fact, in the 19 months since the election of the Conservatives to Government we have seen a consistent campaign of harassment with respect to individuals exercising their right to freedom of speech as guaranteed under the Charter of Rights and Freedoms. I am reminded of the infamous memo concerning the Buffalo Jump question.

It seems to me that when members of the Conservative Party were in opposition they were very happy to encourage those rights as was mentioned earlier. We can remember the infamous case of Neil Fraser in which the very person who was paid by the Government to promote metric made a *cause célèbre* out of dumping on metric for all and sundry. He even took it to his platform in the Progressive Conservative leadership campaign. The Conservatives did not complain at that time.

Mr. Shields: I rise on a point of order, Mr. Speaker. I am sure that the Hon. Member for Hamilton East (Ms. Copps) would not want to mislead the House. She referred to the infamous Fraser case saying that the individual was paid by the Government to promote metric. He was not. He was an employee of the Department of National Revenue.

Mr. Deputy Speaker: That could be a matter for debate. The Hon. Member for Hamilton East.

Ms. Copps: Mr. Speaker, the point is that when the Progressive Conservatives were in opposition they certainly delighted in encouraging the free speech of every citizen. Unfortunately, as soon as they were elected to government we saw a radical change in their position. I think of the Buffalo Jump situation because here is an example of an individual who was distraught when he learned of plans by the Progressive Conservative Government to cut back on programs for native Canadians. In fact, he allowed that information to enter into the public domain. In other words, he leaked a document, a document which served to embarrass the Conservative Government and force it to back-pedal on a program which would have wreaked devastation on the native community. That program, under the auspicies of the Deputy Prime Minister, was known as the Buffalo Jump program.

What was the reaction of the members of the Progressive Conservative Government at that time? Was it to be as magnanimous as it was to Neil Fraser who went on to become a candidate for the leadership of the Progressive Conservative Party? No. Not only did they fire the civil servant in question, not only did they terminate his services, they also moved to prosecute him. In fact, Robert Price, an ordained United Church minister and a former senior manager within the federal Department of Indian Affairs and Northern Development, earned the dubious distinction of being the first civil servant ever to be charged under the Criminal Code for leaking a cabinet document. That was the first issue in which we saw a former civil servant prosecuted under the Criminal Code for the leaking of a document.

Miss Carney: We have established that you are in favour of breaking the law.

Ms. Copps: The Hon. Member for Vancouver Centre (Miss Carney) says I am in favour of breaking the law. It seems to me that when Neil Fraser was speaking out for the Conservatives as a candidate for the leadership of the Progressive Conservative Party not only was he lauded and applauded but he was encouraged in the same way as a former member of the RCMP was encouraged by the Conservatives to continue leaking documents. When they came into power he was rewarded by being given a promotion. It seems interesting that since the Conservatives have come to power there is a thread of persecution and harrasment which seems to underlie all of the activites which they undertake, not only in the House of Commons but outside it as well. Let us just look to the Prime Minister. When did he fire a cabinet Minister? Was it when

the cabinet Minister did not do his job? Was it when the cabinet Minister let down the people of Canada? No. It was when the cabinet Minister told the truth, when the cabinet Minister called a spade a spade. When the cabinet Minister told the people of Canada the facts as they were that is when he was fired.

We saw the same type of harassment in the rather ridiculous situation of a delicatessen owner in the Byward Market in the City of Ottawa who decided to launch a number of sandwiches during the Sinc Stevens affair. He is a great entrepreneur. In the Progressive Conservative spirit he wants to call a buck a buck. He wants to make a buck on a sandwich. He launched the Sinc Stevens sandwich: one layer of turkey, one layer of hot air, one layer of baloney, all dressed, lay it away interest-free only $1.99. One would think that members of the Progressive Conservative Party, as interested as they are in free enterprise, would laud this particular entrepreneurship in the Byward Market. Instead we saw a senior Conservative lawyer prevail upon the owner of this delicatessen who himself had come from a country of persecution, a country where people were not allowed to speak out. He said to him: "Listen. You better cut off these sandwiches. You better cut off this political statement or you will find that you will be boycotted by Progressive Conservatives". I wish to tell Hon. Members that this particular deli owner—

Miss Carney: Freedom of choice.

Ms. Copps: The Hon. Member for Vancouver Centre says: "Freedom of choice." It is freedom of choice. The people could have gone to the deli in the Byward Market and bought a Sinc Stevens sandwich, or they could have bought a Nielsen sandwich. The turkey is a code for Neilsen. They could have bought a bologna sandwich—

• (1600)

Mr. Deputy Speaker: Order, please. I know it is difficult to call it a "York—Peel sandwich" but would the Hon. Member refer to Members by constituencies and not by names? I am referring to the Hon. Member for York—Peel (Mr. Stevens) and the Hon. Member for Yukon (Mr. Nielsen).

Ms. Copps: Right, Mr. Speaker. I am referring to the sandwiches.

They could have been selling a Cappicola Copps Sandwich, a sandwich named after the Hon. Member for Hamilton East. This is a free country and a guy had an idea to sell a balogna sandwich for $1.99. It was not a bad deal. Instead, the Government is paranoid about this. It is the same kind of paranoia we see in the Corrado case. The letter that came from that Conservative delegate should have been thrown in the wastebasket. We receive hundreds of letters.

[*Translation*]

I am sure all Members of all Parties get letters from various sources. Had I received a letter from somebody complaining about someone else having exercised his or her freedom of expression as guaranteed under the Canadian Charter of Human Rights and Freedoms, I would have filed it away, like in the wastepaper basket. Indeed it does not make any sense that Air Canada should be expected to conduct an inquiry into the case of a flight attendant who did exercise her freedom of expression. As a matter of fact, she is not the one who began the argument with the Progressive Conservative Party delegates. She simply responded to the invitation of this delegate, Mrs. Donna Ford of British Columbia.

Therefore, Mr. Speaker, I would suggest this is a case of harassment which reaches right into the basic rights of Canadian men and women.

Personally, I do not want to be afraid of saying anything to anybody in Canada. I should like to say what I think without fear of being harassed by the Government, or by the Minister of Transport (Mr. Mazankowski), or by the Minister of Energy, Mines and Resources (Miss Carney), or by the Prime Minister (Mr. Mulroney), because I do live in a country where I am free to say whatever I want.

I think that such freedom of expression should be guaranteed in any democratic country, but we can see that some of our rights have been eroded ever since the Progressive Conservative Party took over 19 months ago.

Mr. Rossi: They are afraid of truth.

Ms. Copps: The Hon. Member is suggesting that they are afraid of truth. Quite so, they are afraid of truth, and the best evidence of this is the harassment to which was subjected the owner of a Byward market sandwich store. Mr. Speaker, it is unbelievable that the Conservatives should be so concerned about Byward market sandwiches. Why should one not have the right to sell whatever one wants to sell?

[*English*]

The same is true in the case of the flight attendant. The flight attendant herself did not in fact embark upon the discussion with the Conservative delegates. She made a lighthearted statement, joke or jest as we all do in our daily lives. I hope that when the time comes—

Miss Carney: You were there?

Ms. Copps: The Minister of Energy, Mines and Resources asks if I was there. No, I was not there. I am recounting events as they were recounted to me through the news media and the letter sent by the Conservative delegate. In fact, I hope that the day never comes when I cannot share a little joke with my Conservative friends. I may not agree with everything the Conservative Party does. I certainly do not agree with everything the Prime Minister (Mr. Mulroney) does. However, from time to time, I meet Conservative Members in the elevator and I share friendly little jokes with them. That is all a part of living in a democracy and being a Canadian. We can fight like Hades here in the House of Commons, yet in the corridors, the elevators and on the grounds, we are all here together.

In the same way, Miss Corrado was simply doing her job. She passed out pillows to Conservative delegates. As we all know, when we go to political conventions we are in happy moods. Everyone was joking and laughing and Miss Corrado naturally thought that they were on a vacation. She asked where they were going and they said they were going to the Progressive Conservative Convention. In a humorous manner, she said: "Gee, if I knew you were going there, I would not have given you the pillows". Can you blame her for saying that she would not give pillows to people who were going to a Progressive Conservative Convention, Mr. Speaker? She was joking. She made a comic remark, but Conservative Members are showing how paranoid they are today as they shake their heads negating the joke. I am sure that the slings and arrows of outrageous fortune shot into Conservative Members by Miss Corrado will see the survival of the Progressive Conservative Party. I do not think the Progressive Conservative Party will lose the next election because of the comments made by Miss Corrado.

I have had comments made to me on aeroplanes that I would not dare repeat in the House of Commons. If I did, I would probably be named. That is a part of the business we are in. That is a part of the political job. There are people who slap me on the back and say: "Go after them, go over chairs and tables, through hills and dales". Some people support us. Others say: "You made a horse's behind out of yourself the other night when you did so and so".

An Hon. Member: You're right.

Ms. Copps: That comes with the territory. The Hon. Member says that I am right. When Miss Corrado made the comments she made to the Progressive Conservative Party delegates she was expressing her feelings, and that is the right of any Canadian. Presumably when one signs up for a job with a Crown corporation one is not required to sign away rights as a citizen. Employees of Crown corporations are still protected by the Charter and have the same rights and obligations as every other Canadian citizen. They have the right to free speech.

I cannot understand why the Minister of Transport, who has been seen by most as an honourable and reasonable Member, did not read the letter from the Progressive Conservative delegate from British Columbia, see how offensive it was to any Canadian who believes in the right of free speech and stick it in a garbage can. The Minister should have recognized that every Canadian including Canadians employed by Crown corporations have the right to free speech. If he does not recognize that, then he must answer a question.

I have here a copy of a letter which was sent to various members of the Conservative Government signed by a concerned Canadian from Saskatoon, Saskatchewan. The letter reads as follows:

Dear Sir

I find the notoriety surrounding the suspension of an Air Canada flight attendant very distressing. I am most concerned because in September I will be taking a flight from Saskatoon to Toronto and am worried about what are acceptable topics of conversation with the flight attendants other than deciding what beverage to have with the in-flight meal.

Knowing that the present Government has contingency plans for all situations, could you please send me a list of acceptable topics that would not cause any repercussions when engaging in conversation with flight attendants.

I hope that you can act as quickly as possible on this request as I hate to take the three hour flight without saying anything for fear of treading on sensitive areas.

Thank you for your consideration and time.

The letter is signed by L. Wilner from Saskatoon, Saskatchewan.

When the Wilners from Saskatchewan feel that way, when the deli owners from the Byward Market are silenced for introducing Sink Stevens sandwiches and when an ordained United Church minister is faced with criminal prosecution for bringing to public attention a situation about which he feels so strongly that he cannot in good conscience keep silent, then we have the seeds of intimidation sown by a Government that is living in paranoia.

I believe the Minister of Transport probably passed along the letter without having actually read it. We all know that Ministers are very busy. Perhaps it was read by an assistant who made a bad political judgment. Given that a bad political judgment was made and it was the Government that precipitated this investigation by Air Canada into the comments of Miss Corrado, I would ask that the Government through the auspices of the Deputy Prime Minister (Mr. Nielsen) and the Prime Minister launch a directive under the Financial Administration Act.

• (1610)

Government Members say they do not want to interfere in the process between union and management and the course of events which naturally transpire through a collective agreement. But their argument does not hold water when you realize it was the intervention of the Government that in the first place caused the complaint to be brought to light. I would suggest that one possible way of dealing with this matter is to have a directive launched under the Financial Administration Act, which is provided for, so that any government, and the Minister of Transport can prevail upon Air Canada. In this particular instance, given that Miss Corrado was so clearly exercising her right to free speech as guaranteed by the Charter, it is incumbent upon Air Canada to drop the complaint and to cease and desist immediately with this campaign of harassment.

[*Translation*]

And Mr. Speaker, since it was after all the Government who lodged this complaint after receiving a letter from a Tory delegate attending the party's convention in Montreal, why can't the Government now inform Air Canada directly that a directive will be issued under the Financial Administration Act to put an end to the harassment of this employee, since all she has tried to do is to stand on her own rights under the Canadian Charter of Rights and Freedoms? We are talking about

freedom of speech, which is a fundamental right of all Canadian men and women, and I think that if we tell all employees of Crown corporations like Petro-Canada, Air Canada and all the other Crown corporations that they no longer have freedom of speech, we are creating a society along communist rather than democratic lines.

I think none of us here in the House would be prepared to suggest or support a system along communist lines that would deprive people of their freedom of speech, instead of protecting them under the Charter of Human Rights. I believe that what is involved here is freedom of speech and human rights, the freedom of all Canadian men and women, and I am sure Members on all sides of the House, Conservatives, Liberals and New Democrats, will support the motion presented by my hon. colleague, the Member for Hamilton Mountain (Mr. Deans).

[*English*]

Mr. Valcourt: Mr. Speaker, I was listening with interest to the Hon. Member although I could not follow all of her logic while she was speaking. She referred to the Buffalo Jump. I do not know what that is, so excuse my ignorance, Mr. Speaker. I wondered whether that had anything to do with Members of Parliament jumping over parliamentary committee tables. Maybe not. Maybe the Hon. Member will enlighten me. The Hon. Member, I am sure—

[*Translation*]

—has a keen sense of justice because she seeks to uphold the rights of all Canadian men and women.

At least the Member of the New Democratic Party (Mr. Deans) was decent enough to admit a few moments ago that he was not fully cognizant of all the facts. He does not know what happened on that flight because he was not there, therefore he does not have all the facts. Is the Hon. Member suggesting that we should support this motion without being aware of all the facts? When referring to a Communist regime, and she mentioned somebody who had broken a Canadian law, the Criminal Code, is she really fair and equitable when she uses such incidents to argue that all Conservatives in Canada are alike, and then goes on to say that, because somebody broke the law by revealing something he was not supposed to, was taken court and found guilty of an infraction, that it amounts to suppressing freedom of expression? Why would she say that to Canadians, knowing full well that her argument does not make any sense at all? If we listen to her and take her advice, she warns us against falling under a Communist regime. But in a dispute, are Governments not expected to intervene directly in collective bargaining, the procedure chosen by both employers and employees to settle their differences? They have the resources to determine all the facts. And if ever this process should fail, does she not feel confident that, without any interference from the executive branch, our justice system can indeed uphold and protect the rights of all Canadians, wherever they may be traveling?

Ms. Copps: Mr. Speaker, I think that the invervention of the Hon. Member is well intentioned. The problem is that he forgot something. This whole series of events happened because of the executive branch of our Government after a letter to the Minister of Transports (Mr. Mazankowski) complained about what had been said on the plane. If he did not know, he should have known that the delegate, Mrs. Donna Ford, wrote to our Hon. Minister of Transport a letter beginning "Dear Don" to say that she had a complaint to make, and the minister was the one who referred the complaint to Air Canada. The complaint did not originate from Air Canada; it was made following the intervention of a Minister of the Crown. The complaint was iniated by the Minister of Transport.

The Hon. Members says that I do not know all the facts. It is true that I do not know everything. If the Hon. Member has all the facts, it is because his Government has told him more than it has told the public.

All that the public knows, Mr. Speaker, is that a woman working for Air Canada, a crown corporation, was suspended for 30 days after criticizing the policy of the Conservative Party because a delegate at the Conservative Party Convention sent a letter to the Conservative Minister.

Since all these events occurred following the intervention of the Minister of Transport, it is up to the Progressive Conservative Government to settle the matter. I find it unfortunate that the Hon. Member is not aware of the Buffalo Jump. Maybe it is because I did not put it correctly in French, but the Buffalo Jump was a proposal of the Conservative Government to cut back over $300 million from programs for the native people. It is only following information provided by minister Price, who is a minister of religion and not a Minister of the Crown that this was made public. He was the one who leaked out the cutback proposed by the Deputy Prime Minister (Mr. Nielsen).

Instead of invoking the Criminal Code against minister Price, I would have congratulated him for saving a program of over $300 million for Canadian Indians because, without his intervention, it would certainly have been lost. I must add that Mr. Price lost his job and was also prosecuted under the terms of the Criminal Code. Instead of taking criminal action against him, the Minister and the Prime Minister should have congratulated him for exposing the plans of a Government that wanted to reduce the budget of Indian programs.

[*English*]

Mr. Valcourt: Mr. Speaker, I listened with care to the answer of the Hon. Member. I take it her only complaint is that the Minister, instead of taking that letter, sending it back to the lady in question and telling her to send it directly to Air Canada, he sent it himself to Air Canada. That only goes to show that the Minister of Transport (Mr. Mazankowski) is dedicated and looks after the people who complain to him.

• (1620)

Mr. Nunziata: Don't be so naive.

Mr. Valcourt: The Hon. Member would have liked the Minister of Transport to get personally involved and to investigate, which was not his job. He had to report this to the proper authorities, as he did. Is the Hon. Member suggesting that this is not a proper course to follow, that he should instead judge?

[*Translation*]

Ms. Sheila Copps (Hamilton East): Unfortunately, Mr. Speaker, the Hon. Member has failed to listen to my speech, because I said: Had I been in his place, I should have thrown this letter in the wastebasket. Because one does not have the right to complain about a person because he or she has exercised the right to freedom of speech. That is what this lady, Donna Ford, has truly complained about—

Mr. Speaker, I think that the Government is trying to speak from both sides of his mouth: on the one hand, as suggested by the Deputy Prime Minister (Mr. Nielsen), we have no right to intervene in this case. On the other hand, the Government will not recognize that it is this same Progressive Conservative Governement which has started the whole business in the first place.

If the Minister of Transport (Mr. Mazankowski), as I had suggested to him, had thrown this cranky letter into the waste basket, there would be no problem.

That woman, Donna Ford, did not complain to Air Canada but to her great friend the Minister whose name is Don. "Dear Don", I should like to lodge a complaint. If, instead of accepting her judgement, he had thrown this letter in the wastebasket, this would have been the end of the matter.

Now, the Governement is trying to use Air Canada as a scapegoat, because it is the Conservative Government which lodged a complaint in the first place.

[*English*]

As we say in English, Mr. Speaker, you cannot have it both ways. You cannot say on the one hand that it is up to Air Canada, that it is their complaint, then on the other hand that it was the Minister's rather faulty intervention which set the process in motion in the first place. He should have exercised some judgment and thrown the complaint in the garbage can, which is where it should have been properly filed in the first place.

Mr. Forrestall: This is not really a question of freedom of speech. It is a question of whether or not there are standards to which people must adhere. There are standards which are, in fact, objectionable. When you deal with the public you cannot hide behind freedom of speech. The resolution of the problem, which is an internal matter of Air Canada, has nothing to do with freedom of speech as the Hon. Member and others would have Canadians believe. The question is whether her actions on that flight were objectionable.

Ms. Copps: Mr. Speaker, I may be missing something, but I do not think anyone was complaining about the way she positioned the pillow. I do not think anyone was complaining about the fact that she did not deliver the drinks on time. I do not think anyone was complaining about the fact that the breakfast was over-microwaved. The only complaint was that she spoke out about the Progressive Conservative Party. It seems ridiculous to me that the Government should now suggest that it is not a question of what she said, but what she did.

In fact, Mr. Speaker, this is a fundamental question of what she did. In the complaint from the delegate to the Minister of Transport, which set the whole process in motion, there was no mention of the positioning of the pillows. It was a complaint about what she said about the Conservative Party and the Conservative Government's dealings with a specific issue. It was in fact a question of freedom of speech. If the Member can bring to my attention the fact that she did not turn the lights off at the right time, did not show the film properly, or did not hit the proper—

Mr. Forrestall: You are among the first to hit the roof in this Chamber when somebody even looks at you sideways.

Ms. Copps: The Member says that I am the first to hit the roof when somebody even looks at me sideways. Mr. Speaker, I have had insults far more grievous than the insult which was purported to have been made by Miss Corrado to the Conservative Party, and I have taken it all in absolute good faith and good humour, as is my usual custom.

Mr. Jack Shields (Athabasca): Mr. Speaker, I am pleased to take part in this debate. I would like to begin by making a few remarks in response to the Member for Hamilton East (Ms. Copps). She is trying to say that there is constant harrassment which has manifested itself in a number of ways, and she used the example of Mr. Fraser and the metric situation. I have noticed that this Member does not worry too much about facts as long as she opens her mouth and abuse streams out. Mr. Fraser was an employee of Revenue Canada who on his own time joined an anti-metric campaign and spoke out on his own time at meetings about his opposition to metric and his reasons for it. He did not do this at work. It did not interfere with his job with Revenue Canada. We believe that as a member of the civil service he had a right to speak out on that.

I will now turn to the "Buffalo Jump program" or the Price situation. The Member failed to mention that Mr. Price was fired because he broke his oath of secrecy. That man, a Minister of the cloth, took an oath that he would not reveal secret Cabinet documents which he would gain access to by taking the oath. He was a member of the clergy. He broke the oath which he took to gain the right to see discussion documents which belonged only in Cabinet. It is my view that he should have been put in jail. If any other citizen of this country broke a sworn oath he would be put in jail. That oath had the same weight as the Canada Evidence Act. The Member did not mention that. She said that that is harrassment. She said that poor old Price did not like the disscussion paper which

was before Cabinet and, therefore, should have had the right to speak out. He did not have the right to speak out. He took an oath of office and broke it.

Ms. Copps: What about Mr. Woods?

Mr. Shields: Mr. Speaker, the Hon. Member had her full 20 minutes. Would she please allow me mine? I know she does not feel too much courtesy toward this institution, but I would ask her to try just once.

The Minister stated in this House that a number of letters are received by his Department addressed to him which are forwarded to the appropriate segment of the Department of Transport. There are letters of complaint and letters of commendation received. The Hon. Minister of Transport (Mr. Mazankowski) stood in this House and stated that all letters of complaint or commendation with regard to Air Canada are automatically channelled to Air Canada. I do not expect the Member for Hamilton East to respect the word of the Minister because her lack of respect for this institution is well known. I do resent, however, her very clear attempt to smear that most Hon. Member of the House of Commons.

I would now like to turn to the remarks of the Member for Hamilton Mountain (Mr. Deans). He asked all Members of the House to pay attention to the points which he was trying to make. He mentioned the Diefenbaker Bill of Rights and the Charter of Rights and Freedoms. He said that all these things guarantee the right to speak out. I ask that Member and the Hon. Member for Hamilton East (Ms. Copps) how they know what took place on that airplane. How does the Hon. Member know what took place in a closed meeting between the company, the employee and the union? I do not know. I know they do not know.

• (1630)

I was in this House when the Hon. Member for Hamilton Mountain (Mr. Deans) stood in his place and apologized to the Minister of Transport (Mr. Mazankowski). He said that in no way was he trying to impugn the reputation of the Minister. Yet he stood in this House today and moved this motion and during his speech he attempted to smear the reputation of the Minister by implying, and he may not have meant it but this is the way I interpreted it—

Ms. Copps: On a point of order, Mr. Speaker, I believe this is the second time the Hon. Member has referred to the smearing of reputations. If he will consult Erskine May, being a Member of long standing, he will realize that he is imputing motives.

Mr. Deputy Speaker: The point of order raised is a point of order, no question. However, I see nothing unparliamentary in the last comments of the Hon. Member for Athabasca (Mr. Shields).

Mr. Shields: Mr. Speaker, as I said, the Hon. Member stood in his place and apologized profusely to the Minister of Transport. He said, in effect, "Gee, Mr. Minister, I would not want you to think for a moment that I was implying anything about you or your reputation or the way you handle the Department of Transport." Yet he gets up in this House today and does exactly that, in my view. Then, of course, the old coalition goes to work. The famous member of the Rat Pack, the Hon. Member for Hamilton East, stands in her place and goes right along her merry old way of smearing, smearing, smearing, and I resent that.

The Minister stated clearly in this House that he does not even see letters of complaint which come to his office; they go directly to the company, as do letters of commendation. The Hon. Member for Hamilton East and the Hon. Member for Hamilton Mountain know that. Every Member in this House knows that the Minister of Transport, the Minister of Energy, Mines and Resources (Miss Carney), or the Minister of Finance (Mr. Wilson) do not have the time to sit down and read pitiful letters of complaint, although they may be legitimate. They are sent to the companies concerned.

Air Canada did not unilaterally suspend this individual. Air Canada, as an independent Crown corporation, called a hearing where everyone concerned was in attendance. How do the Hon. Member for Hamilton Mountain and the Hon. Member for Hamilton East know how this individual treated her passengers? I do not know, I was not there. However, clearly something more than just a joking comment, as the Hon. Member for Hamilton East put it, about the Minister of Transport must have taken place.

I firmly believe that Air Canada is a responsible company. It has a responsible relationship with all of its unions. They do not want to have on their hands a grievance which they are going to lose, so they must have had clear reasons for suspending this individual. I do not know if she was pleasant or if she was joking. None of us do.

That brings me to the question I have been leading to. I think this is probably the silliest waste of the time of this House of Commons that I have ever seen in the six years I have been here. I think it is hypocritical in a sense that the Hon. Member for Hamilton Mountain and his partner, the Hon. Member for Hamilton East, are using this claptrap for political purposes. That is all they are using it for. I sat in opposition. I know how important it is to bring to this House of Commons important questions facing the country. What about the 8,000 people in Alberta who have lost their jobs since February?

Mr. Angus: Whose fault is that?

Mr. Shields: Now he is going to make some noise. The Hon. Member had a whole day during which he could have talked about the economy of western Canada. He could have said that with oil prices the way they are we have lost 8,000 jobs in Alberta since February. He could have pointed out that the forecast of job loss this year in Alberta alone looked to be 50,000.

Ms. Copps: Thanks to the Conservatives.

Mr. Shields: That only underlines exactly what I said, Mr. Speaker. The Hon. Member opens her mouth and it flies out. The Conservatives did not set the price of oil in Saudi Arabia. We did not set the world price, and she knows it. It was the Conservatives who brought in the Western Accord after the National Energy Program was imposed on western Canada. It was the Conservatives who brought interest rates down from 18 per cent to 20 per cent to the present levels. That is what we did.

As well, the Hon. Member for Hamilton Mountain and his seconder could have brought in a motion concerning farm families in my riding, Saskatchewan or Manitoba. These people have worked all their lives on the family farm and they are now on the verge of losing those farms because of low commodity prices. They could have used this day to some advantage to all Canadians. Yet what do they do? They bring in a silly item which they know full well is being treated exactly the same as any other item, whether it be a labour dispute or whatever. In this case there is a grievance procedure and the issue will be aired completely. Yet the Hon. Member for Hamilton Mountain wants to stand up in the hope of getting the attention on TV at night so that people can say, my, "Isn't the NDP working hard for the common man". They can look at the Hon. Member for Hamilton East and say, "Oh, there is that good old girl who ran the Rat Pack and jumped over tables and chairs. Boy, she is sure fighting for the common person".

Mr. Rossi: That is one thing you cannot do, Jack. You are too old.

Mr. Shields: I am telling you that I am ashamed that we are wasting time in the House of Commons when I know oil companies in my area are going broke. One company alone is laying off 200 drillers.

Mr. Angus: Thanks to you, Jack.

Mr. Shields: You want to hear some of it? I will give you some it.

Mr. Deputy Speaker: Order, please. I would like to remind Members of the rule of relevance. The Hon. Member for Athabasca may, rightly or wrongly, say that another topic could have been discussed. However, we have an Opposition Day and the Opposition chose a motion which was judged proper and in order by the Chair. I ask Hon. Members to speak to the motion.

Mr. Shields: Mr. Speaker, I thought I was, but I will certainly take your advice. I want to speak on the motion.

Instead of using a silly and time wasting motion, why was something not put forward which would address the problems facing Bow Valley Industries, for example? I think that would be very appropriate. We could talk about the loss of jobs in western Canada. I wonder if anyone has taken the trouble to read that motion.

• (1640)

Mr. Rodriguez: Did you read it?

Mr. Shields: I sure have. That Member should stand in his place, Mr. Speaker, and speak if he feels that he wants to make a contribution.

Listen to the motion. It reads:

> That this House believes that the recent action by Air Canada, in suspending flight attendant Toni Corrado for 30 days as the result of her reply to questions from a Progressive Conservative convention delegate during a flight from Vancouver to Montreal, was improper and denies the principle of free speech as guaranteed in Canada's Charter of Rights and Freedoms.

That is taking it totally. The Member for Hamilton Mountain and the Member for Hamilton East are saying that is all that happened. I do not know what happened. I will tell you this, we will all know when the grievance process goes through, which is all done in secret. The unions have even agreed that they are not going to discuss their deliberations. Air Canada has agreed that they are not going to discuss it, but it will be announced. A grievance procedure is in place, yet those Members want a Government to jump in with both feet before this process takes place. It is silly, it is absolutely silly.

I find that the opposition motion today is a deliberate attempt, in my view, by the two opposition spokesmen, to smear the Minister of Transport, his reputation and his ability as a Minister. This is done after, and I repeat this again, after the Member for Hamilton Mountain stood in his place and apologized most profusely and said that, of course, this was not his intent. It is clearly their intent to try to discredit the Minister and his Department.

Mr. Rodriguez: You don't accept his word?

Mr. Shields: The NDP member says we don't accept his word. Well, he says I don't accept the word of the Member for Hamilton Mountain. I say his actions speak louder than words. He stood in this House and apologized, and then today he attacks the Minister and his Department. What are we to think?

We could have spent this whole day discussing some of the issues that are facing this country, such as the fish in Cape Breton and free trade. There are a number of issues that we could have been discussing. Anything I heard today was totally destructive. Anything I heard today from the Hon. Members over there was totally out of line in this House.

We are not discussing freedom of speech.

Mr. Rodriguez: You sure are.

Mr. Shields: The Members are trying to make the point that that is really what the issue is.

Mr. Rodriguez: That's right. What is the issue?

Mr. Shields: Well, the Member asks what is the issue. He obviously has not been listening. He plugs his ears every time he comes into this House.

Mr. Rodriguez: What is the issue?

Mr. Shields: Colonel Blowhorn. The issue is that it is a waste of the time of the House, that is one of the issues. The issue, as I indicated earlier, is that you are impugning the motives of the Minister of Transport. I also say that it is not a matter of freedom of speech, it is a matter of a company acting on behalf of a complaint, which is within its jurisdiction. The union which represents that individual is acting on that issue also. The two of them are sitting down in a grievance procedure. When that grievance procedure is over, then we will find out the truth.

Mr. Angus: Mr. Speaker, during the Hon. Member's address to this House he referred to letters of complaint as being pitiful. I wonder if he would like to clarify those remarks. Does he believe that any correspondence from a citizen of this country in objecting to a particular procedure of the Government is pitiful? Is that the kind of attitude that that Member has and how he represents his constituents?

Mr. Shields: Of course not. In response I may have used that term. I certainly did not mean to.

Mr. Rodriguez: You are mixed up.

Mr. Shields: Are you prepared to listen to the answer? What I was attempting to do was to point out that the Minister of Transport does not have the time to listen or to read every letter of complaint that comes in on Air Canada, CN, Harbours Board, or whatever. That was the point I was trying to make. When they come to his Department he does not even see them. They automatically go right to the Crown corporation that the letter of complaint is referring to. The Minister knows that the very competent management in CN or Air Canada or the Harbours Board will look into the complaint and answer it properly.

Ms. Copps: Mr. Speaker, the Member for Athabasca (Mr. Shields) was quite vehement in saying that one Mr. Richard Price should be thrown in jail because he broke his vow, if I can recall his particular statement. I wonder if he could clarify to the House why his view and his Party's view of Mr. Richard Price was so different from the view they took of one Mr. Wood.

Let me refresh the memory of the Member for Athabasca. He will remember that Mr. Wood was in the RCMP feeding secrets to the Conservatives when they were in opposition. When the Conservatives were in government, to show him their gratitude, instead of throwing him in jail, as the Member for Athabasca states now, the Government gave him a promotion and appointed him to a government board. Why is it that Mr. Price should be thrown in jail for exposing a government practice but Mr. Wood should be given a government appointment?

Mr. Shields: Mr. Speaker, again the Member does not appear to have her facts straight. Mr. Wood was not a member of the RCMP when he spoke out and gave information to the Conservative caucus.

Mr. Rodriguez: Did he get a promotion?

Mr. Deputy Speaker: Order.

Mr. Shields: Mr. Speaker, they asked me for an answer and I am prepared to give an answer.

Mr. Rodriguez: You are mixed up.

Mr. Shields: Mr. Wood was not a member of the RCMP. He had resigned from the RCMP when he came forward.

The yappy Member will not listen. I guess she really does not want to know the answer.

Mr. McKenzie: I find it incredible that we are debating it, but on the other hand I think it will highlight just how completely and totally irresponsible the Liberal and NDP Parties are to present a motion when they do not have the facts. I am going to give you some of the facts.

I have heard probably one of the most incredible statements from the Member for Hamilton East (Ms. Copps). Any time you receive a letter of complaint about a Crown corporation or a government Department you are to throw it in the garbage. It is a routine matter that started in about 1868. Any time a Member of Parliament receives a letter of complaint, he automatically forwards it to the Minister or to the Crown corporation. They make the decision as to whether or not it is a responsible complaint. You do not throw it in the garbage. This has nothing to do with freedom of speech.

I have investigated this case and I have got some information that I am going to lay on the Table of the House of Commons today. I understand that Air Canada has received a number of complaints about this stewardess. This stewardess wants a public debate on her case. She wants it all out in the open, so I think we should get everything out in the open. It will be interesting to hear what the other complaints were about.

One of the ladies who got on the plane had her arm in a sling and she had a back injury. She asked for a blanket and a pillow. The stewardess gave her the pillow and the blanket, and somehow after that she found out that this lady was a Conservative. So, she said to her: "If I had known you were a bloody PC, you wouldn't have got the blanket or the pillow". But according to the Liberals, people are to accept those types of statements. If people object to stewardesses swearing at them, they are against freedom of speech. What silly nonsense.

• (1650)

The stewardess also said: "I wouldn't be working this four hour shift if it wasn't for that bloody Mazankowski." She can say that because it is freedom of speech. What damn nonsense, you idiots.

The girl went on to say, as these four ladies were leaving the plane: "Don't tell anybody that you're bloody Conservatives when you get off the plane in Toronto." This has absolutely nothing to do with freedom of speech. These people are perfectly justified and did the right thing by registering a complaint. The Minister did the right thing by forwarding the letter. This is a lot of damn nonsense and it has nothing to do with freedom of speech.

Mr. Deputy Speaker: Does the Hon. Member for Athabasca (Mr. Shields) wish to reply?

Mr. Shields: Mr. Speaker, I have been watching the antics and it is quite interesting to listen to an hon. Member give his views and watch the antics of the Member from the New Democratic Party, the little blow-hard who sits in another spot, and the other Member, the Member for Hamilton East. I wish the people of Canada could see their antics so they could understand why this motion was brought forward today. It was introduced to waste the time of the Government and to try very hard to impugn the motives of the Minister of Transport and to try to smear him and the Government. It is absolutely ridiculous and should have been ruled out of order.

Ms. Copps: Mr. Speaker, I rise on a point of order. I will remain calm, notwithstanding the aggravation by the Member for Athabasca (Mr. Shields), who really is too much. However, I hope you will recognize that this is about the fifth or sixth time he has talked about smearing the reputation of the Minister. I think you will recognize that that is unparliamentary because it is impugning the motives on the Opposition. I wish he would strike that particular spurious comment from his vocabulary.

Mr. Deputy Speaker: If the Member was in fact impugning the motives of a particular Member, be it the Member for Hamilton Mountain (Mr. Deans) who presented the motion, or the Member for Hamilton East (Ms. Copps), it is clearly unparliamentary.

Some Hon. Members: Shame.

Mr. Deputy Speaker: Order, please. I said that if the Member was impugning the motives, it is unparliamentary. I do not know if the Hon. Member was doing that, it is up to him to say so. I am sure that if the Member was impugning the motives, he will withdraw.

Mr. Shields: Mr. Speaker, I was suggesting that the whole exercise today was an attempt to discredit the Minister of Transport and the Government and an attempt to smear the reputation of the Minister of Transport. That is my view. I am not impugning the motives of individuals. I am not attempting to say that of the Member for Hamilton Mountain. However, that is how this whole debate is coming across to this side of the House. That is how the debate seems, even if one reads the motion.

Mr. Deputy Speaker: The Chair is satisfied. Resuming debate.

Mr. Les Benjamin (Regina West): Mr. Speaker, I want to begin by quoting the masthead on the editorial page of *The Globe and Mail*, which one can hardly call a hotbed of socialism. It states:

> The subject who is truly loyal to the Chief Magistrate will neither advise nor submit to arbitrary measures.

I believe that was said by the Roman philosopher, Junius. Let me also quote Mr. Justice Smith of the Ontario Supreme Court who said:

> There should be no presumption that the State is reasonable and curtails freedoms and rights only in cases of virtually absolute necessity.

Mr. Oberle: That was Caesar.

Mr. Benjamin: That was stated by a Justice of the Ontario Supreme Court.

Mr. Oberle: He must have been quoting Caesar.

Mr. Benjamin: Let me quote the Associate Chief Justice of that province who stated that:

> —a constitutional document should be given a large and liberal construction. The spirit of the living tree should be adhered to.

This motion makes no mention of the Minister or the Department of Transport, but refers to the recent action by Air Canada. To be more direct, we believe that Air Canada has made a bad error in judgment and has over-reacted and resorted to what can now only amount to small-minded vindictiveness.

I will not get into the details of the case because that is not the purpose of our motion. Our motion concerns a person who broke no laws, violated no policy about expressing a political opinion when asked for it, and violated no part of the collective agreement.

An Hon. Member: How do you know that?

Mr. Benjamin: The Minister said himself that Air Canada has no policy in this area. I can find nothing in their collective agreement. When expressing her political views while on duty, when questioned—whether or not in a joking manner—she violated no rule and no company policy. She was handed a 30-day suspension, which means about $2,200.

Mr. Forrestall: She has not been suspended yet. You know it.

Mr. Benjamin: Disciplinary action awarded a 30-day suspension. It is now going through the second and third stages of the grievance procedure. I know that as well or better than the Parliamentary Secretary.

Mr. Forrestall: You do not sound like it.

Mr. Benjamin: I will come to that if the Hon. Member will just wait. If she violated any company policy, then she is subject to reprimand or any other disciplinary action within reason. There is no argument about that. We are saying in our motion that Air Canada acted excessively. Whether or not the grievance is upheld, the fact of awarding a 30-day suspension violates her rights under the Charter of Rights and Freedoms. That is what we suggest in the motion.

I first raised this matter in the House a week ago yesterday. I might say that over the weekend prior to that, the Thursday, Friday and Saturday, this particular flight attendant telephoned the Department of Justice, the Prime Minister's Office, the Leader of the Opposition's Office, as well as my Leader's office. In fact, Mr. Hamilton of the Prime Minister's Office returned her call from Montreal on Saturday, and at approximately nine o'clock on Saturday night a Vice-President of Air Canada returned her call. She took those steps on her own initiative.

My Leader passed this matter on to me as transport critic. I asked questions on three successive days of the Minister in order to ascertain information and facts. My questions contained no allegations, aspersions or anything else. I invariably began my questions with: "Is it true?" or "Can the Minister—?" I believe one day the Parliamentary Secretary provided us with some information, which was what I was seeking.

• (1700)

On the handling of the matter itself, I think the Minister acted normally and properly. We all receive letters of complaint and if we cannot get the answer ourselves, we write to the appropriate Minister or Department asking to be provided with information in order to reply. That is perfectly normal. That is all the Minister did. The correspondence unit in his office passed it on to the executive correspondence unit in the Department. That was perfectly proper and normal. The executive correspondence unit of the Department passed it on to Air Canada. All the Department requested was: "Please provide us with sufficient information to prepare a reply. Send this information to the address below, quoting our file number". All the Department asked for was sufficient information in order to prepare a reply for the Minister to send to the complainant. Everything was perfectly proper and normal. The Minister and his own staff and the departmental staff acted perfectly properly.

However, from that point on it was Air Canada's management who hit the panic button. As I said last week, Air Canada proceeded to hunt mosquitoes with elephant guns. All it needed to do was to tell the Minister and his Department to please assure the complainant that it was looking into the matter and would advise. That is all that would have been necessary. But, no, Air Canada immediately tells the girl that she is on a seven day suspension with pay pending a disciplinary hearing. At no time did the Minister or his Department, as far as I know, and I believe the Minister, interfere directly or indirectly. My colleague, the Hon. Member for Hamilton Mountain (Mr. Deans), and I never inferred that in any way, shape or form. But when the Minister became aware of the kind of action taken by Air Canada, which would have been on Monday, Tuesday or even Wednesday of last week, it seems to me, someone should have said "Hold it". I appreciate that we all have trouble keeping up with our mail, and it must be even more difficult for a cabinet Minister. He cannot possibly keep track of every piece of mail which comes into his office. However, he or someone with some smarts in his office or in the Department should have been on the telephone to Air Canada last week saying: "Hold it. All we asked you for was sufficient information to prepare a reply". It is at that point that I believe the Minister could have and should have quite properly told Air Canada management that that kind of overreaction was totally unjustified.

I do not know what the politics of this flight attendant are. I did not ask and she did not say. I had two telephone conversations and met with her briefly when she was in Ottawa the other day. But I do know one thing. She is entering her fourteenth year as a flight attendant. She is what is classed as a senior flight attendant. She works mostly on overseas flights and no amateurs work on those flights, as a rule. I have had conversations since this matter became public with people who know her and work with her, even some who have supervised her, and they are all complimentary about her capacity, capability and experience. Her record bears that out. She has some reprimands on her record, but when the day ever comes that any one of us can find a perfect employee, manager, Minister or Member of Parliament, I do not think there will be anyone left on the face of the globe. She has a reprimand on her record for not wearing lipstick and another one for wearing blue panty hose. Had that been a male attendant, Mr. Speaker, that record would be clear.

She became more and more active in union affairs and vocal to the extent of being critical of the Minister because she did not agree with the Government allowing five-day trainees to act as scab flight attendants during the strike. We all knew last summer that a lot of bitterness and anger would hang on for months and months. This particular flight attendant is not any different from hundreds of others. She expressed an opinion. Goodness knows that opinion was expressed by lots of people, including other people who work for Air Canada.

As our motion says, we believe that the 30-day suspension is a violation of her right to speak and state her view, particularly when she is asked for it. There is one case I was informed about a flight attendant caught stealing who received a three-day suspension. The unevenness of the penalty fitting the crime is astonishing. But it is not the details of the case itself. That, of course, will go through the grievance procedure and it is perfectly logical that neither the company nor the union will comment while that procedure is going on. That is perfectly proper. The point is, as our motion says, that we feel that Air Canada violated her right of freedom of speech. She violated

no law, no policy, no regulation and no collective agreement. The Minister himself said that Air Canada has no policy on the expression of political, religious or any other views for employees on or off duty.

Mr. Oberle: Objectionable and discourteous treatment of the customers.

Mr. Benjamin: If that is the complaint, there is certainly no allegation of that in the letter. There is nothing else I can find in writing. Perhaps the hon. gentleman knows something more than I do. Perhaps he should go to the grievance hearings.

Surely, whether it is one citizen or a group, to quote Mr. Justice Smith of the Ontario Supreme Court and the Associate Chief Justice of the Ontario Supreme Court: "You must interpret the constitutional document with a large and liberal construction". This is what we are trying to say in our motion. I know that the flight attendant's union will fight her case during the grievance hearings. If there is any follow-up action required, I know the union will fight for her. I am confident of that. Our motion does not deal with that issue. It deals with what we believe to be a bad management error in the actions taken by Air Canada and the manner in which they were taken.

There is another area currently before Members of Parliament which is in the public domain. I wish to refer to another group of people. It is a group of over 2,000 people who man ships and who, because of a bad law, have lost the right to strike. No matter which way they move and no matter what they have done, there is a situation in which over 2,000 government employees have been without a collective agreement for many months. As it is entitled to do under the Public Service Staff Relations Act, the Government can designate certain employees as essential to public safety and welfare. In this instance the Government has designated the whole group of them as essential. The union, as it is entitled to do, filed objections with the Public Serivce Staff Relations Board. However, as long as the negotiations are broken down and as long as objections are before the Public Service Staff Relations Board the matter cannot proceed to conciliation. Thus the union then withdrew its objections. They received a recommendation from the conciliation board in terms of a majority report. The union has accepted this while the Government refuses to do so. As a result, there were some wildcat walk-outs a few days ago. What other choice did these people have? Even the judge who handed down the injunction, Mr. Justice Muldoon of the Federal Court of Canada, Trial Division, said:

> Doubtless those incidents do evince frustration in regard to the plight in which the defendants find themselves *vis-à-vis* statutory provision which, without undue exaggeration, can be termed draconian.

● (1710)

I wish the judge had gone even further. I wish that he had struck down this bad law so that the President of the Treasury Board (Mr. de Cotret) and the Government would have to bargain collectively in good faith.

Mr. Speaker, believe it or not, the Government, just like the Liberal Government before it, pays employees in eastern Canada up to $2,000 less than it pays those who work in western Canada. Where is the equality of treatment for performing the same job? Where is the Charter of Rights and Freedoms? Where is this measure of equality of treatment in the workplace? What the devil is going on? These people work for the same Department performing exactly the same job and they cannot strike.

In closing, and in reference to the incident concerning the Air Canada flight attendant, I wish to quote the words of a judge of the Supreme Court of Ontario, Mr. Justice O'Leary, who said:

> The right to organize and bargain collectively is only an illusion if the right to strike does not go with it. The main reason that the right to organize and bargain collectively is assured employees is that they may effectively bargain with their employer. To take away an employee's ability to strike so seriously detracts from the benefits of the right to organize and bargain collectively as to make those rights virtually meaningless. If the right to organize and bargain collectively is to have significant value then the right to strike must also be a right included in the expression "freedom of expression", and I conclude that it is.

Mr. Speaker, we are asking the House to agree that the management of Air Canada and not the Minister or the Department of Transport has in fact violated this person's right to freedom of speech, particularly in light of having been asked for her political opinion and having given it.

Mr. Shields: Mr. Speaker, I would like to make a comment and pose a question to the Hon. Member. How does he square the facts with the remarks he made in the House on May 27 in referring to this incident when he said:

> —who was suspended apparently as a result of a request by his executive correspondence group—

That is in reference to the Minister's executive correspondence group. How can the Hon. Member say that when the facts are clear that the employee has not been suspended and will not be suspended until the grievance process has been exhausted in support of the original decision? As the Hon. Member knows the executive correspondence group is a departmental unit. It is not within the Minister's office. The executive correspondence group simply requested a response from Air Canada.

The Member said that the person involved in the dispute with Air Canada is basically facing dismissal after 13 years of service. The facts are clear that that is a complete exaggeration of the circumstances. The decision at the first level of the process was a suspension. There has been no suggestion whatsoever of a dismissal, and the Hon. Member knows that. Can the Hon. Member explain the following comment which he made in the House on May 28:

> Does he appreciate that Ministers of the Crown cannot be allowed simply to forward the whims and personal letters from Tory delegates to Crown corporations?

The facts are that the Government believes everyone has the right to express his or her opinion. The Hon. Member goes on to say that this was an unjustified decision. On May 29 the Member said that if the decision is unjustified, then due

process allows for the appointment of a third party arbitrator mutually agreed to by both parties who can render a decision. That is the union way. That is labour law.

Mr. Benjamin: Mr. Speaker, it should never have gotten that far in the first instance. Just now in my speech, and last week, I pointed out that the Minister did nothing improper, and neither did his executive correspondence group. I read what the executive correspondence group was requesting. After that the issue should never have gone any further.

I remind the hon. gentleman that when one is facing a disciplinary hearing, one is faced with everything from being found innocent up to and including dismissal. That is what an employee is faced with when one is taken out of service, as the company called it. That is the same as a suspension. Up until the completion of the disciplinary hearing the employee faced everything from being rendered totally innocent to dismissal. That is what I said. I believe that if this matter had not been raised in Parliament, she would have been dismissed. I hope that I am wrong in thinking that. However, from what I know of the operations of some of these management types from a great many years of experience around here, that is why I feel that way.

I have made it perfectly plain and clear that this should never have got to the point of being a disciplinary action in the first place. That is when the Minister should have called Air Canada and should have said: "Whoa, this is a bad management decision. If you wish, call her in, get her side of the story, reprimand her or something like that, then that is fine". To go to these types of lengths—

An Hon. Member: What lengths?

Mr. Benjamin: She has been given a 30-day suspension as a result of the disciplinary hearing. The matter should never have gone that far in the first place.

• (1720)

Mr. Oberle: Mr. Speaker, it occurred to me that there is an inherent principle involved in the motion of which the Hon. Member spoke throughout his dissertation and it has to do with the violation of certain rights. According to the motion, in this particular case it is the right to freedom of speech. I wonder if it has occurred to members of the NDP that people in Canada also have a right to privacy.

The first exposure I had to this particular case occurred when I was watching television one night. I saw the airline stewardess being interviewed in the presence of the Leader of the New Democratic Party (Mr. Broadbent). The atmosphere was charged with emotion. The airline stewardess was all choked up. The interviewer explained how much this person had been hurt by public exposure of the incident. The Leader of the New Democratic Party, in a parental way, reached over and held the lady's hand and said: "You poor child, don't cry". They were all looking around to see who it was who had perpetrated this intrusion on this person's privacy. It had never occurred to the lady who was interviewing the airline stewardess that she, the Leader of the NDP and the producers of the program were the ones who had organized public exposure of this minor incident. Now we have turned this House into a place where grievance procedures are heard.

I would like to ask the hon. gentleman if he has any feeling of remorse for having perpetrated this injustice on this lady. Is there some kind of reward handed out by the NDP or some kind of hall of fame for heroes who permit themselves to be exposed, lipstick, pantihose and all, in the House of Commons? Do members of the NDP think that they are doing a service to the country, the union movement and the collective bargaining process? If they do think that, I would like the Hon. Member to explain why.

Mr. Benjamin: Mr. Speaker, I was there in my Leader's office at the time and I want the hon. gentleman to know that it was that flight attendant's own wish to come here. She is not the kind of person who runs around yelling, screaming and hollering like the Hon. Member and me.

Mr. Oberle: Who phoned the CBC to say: "Let's get this lady out there, lipstick and all"?

Mr. Benjamin: She said she would be available to answer questions and as a courtesy, my Leader's office notified the media, and I am sure the Hon. Member's office would do the same thing.

I would like to tell all Hon. Members that for a total of 11 years, people in Saskatchewan have been afraid to speak, afraid to take part and afraid to express opinions because they work for the provincial Government. I can recall a Liberal Premier of Saskatchewan yelling that he was going to go after the Public Service and Crown corporation employees with a meat axe. Thousands of people were afraid to speak out when asked if they supported the Liberal Party, the Conservative Party or the NDP. When asked if they would like to put signs up on their lawns, they said: "Yes, but I don't dare". In fact, during the federal election campaign of 1984, I had to advise some provincial and federal civil servants not to put signs up for me or anyone else because they live under this kind of fear.

The action taken by Air Canada is the same kind of attack. It breeds fear and suspicion in the minds of its employees. It frightens them out of speaking out when they are entitled to speak out and denies them fundamental rights. That is what this all boils down to. I wish my hon. friends would see the point of the motion put by the Hon. Member for Hamilton Mountain (Mr. Deans). The point is that Air Canada has acted improperly and that is what this motion is trying to say.

[*Translation*]

Mr. Deputy Speaker: Debate. The Hon. Member for Papineau (Mr. Ouellet).

Hon. André Ouellet (Papineau): Mr. Speaker, I would like to make a few brief comments in today's debate. My hon. colleague just said that Air Canada acted improperly.

I support the motion presented by the Hon. Member for Hamilton Mountain (Mr. Deans) which says, and I quote:

That this House believes that the recent action by Air Canada, in suspending flight attendant Toni Corrado for 30 days as the result of her reply to questions from a Progressive Conservative convention delegate during a flight from Vancouver to Montreal, was improper and denies the principle of free speech as guaranteed in Canada's Charter of Rights and Freedoms.

Mr. Speaker, I agree with the wording of the motion, but unlike the Hon. Member for Regina, I am not prepared to condemn Air Canada out of hand. I am inclined to think there are certain aspects and certain facts we do not know, and before condemning the Crown corporation in such a cavalier fashion, just like that, I want to know all the facts. I would like to know exactly what happened.

Mr. Valcourt: Exactly!

Mr. Ouellet: Unfortunately, the only facts we have at this time are, that a letter from a Mrs. Donna Ford was sent to the Minister of Transport (Mr. Mazankowski), complaining about what was said by a flight attendant on an Air Canada flight. The Minister released this letter, in which it is obvious that the sender is a friend of the Progressive Conservative Party, at the very least, if not a personal friend of the Minister. The fact that she addresses him as "Dear Don" obviously implies that she is on friendly terms with the Minister.

The second fact we know is that the correspondence section of the Minister's Office sent the complaint to Air Canada. We have no idea how such complaints or exchanges of correspondence between the Minister's Office and Air Canada are handled.

And the third fact we know is, that Air Canada suspended the flight attendant.

And finally, the fourth fact we know is, that Donna Ford, according to the *Toronto Star*, seems to be very pleased with the flight attendant's suspension, since, and I quote the *Toronto Star*:

[*English*]

Donna Ford, a member of this central British Columbia community's Tory riding association, answered with an emphatic "No," when asked whether she felt sorry for air Canada employee Toni Corrado, 38, of Metro Toronto.

It is clear that this Progressive Conservative supporter seems to be absolutely untouched and feels no sympathy for the airline employee who has been suspended. The article goes on to say:

—Ford said yesterday that the reaction "is not my problem. I left it up to Air Canada.

● (1730)

If she wanted to leave it with Air Canada, why did she not write to Air Canada in the first place? If I have a problem with my luggage at an airport, I do not call the Minister's office nor do I write a letter: "Dear Don". I talk to Air Canada employees and I try to solve my problems with Air Canada. There is a gentleman opposite saying something that is totally wrong. I would like in other circumstancs and in another place to make sure that he knows the facts before saying things incorrectly.

Mr. Greenaway: You should know the facts before you make a statement like that.

Mr. Ouellet: The reality is that the lady wrote to the Minister on a first name basis. If Air Canada receives a letter like that, the implication is that the Minister wants Air Canada to act.

Some Hon. Members: No.

Mr. Ouellet: That is where the problem begins. Unfortunately, it is most regrettable that Air Canada has treated this memo from the Minister's office as an order to suspend the employee.

I was listening to remarks made by Conservative Members, who used to be the great defenders of collective bargaining. Some years ago when they were on this side of the House they were pushing for legislation to curtail the right to strike being given to employees. They were pushing for actions to curtail the fundamental rights of employees and they were pushing to do away with collective bargaining in many instances. It is strange and surprising today that they are all hiding behind the due process of collective bargaining to explain the suspension of Toni Corrado. They are being unco-operative in this instance. Clearly if the Minister was ready to send the first note to Air Canada, he should be ready to send a second note and indicate to Air Canada that it should forget about this regrettable incident. I say this because I cannot blame Air Canada without knowing all the facts. Maybe there are other factors unknown to us. If there are, surely it is the responsibility of Air Canada or the Minister to have the facts made known, otherwise it creates an impression that the Government is trying to impose its will on Crown corporations as we have seen the Government impose its will on government employees and even on private entrepreneurs.

[*Translation*]

In conclusion, Mr. Speaker, I cannot help but relate this incident to a series of other incidents which have occurred in recent weeks and months and which show how far this Conservative Government is prepared to go in its attempt to intimidate people who do not belong to the Party or do not share its views.

Remember the case of Radio-Canada reporter de la Grange against whom legal action was taken because he had quite properly served the interests of all Canadians by showing them how easy it was to by-pass the airport security system.

So how was Mr. de la Grange rewarded for rendering this service to the traveling public? The Government took this reporter to court for doing nothing more than his job, for while doing his job he happened to ridicule the Minister of Transport (Mr. Mazankowski) and the Prime Minister (Mr. Mulroney) who said himself shortly before that—

Supply

[*English*]

In terms of airport security, Canada is second to none.

Mr. Forrestall: That is true.

Mr. Ouellet: A few days later, journalists showed very clearly that the security at airports, one targeted by the Prime Minister (Mr. Mulroney) or the Minister of Transport (Mr. Mazankowski), is a farce and there is, in fact, no security.

[*Translation*]

Mr. de la Grange is being prosecuted because he embarrassed the Government. The flight attendant has been suspended because she dared to tell publicly to an Air Canada passenger what thousands of Canadians already know, that this Government is incompetent and rotten. Because she had the courage to say publicly what many people think, she has been suspended.

An Hon. Member: She must be a Liberal!

Mr. Ouellet: Third, how could an important lawyer of the Conservative Party in Ottawa threaten Mr. André Vertis who manages a store on the market and who was selling what he called Tory sandwiches? As we know, Mr. Vertis was selling the"Sinc Stevens Sandwich".

Mr. Valcourt: You must have eaten a lot of them.

Mr. Ouellet: When this sandwich, which contained "turkey, baloney and hot air", was publicized, some Conservatives felt offended and threatened this store operator on the market by telling him that there would be retaliatory action against himself and his business if he continued to embarrass the Government. Such intimidation was totally unacceptable. Indeed, here is what I read about it in the newspaper *The Citizen*:

[*English*]

I must express my dismay with Sinclair Stevens and Conservative lawyer Stuart Hendin not only for Mr. Stevens' recent embarrassing resignation but also with the Tories apparent lack of humour. I was shocked to learn from the article "Tories turn up heat on political sandwiches" (May 17), that Mr. Hendin imposed threats against Tibor and André Vertis, the co-owners of the Budapest Delicatessen, unless they removed their now-infamous "Sink Sinc Sandwich Special."

[*Translation*]

Mr. Speaker, that is a third event which, together with the others, shows clearly the truly totalitarian attitude of these Conservatives who dislike criticisms.

Finally, I will mention the firing of Mr. Robert Price, this civil servant who had the courage to make public a document showing clearly that this Conservative Government was lying concerning the Indians of this country.

Mr. Valcourt: He had broken the law.

Mr. Ouellet: Well, because he had the courage to make public a document to help Indian and Inuit groups in this country, the Government has fired him. If the former Liberal Government had fired all those who had deliberately leaked secret documents, there would have been hundreds of cases such as this.

But I must say, Mr. Speaker, that the Liberal Party is a party of tolerance and, at the time it was in Government, it never used strong armed tactics to gag civil servants and stop them from acting according to thier conscience. I find, therefore, the Toni Corrado incident regrettable, and I cannot help linking it to a whole series of provocative actions taken by this Government to muzzle its civil servants, to stop them from telling the truth to the Canadian public, because it is anxious to hide its bad decisions and policies from the Canadian public.

• (1740)

[*English*]

Mr. Forrestall: Mr. Speaker, the Hon. Member for Papineau (Mr. Ouellet) would not want to leave the Chamber without correcting one or two of the observations which he just made. He suggested that the Minister should send a second note to Air Canada. The fact is that the Minister did not send a first note so he cannot send a second note.

I wish the Hon. Member for Papineau would take note that the attendant in question is not suspended. She is at work. There is an appeal process taking place. I think it is incumbent upon us, as the former Minister mentioned in his remarks, to wait until we know what the facts are before we make judgments.

[*Translation*]

Mr. Ouellet: Because of the interpretation system, Mr. Speaker, perhaps the Parliamentary Secretary did not quite understand my remarks. I did not say there had been a second note, what I did say was that I hoped the Minister would send a note to Air Canada officials and ask them to forget the whole thing. The office of the Minister sent a first note, the correspondence section of the office of the Minister sent the letter along with an explanatory note. So a first note was sent to Air Canada. Now I would like a second note to be sent. I am not saying that one was sent, but I hope there will be a second note in which Air Canada will be told to forget this deplorable incident.

As to whether the flight attendant was suspended or not, the fact is that the decision was made to suspend her for 30 days without pay. The appeal proceedings will eventually confirm the suspension or lead to the decision which we hope for, namely that the suspension will be cancelled. But it would be a lot better and a lot more courageous on the part of the Minister—whether he likes it or not, he is the cause of this problem—if he would simply tell Air Canada: Forget the incident, drop this review process, cancel the suspension.

Mrs. Bourgault: Mr. Speaker, I may remind the Hon. Member for Papineau (Mr. Ouellet) that not the Government but the Town of Mirabel is suing Mr. de la Grange. That is quite different.

Mr. Speaker, I know the Hon. Member for Papineau very well. I think he should have refrained from taking part in this debate because he is a Parliamentarian who knows the procedures of the House. He has been a Minister. He should have refused to get on the bandwagon with the Hon. Member for Hamilton East (Ms. Copps) on this motion. Mr. Speaker, I am truly appalled, that is the only word for it, because after all, we do not have that many Opposition days. These days are an opportunity for the Opposition to raise matters of importance. Not so! They have decided to hold a shamelessly partisan debate at the expense of Mrs. Corrado. Because the point here is . . . they all sound terribly virtuous, but are they practising what they preach? I have a question for the Hon. Member. The Liberals and the New Democrats are doing all this at the expense of this young woman, Mrs. Corrado. They are indulging in petty politics, because they are certainly not interested in rights and freedoms. I say that as far as freedom is concerned, we all have our rights and freedoms in Canada.

And this is a regulation of a Crown corporation that the Liberals themselves set up twenty years ago when they were in power. I am referring to the regulations of our Crown corporations that prohibit this type of disparaging remarks about a Government. We must respect the Government of Canada. If employees of all Crown corporations started criticizing governments right and left, it would be a mad house.

Mr. Speaker, my question for the Hon. Member is as follows: Why isn't he speaking today? An important opposition day and what do the New Democrats . . . Pornography, child prostitution, those are the important topics. Eight thousand jobs were lost in Alberta as a result of the National Energy Program. That is what you should talk about on Opposition Days. Come up with some constructive ideas instead of playing politics at the expense of a young woman who admitted she had not expected to be the subject of a debate, and who is embarrassed at having her name used in this way.

Mr. Speaker, I would like an answer.

Mr. Ouellet: Mr. Speaker, I would like to tell the hon. Member that the choice of the debate today is very important. The New Democratic Party decided to use the incident involving Miss Toni Corrado to speak about the principle of free speech garanteed by the Canadian Charter of Rights and Freedoms.

I find it quite shocking that the Hon. Member, independantly from the party line, would not at least feel some solidarity with this flight attendant who earns a decent living and who is the victim of oppression. Is the oppressor Air Canada or the Conservative Government? I do not know. I did not have the opportunity to check the records in detail. However, I find it shocking that a woman of some thirty years old, because she told someone on a plane that she found the Conservative Government incompetent, would now find herself suspended without pay for 30 days. It seems to me that this is like using an elephant gun on mosquitoes.

The Hon. Member should instinctively defend all the women who are oppressed or in a difficult position in Canada, because we know how difficult it is for women in Canada to obtain equal pay for equal work and how difficult it is for them to be respected and recognized in the workplace.

Here is a case of a working woman who is being mistreated because she had the misfortune of making a political comment. I would have liked the Hon. Member to defend this woman instead of playing petty politics.

[*English*]

Ms. McDonald: Mr. Speaker, a number of misunderstandings have come out in this debate. The idea that it is trivial that we should be discussing freedom of expression is absolutely disgraceful. The Minister for the "underfunding of science" suggested that the NDP or this woman was looking for publicity. That is also preposterous. Both of those ideas are absolutely preposterous.

In fact, Ms. Corrado did not want to make this a public case.

Some Hon. Members: Oh, oh!

Ms. McDonald: Before calling the Leader of the NDP (Mr. Broadbent) Ms. Corrado called the Prime Minister's (Mr. Mulroney) Office. If the matter had been taken seriously, she would have been quite happy to withdraw all public attention from it. There would have been no public scandal about this matter if action had been taken. It is quite clear that this has resulted from the incompetence of the Prime Minister's Office in not recognizing the importance of freedom of expression. The Government is in this embarrassment because the Prime Minister's Office did not recognize it as important.

Mr. Oberle: You are the only one embarrassed.

Mr. Deputy Speaker: Order, please. Could we allow the Hon. Member to continue with her statement please.

• (1750)

Ms. McDonald: No one was seeking publicity.

Some Hon. Members: Oh, oh!

Ms. McDonald: A flight attendant was looking for justice. She was looking to exercise her right of freedom of expression. She went through the normal channels and was denied that right. She went to the Prime Minister's Office, the Office of the Right Hon. Leader of the Opposition (Mr. Turner), and the Office of the Leader of the NDP (Mr. Broadbent). When she was unable to get any action from the Prime Minister's Office, she then went public. She tried the other avenues. She was not seeking publicity, she was seeking justice and exercising her rights under the Charter.

[*Translation*]

Mr. Ouellet: Mr. Speaker, I cannot help saying that what our colleague just said in this House is quite true. That

employee used every possible means to make sure her case would be examined peacefully. I find it absolutely amazing that the Minister of Transport (Mr. Mazankowski) did not immediately grasp the serious nature of the case and did not act. If someone erred in his office, in the correspondence section, he should have acted immediately and informed Air Canada not to consider that letter, that correspondence between his office and Air Canada as an instruction from the Minister's office to suspend or fire that employee.

Since he failed do so, and the employee was suspended, I believe the Minister of Transport now has an overwhelming responsibility towards that employee, who has been in my view unfairly suspended for the slight offence of telling the truth to the Conservative Government.

[*English*]

Mr. Deputy Speaker: Resuming debate with the Hon. Member for Cariboo—Chilcotin (Mr. Greenaway).

Mr. McKenzie: Now we will hear the truth.

Mr. Lorne Greenaway (Cariboo—Chilcotin): Mr. Speaker, generally I preface my remarks—

Mr. Angus: On a point of order, Mr. Speaker, let me point out to you that the Hon. Member for Winnipeg—Assiniboine (Mr. McKenzie) made some reference to hearing the truth. I ask that you request that he withdraw that statement.

Mr. McKenzie: Sit down!

Mr. Deputy Speaker: I never heard a thing. I can read the "blues" and report.

Ms. Copps: It was not worth hearing.

Mr. Deputy Speaker: I never heard that. The Hon. Member for Cariboo—Chilcotin in debate.

Mr. Greenaway: Mr. Speaker, it is certainly not a pleasure to take part in this debate. I have been here only for the last hour but I have never heard such drivel. I agree with my colleagues, I think the House of Commons has hit a new low this afternoon. This is the subject matter you people want to bring up in the House of Commons when we are supposed to be busy with economic matters and everything else—

Ms. McDonald: Charter of Rights.

Mr. Greenaway: Charter of Rights? With rights goes responsibility. That stewardess—

Mr. Angus: Flight attendant.

Mr. Greenaway: Flight attendant. Her job is to treat people in a professional and polite manner.

Mr. Benjamin: She did.

Mr. Greenaway: That is her responsibility. No one said she cannot speak, but she certainly has a responsibility to people.

The reason I wanted to speak this afternoon for a few minutes is that the integrity of people in my riding has been called into question. I want to tell Hon. Members that the five women on that plane are probably five of the nicest women I know. I have known them for at least 20 years. They are highly regarded in my community. They do not go out looking for fights. They got on that airplane at 12 o'clock midnight to go to Toronto and Montreal. They asked for pillows and blankets. From that point on they were berated by this flight attendant, and it was a very sad situation. Air Canada has a world-wide reputation for good service. I think it just recently won an award for it. Surely to goodness it has the right to discipline a member of its staff who, with all respect, it appears has really overstepped the bounds. To turn this House of Commons into a grievance forum I think is just not right.

Mr. Benjamin: Every citizen has a right to approach Parliament.

Mr. Greenaway: This matter is going through the proper process and I am not going into the details of what I have been told about what happened that night because I respect the grievance process. I have counselled the people in Williams Lake to say nothing because it would jeopardize the grievance process. Mrs. Ford has been blamed for writing the Minister of Transport (Mr. Mazankowski). She never asked me where to write the letter because she thought that was the place to write the letter. She happened to have met the Minister last fall at a dinner in Williams Lake. The other reason she wrote to him was that the flight attendant was so abusive about the Minister.

Mr. Benjamin: It did not bother the Minister.

Mr. Greenaway: It was for those reasons she wrote the Minister the letter. If she had known that the proper procedure was to write Air Canada, she would have done so. She felt a certain sense of outrage. I think everyone has the right to complain without having to fear they are going to be dragged into a forum like this. This is a very sad day, and I feel as a Member that I have to stand up and say—

Ms. Copps: "Dear Don".

Mr. Greenaway: I think we have letters on file from the Leader of the NDP to the Minister of Transport saying "Dear Don".

Mr. Benjamin: So have I. A very nice fellow.

Mr. Greenaway: He is a nice fellow. The letter of complaint was not that strong a letter but it went to his office and right through to Air Canada, as it should, for action to be taken. I think the proper action has been taken. There is a grievance and an appeal process. It is a sad day when citizens cannot complain about someone who is cranky or not giving good service in the civil service.

Mr. McKenzie: Swearing.

Mr. Benjamin: No one said they cannot complain.

Mr. Greenaway: Well, you are making a big thing about it. It is just not right to drag this in here under the guise of freedom of speech. As this thing unfolds in the proper forum there will be all kinds of evidence from people other than my constituents that will corroborate the action taken so far by Air Canada.

I ask Hon. Members to think very carefully before they ever again bring a motion like this to the floor of the House. It has nothing to do with freedom of speech. It has something to do with the way people were being treated on board an airplane. We have all been exposed to the odd flight attendant who has treated us rather badly. It is not a very pleasant experience. These people were on their way to a convention. They did not want a drink when they got on the plane, they wanted to go to sleep. It is pretty sad—I do not think that Hon. Member has ever taken the "red eye special". I suppose she probably rides her motorcycle wearing her leather suit back and forth across Canada.

Ms. Copps: I have taken the "red eye".

Mr. McKenzie: Don't pay any attention to her.

Mr. Greenaway: No. My point is, once again, that these are good people. They went down to Vancouver to come across the country on the midnight plane. They took a lot of abuse from a flight attendant.

Mr. Benjamin: No problem.

Mr. Greenaway: They reported it. Now you are dragging in this red herring of freedom of speech.

Mr. Deans: There was no complaint about abuse.

Mr. Greenaway: This thing should never have gotten on to the floor of the House of Commons. The Hon. Member's judgment is very poor, to my mind.

Mr. Deputy Speaker: On a short question or comment, the Hon. Member for Hamilton Mountain (Mr. Deans).

Mr. Deans: Mr. Speaker, I do not know the women in question and I do not doubt for a moment that they are the finest in Canada. I am prepared to accept that.

Mr. Greenaway: They are.

Mr. Deans: No one has hinted or suggested otherwise.

Mr. Oberle: Why are you dragging their names into the House of Commons, then?

Mr. Deans: Oh, don't be ridiculous.

Mr. McKenzie: You are being ridiculous.

Mr. Deans: In the letter sent to the Minister but filed with the ministry there was no indication that the flight attendant subjected anyone to any abuse. It did not say anything about swearing or abuse. All it said was that she had expressed strong dissatisfaction with the Government of the day. That is all the letter said. She is entitled to do that, surely to God.

Mr. Deputy Speaker: It being six o'clock, it is my duty to inform the House that, pursuant to Standing Order 82(12), proceedings on the motion have expired.

[*Translation*]

Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, June 5, 1986

The House met at 11 a.m.

[*English*]

POINT OF ORDER

STATEMENT BY MINISTER—ADVANCE KNOWLEDGE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I understand the Minister is going to make a statement. To the best of my knowledge we were not informed. I certainly was not informed. There is a practice and procedure we have followed here, informal though it may be, that House Leaders' offices are informed of statements in order that we might prepare our critics. I object to the Minister not sticking to the understandings which we have.

Mr. Nystrom: Arrogant Tories.

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, at the request of the House Leader of the NDP I did check with officials. It is our understanding that the appropriate critics—

Mr. Deans: That is not the agreement.

Mr. Lewis: Just give me a minute. I used the words "our understanding". I have checked and it is our understanding that the appropriate critics were made aware of the fact that the Minister was to make a statement. Rather than have any unpleasantness on this, I would suggest that with consent we defer the Minister's statement until three o'clock or such time as the Opposition critics have had an opportunity to prepare their responses.

Mr. Deans: Mr. Speaker, I think that is a fine suggestion. I am quite prepared to agree to that. There was no criticism intended of the Government House Leader's office, but we have had this problem in the past. As you can see, the critics apparently are not here to respond or even hear the statement.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I simply want to confirm that we agree with the proposal to have the Minister's statement at 3 o'clock, even though we did not receive any prior notice. However, we shall be ready to reply at 3 o'clock.

[*English*]

Mr. Speaker: I take it that the House will be willing, by consent, to revert later to statements by Ministers.

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

STRIKING—THIRTY-EIGHTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour to present the thirty-eighth report of the Striking Committee.

PRICING OF DOMESTIC WHEAT AND ITS PRODUCTS—REPORT OF SPECIAL COMMITTEE

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I have the honour to present, in both official languages, the report of the Special Committee on the Pricing of Domestic Wheat and its Products.

[*Translation*]

TRANSPORT—NINTH REPORT OF STANDING COMMITTEE

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, it gives me pleasure to present the ninth report of the Standing Committee on Transport in both official languages—

[*English*]

—which relates to transportation services in northern and remote areas of Canada.

* * *

[*Translation*]

PETITIONS

PUBLIC ACCESS TO GROUNDS OF GOVERNOR GENERAL'S RESIDENCE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, it is an honour and a pleasure for me to present a few petitions, six, I think—

[*English*]

—from residents of my riding, Ottawa—Vanier, and also from other Canadians who visit the national capital. They are asking the Government to reconsider its decision to close the grounds of Rideau Hall to the general public. They are asking that consultations take place with groups of citizens representative of the large and growing opposition to the closing of the grounds in order that a *modus vivendi* can be reached to satisfy both the security of the Governor General and the need for Canadians to visit the grounds when they want to.

Questions on the Order Paper

[*Translation*]

PLANNED EMPLOYMENT PROJECTS—INCLUSION OF HOMES OF THE ELDERLY, HANDICAPPED AND SICK

Hon. André Ouellet (Papineau): Mr. Speaker, I have the honour to present a petition from residents of my constituency of Papineau who wish to express to the Government their profound disagreement with the instructions given by the Minister of Employment and Immigration (Miss MacDonald) about the eligibility of home maintenance projects under the employment planning program. My constituents believe that these projects have been rejected without a good reason and without taking into account the possible impact of this decision on the sick, the handicapped and the elderly.

* * *

[*English*]

QUESTION ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I would like to advise the House that question No. 527 will be answered today.

[*Text*]

DEVELOPMENT OF NORTHEAST B.C. COAL FIELDS

Question No. 527—**Mr. Broadbent:**

1. In the past seven years, what has been the total cost in (*a*) total tonnage (*b*) price per tonne, by area, of federal assistance in the development of the northeast British Columbia coal fields?

2. What employment levels were projected as a consequence of the government's support, and what are the current projections?

3. What studies were undertaken by the government prior to 1981, and subsequently, to determine the impact of the development of the northeast coal fields upon production and employment levels in the southeast coal fields?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): 1. (*a*) and (*b*) Federal financial involvement in the development of the northeast B.C. coal fields took several forms:

(*i*) Direct Contribution: The federal Government funded 50 per cent of some of the costs of building access roads to Ridley Island. The cost of these roads was originally set at $10 million, of which the federal contribution was to be $5 million.

(*ii*) Recoverable Contributions: Two contributions involved $73 million of federal funds. About $50 million was set aside for site infrastructure costs for the coal terminal from the federal Consolidated Revenue Fund and is recoverable beginning in 1989; and 23 million was provided to Canada Ports Corporation to purchase equity preferred shares in Ridley Terminals Incorporated.

(iii) Loan Guarantee: The federal Government guaranteed a $200 million loan with a commercial bank for Ridley Terminals Incorporated to cover slightly over 80 per cent of the constrution costs.

(*iv*) The federal Government provided $5 million through three government departments and agencies toward research development and demonstration (RD&D) work related to the electrification of part of the new railway spur line between the new mines and the existing British Columbia Railway line north of Prince George.

(*v*) Some federal money was also provided for social infrastructure facilities in the new town of Tumbler Ridge which was constructed to house the employees of the new mines.

Total exports from the two northeast B.C. coal mines since their initiation in 1984 and up to November, 1985 were 11.7 million tonnes. The contract tonnages for these mines were set at 69.5 million tonnes for Denison's Quintette Mine and 24.4 million tonnes for Teck Corporation's Bullmoose Mine over an initial 14.5 year period.

2. The Manpower Demand and Supply for the Northeast Coal Developments study predicted that the Teck Corporation's Bullmoose Mine would require 491 employees and Denison's Quintette Mine would require approximately 1,500 employees upon reaching full production in 1985.

According to the 1985 Coal Association of Canada Review and Directory, employment at the Bullmoose Mine is listed at 450 people and at 1,440 people for the Quintette Mine.

3. In 1977, under the terms of two Canada-British Columbia subsidiary agreements, a large number of studies were undertaken to examine the impacts of proposed northeast development. Many of these studies consisted of highly confidential information which the Department of Energy, Mines and Resources does not have access to.

However, as part of these larger studies, the demands for and supply of miners required for the new northeast mines were evaluated. These analyses pointed to a potential shortage of miners in some trades and predicted that there would be some movements for the established southeast mines to the northeast. The studies also postulated that, as a result of the development in northeast British Columbia, growth in the southeast mines might be slower than would have been the case had some of that tonnage been purchased in the southeast.

[*English*]

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

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

• (1110)

Mr. Lewis: Point of order, if I may.

Mr. Speaker: To revert to tabling?

Mr. Lewis: Yes, I would like to revert to tabling of documents in order to table the response to three petitions.

Mr. Speaker: Is there such consent?

Some Hon. Members: Agreed.

* * *

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table in both official languages the response of the government to the three following petitions: 331-534, 331-563 and 331-564.

GOVERNMENT ORDERS

[*Translation*]

COMPETITION TRIBUNAL ACT

MEASURE TO ENACT

The House resumed from Monday, June 2, consideration of Bill C-91, an Act to establish the Competition Tribunal and to amend the Combines Investigation Act and the Bank Act and other Acts in consequence thereof, as reported (with amendments) from a legislative committee; and Motion No. 7 (Mr. Ouellet) (p. 13875).

Hon. André Ouellet (Papineau): Mr. Speaker, I interrupted my speech last Monday so that the Minister of Finance (Mr. Wilson) could make a statement. I was then speaking about an amendment recommended by the Federation of Automobile Dealer Associations of Canada, which feels that the rights of its members have been abused and which submitted to the Parliamentary Committe an amendment which would meet their requirements. During my intervention on Monday, I reminded the House that a U.S. study of the cost of subsidies to rental companies has established that the average unit price of vehicules sold in the United States could have been reduced by $265 in 1985 and $243 in 1984. According to FADA, based on comparable figures for Canada and sales of about 1.3 million cars, the potential total savings would have been about $297 million. These are savings to which Canadian consumers unfortunately did not have any access. Indeed, if the dealers and owners of car fleets have the same benefits, several options would be open to us.

The first option would be to reduce the purchase cost of cars, which would mean a substantial savings for the consumer, or maintain the present cost but allow car manufacturers to install safety mechanisms such as inflatable bags which cost about $273 per unit, which would enhance the safety of motor vehicle users.

Incidentally, I have a particular interest in Bill C-91 because I am also replacing my hon. friend from Saint-Michel—Ahuntsic (Mrs. Killens), who, as you know, had a car accident and since then has been unable to come to the House to do her work. I have been asked to replace her in the House as the consumer critic.

If Canadian automobiles had been provided with inflatable bags, the Hon. Member for Saint-Michel—Ahuntsic would not have had the kind of accident she did and she would not have gone through a period that was very painful, both for her and her family. Mr. Speaker, I think it is important for this draft amendment, which is in fact being presented by the Federation of Automobile Dealer Associations of Canada, to be accepted by the House, because the evidence is there that this practice by manufacturers, who are of course in a dominant position in the automobile market, harms customers generally and dealers in particular, who cannot grant all their customers these potential savings.

I hope I have been able to convince my Government colleagues, especially the Parliamentary Secretary to the Minister of Consumer and Corporate Affairs (Mr. Domm) and also perhaps the Minister of Transport (M. Mazankowski), who should certainly be anxious to see the automobile industry treat Canadian consumers in a more civilized manner.

Finally, I would like to read a letter I received from Mr. Dan Donnelly, President of Dan Donnelly Ottawa Ford here in Ottawa. His letter is typical of about 100 letters we have received on the same subject. It is very short. I just want to read one paragraph, and I quote:

[*English*]

There is an insidious disease in the automobile business, and it is called fleet subsidies.

I have been a dealer for over 15 years and worked in Dealerships for 25 years and have never heard anybody praise or agree to the principle of fleet subsidies.

I would ask you to support the attached amendments to Bill C-91. This was prepared by the Federation of Automobile Dealer Associations of Canada, and has the backing of its dealers.

In the Consumer price of the car, he has to subsidize for the free packages that are given to the fleet buyer. The retail customer does not buy or get these fleet packages and this results in a rapid depreciation of his vehicle. I could go on outlining the reason that fleet subsidies is unfair to the Consumer and only benefits few fleets like Budget, Avis and Hertz.

Fleet subsidies are abhorred by 90 per cent of dealers. These dealers who employ over 90,000 Canadians and have tremendous investments in property, equipment, etc. are against this practice because it costs our consumers money.

[*Translation*]

In concluding, I have read to you what one dealer thinks, who speaks for hundreds and thousands of other dealers, and I hope the Government will accept this amendment.

[*English*]

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, it is a pleasure for me to respond to the proposed amendment to Bill C-91 as presented by my friend in the Opposition. I am particularly sensitive to the concerns of automobile dealers since some time ago I owned an automobile dealership. I was also a district sales manager for a major car manufacturer. The proposed motion is designed to address a genuine problem encountered by the automobile dealers in competition with rental companies for the sale of automobiles. It is also a matter that the dealers take quite seriously. I would

like to report to the House that the Government has put a lot of time into studying this issue. Detailed discussions of this matter were held with representatives of the Federation of Automobile Dealer Associations during the consultation process. Moreover, the dealers made their case to and received quite a sympathetic hearing from all members of this parliamentary legislative committee. I personally, and the Government, do not think that amending the abuse of dominant provision, as the proposed motion recommends, is the way to deal with this issue.

• (1120)

The Federation of Automobile Dealer Associations complains that American car manufacturers offer substantial discounts and allowances on new cars to major leasing or rental companies, such as Avis, Hertz, Budget, et cetera. The list is quite lengthy. The franchise dealers do not benefit from the same discounts. As a result they argue that they are put at a disadvantage on the sale of cars that are, in some cases, new or almost new. This practice, which is described in this motion is, however, not an anti-competitive act, as described in Section 50 of the Bill. This is the crux of the problem, how to address what appears on the part of the automobile dealers to be an inequity, and what is concurred in by the legislative committee to be the same.

How do you address it in Bill C-91, the purpose of which is not intended to do anything more than protect competition and encourage competition. The franchising system, which is the one that I think most directly affects this action—the franchising of these dealers and the contractual relations between the car manufacturer and franchise dealer—is where the problem starts. It would be only fair to advise the House that these cars that are sold to the leasing companies are put through franchise dealers. So this is clearly not a case of selling direct to the leasing companies, who in turn receive the invoice and bill it out at whateve price they choose. These cars are sold through franchise dealers.

I suggest that the problem, as unfair as it might seem to a lot of people, consumers and dealers, is really a matter that falls under franchising. Therefore, while I have a lot of sympathy with the automobile dealers' problem, I do not think it properly should be dealt with in the Competition Tribunal Act.

The legislative committee also devoted a significant part of its public hearings and deliberations to the abuse of a dominant position in the market-place. Some changes were made, some amendments were accepted. I am now convinced that this provision contains the scope necessary to prevent anti-competitive conduct without discouraging aggressive and pro-competitive initiatives.

The motion before us proposes to add to the list of anti-competitive acts contained in Section 50. However, I would like to point out to everyone, including the automobile dealers, that this list is not restrictive, and is primarily intended to provide guidance to the tribunal. Therefore, nothing prevents the application of the law to any other practice of anti-competitive acts that substantially can be proven to lessen competition.

In conclusion, I want to reiterate that another avenue will need to be pursued by the car dealers if they wish to address this particular problem peculiar to their franchising arrangement with the car manufacturers. I therefore ask the House to reject the motion.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise to indicate my support for the amendment. When we look at the way that business operates in Canada we see tremendous advantages to the large companies as compared to the small companies. What we are seeing is an increasing concentration and increasing power by large corporations.

What this amendment says, if I understand it correctly, is that in the leasing of cars the practice which the automobile manufacturers have followed of giving special and large discounts to the large companies which are in the automobile rental business, which obviously gives those companies a substantial competitive edge over the large number of small companies, is clearly that the director would have the authority and the power to at least look at the practices which are followed, and if he saw that this power was being used to lessen competition he would have the right to hold an investigation. I can see every reason for supporting this amendment and no real reason for opposing it.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased to speak on this amendment to Bill C-91. I would like to start off by congratulating the Hon. Member for Papineau (Mr. Ouellet) for his initiative in moving this amendment.

Yesterday morning I had a telephone call from my constituent, Grégoire Automobiles of 378 Notre Dame Street, in Embrun, Ontario. Of course, I recommend to all Members that if they want to buy a good car they can go to my riding and do so there. More importantly at this point, I want to raise with you the fact that Mr. Raymond Grégoire of Grégoire Automobiles telephoned me yesterday morning to lobby for this particular amendment. I think it is very significant that automobile dealers are concerned about some of the discounting practices that go on. Mr. Grégoire was explaining to me that large automobile rental and leasing firms now purchase cars cheaper than he can as a dealer.

Obviously what you are thinking at this point is that this is certainly unfair competition, and you would be quite right to think that. Mr. Grégoire would agree with that. What he was telling us yesterday morning was that the present practices are extremely unfair. They allow these large fleet operators, leasing companies, Budget, Avis and Hertz, and all those other folks, to purchase automobiles, use them for an extensive period of time and then sell them back and compete both in the used car market, and in the new one really, because they are not purchasing from the dealers, in such a manner that it affects business for everyone else.

The important thing here is that we all know that to operate a business, it takes a certain amount of dollars. The dollars that Budget and Hertz and those other big guys are not paying are paid by you and I and our constituents. The profitability for the car companies must be there some place. So for every dollar that they save, it is a dollar more that the average Canadian has to pay in order that those companies get the profit they are going to end up getting in any case.

• (1130)

I know that others have spoken on this before, but I would like to read a portion of the summary of the Federation of Automobile Dealer Associations of Canada that was given to me by Mr. Raymond Grégoire whom I identified earlier. It states in part:

> FADA members are concerned about a special pricing situation which, within the industry, is known as "fleet subsidies". Such subsidies (discounts) are provided by motor vehicle manufacturers on vehicles which go into the lease/rental market; but are not provided for vehicles going into the sales market (for the general public). The lease/rental market is characterized by companies such as Budget, Hertz, Avis, and others, who purchase vehicles for their lease/rental fleets.
>
> The vehicle manufacturers provide subsidies (discounts) to such lease/rental companies of up to a value of $1,000 or more per vehicle.

[*Translation*]

Mr. Speaker, the question which ought to be raised at this time is whether car manufacturers can afford to give the $1,000 discount. Why should it not be given to Canadian consumers? Why should it not be given to people in my riding who earn only $10,000, $15,000 or $20,000 a year and who have to buy new cars? These people could use a bargain a lot more than the owners or shareholders of companies such as Hertz, Budget, Avis and other major car rental companies.

Mr. Speaker, all I can say is that the Hon. Member for Papineau (Mr. Ouellet) has taken the right approach and deserves congratulations for the proposition he made this morning. Hopefully all Members of the House, regardless of political affiliation, will think about consumers and forget about their own partisan concerns for a few minutes—

Mr. Masse: The Liberals have never done that!

Mr. Boudria: —and think about Canadian consumers, the taxpayers who sent us to this House to represent them.

I see the Minister of Communications (Mr. Masse) over there—

Mr. Masse: I have never seen you not being partisan. There! I have never seen this in 20 years of political life, it is awful!

Mr. Boudria: I urge him as well to rise above his usual partisan approach—

Mr. Masse: Check your facts and consider past history. You will see it never happened.

Mr. Boudria: Mr. Speaker, the Minister of Communications is getting all excited about this.

I urged him to rise above such partisan considerations and think in terms of the well-being of Canadian consumers.

Mr. Speaker, the Liberal Party is not alone in making this request, the Federation of Automobile Dealers of Canada seeks justice for consumers.

I hope the Minister of Communications will take the floor in a few minutes and support the proposition made by the Hon. Member for Papineau.

Mr. Speaker, I hope the Minister of Energy, Mines and Resources (Miss Carney) will also support this measure once she has calmed down after losing control a few minutes ago.

In concluding, Mr. Speaker, as I was saying a moment ago—

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. There is no need to reflect on what is happening in the chamber. The Hon. Member has risen to make a speech. I wish he would give it.

Mr. Gauthier: Mr. Speaker, I rise on a point of order. The Hon. Member was making a speech but he was disturbed by what was going on in the House. He was just commenting on what happened.

The Acting Speaker (Mr. Paproski): If the Hon. Member was disturbed, he could have risen on a point of order asking that the Hon. Minister not disturb him in this debate. That is not what he said. It is the way he reflected on another Member in the House. I would call him to order as I would call anyone else to order in this respect. Therefore, I hope he will just carry on with debate in a quiet and calm manner.

Mr. Boudria: Mr. Speaker, I take note of your comments and, of course, accept them. I am sure the Minister of Energy, Mines and Resources (Miss Carney) also accepts them in the same light.

I support the initiative of my colleague, the Hon. Member for Papineau in his amendment to Bill C-91. I want to stress to all Members of the House that this initiative has the support of the Federation of Automobile Dealer Associations of Canada because it is a good amendment. I hope that all Members will pass this amendment unanimously because I am sure it would please all our constituents.

Competition Tribunal Act

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, since I seconded this motion, I think a few comments would certainly be appropriate.

This amendment was proposed by the Hon. Member for Papineau (Mr. Ouellet) in an attempt to correct or prevent a business practice that is unfair to car dealers because it gives preferential treatment to operators of car rental companies.

According to representatives of the Federation of Automobile Dealer Associations of Canada, the FADA, the practice means that fleet purchases are subsidized, which is certainly not in the interests of the car dealers themselves.

[*English*]

I have also been approached by members of the Federation of Automobile Dealer Associations of Canada. I have a letter from Dan Donnelly, who is a friend of mine and also a dealer in Ottawa who owns Ottawa Ford Sales. Let me quote this letter:

There is an insidious disease in the automobile business, and it is called fleet subsidies.

I have been a dealer for over 15 years and worked in dealerships for 25 years and have never heard anybody praise or agree to the principle of fleet subsidies.

The manufacturers are in a web of their own making and are unable to get out of it.

Fleet subsidies are abhorred by 90 per cent of dealers. These dealers who employ over 90,000 Canadians and have tremendous investments in property, equipment, etc. are against this practice because it costs our consumers money.

Therefore, we are talking about jobs and the cost to consumers. The letter goes on:

In the consumer price of the car, he has to subsidize for the free packages that are given to the fleet buyer. The retail customer does not buy or get these fleet packages and this results in a rapid depreciation of his vehicle. I could go on outlining the reason that fleet subsidies is unfair to the consumer and only benefits few fleets like Budget, Avis and Hertz.

I would ask you to support the attached amendments to Bill C-91. This was prepared by the Federation of Automobile Dealer Associations of Canada, and has the backing of its dealers.

Your help with this problem will be appreciated.

It is signed by Dan Donnelly, President of Ottawa Ford.

[*Translation*]

Mr. Speaker, obviously, the low cost of acquiring vehicles for fleets, for people who buy in large numbers and especially car rental companies, is actually a kind of subsidy, the cost of which is reflected in the prices charged by the car dealer, who does not have the same volume of sales and cannot offer the same terms. This means, as Mr. Donnelly says in his letter, that the consumer pays a subsidy when he buys a vehicle through normal channels, in other words from a car dealership. And the motion presented by the Hon. Member for Papineau, which proposes to include a provision in the legislation that will prevent this kind of transaction, would seem entirely reasonable and logical, because if we are talking about 90,000 jobs, we are also talking about protecting the consumer, and I think the House of Commons should come out in favour of both jobs and the consumer.

Mr. Speaker, we know that the car rental operator or volume dealer, the one who rents cars, does not have the same constraints as the dealer. I think Hon. Members are aware that a car dealer has some very high costs, especially his inventory, which come under operating costs and are a major item on the dealer's books.

Inventory is therefore an important item. The car dealer also has personnel working for him, in the various buildings he has to carry out repairs and do body-work, and all this equipment is very expensive, and the car dealer has to finance all this, and obviously, his costs will have to be calculated in the profits he makes and the prices he charges the customer.

Therefore, for the sake of fairness and justice, and to prevent abuses from automobile fleet leasing businesses which get special privileges from the manufacturers, we feel that this amendment is important and should be adopted by the House in order to caution not just car manufacturers against such preferential treatment on volume sales, but also to encourage car dealers to maintain the quality of services and to keep vehicle prices as low as possible by not adding subsidies which of course must be paid in view of the comments made in support of the motion.

Accordingly, Mr. Speaker, to conclude, I simply wish to remind the House that we are dealing with a trade practice that is not quite acceptable, and although it is not illegal, it does not serve the interests of consumers, and I hope the House will support the amendment.

• (1140)

[*English*]

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 7 standing in the name of the Hon. Member for Papineau (Mr. Ouellet). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

Mr. David Orlikow (Winnipeg North) moved:

Motion No. 8

That Bill C-91, be amended in Clause 47 by striking out line 36 at page 51 and substituting the following therefor:

"graphs (*a*) to (*c*), including the concentration of corporate ownership by one or more individuals to levels which the Director finds excessive,".

He said: Mr. Speaker, there is no greater problem that is necessary for this Parliament to deal with, to study the implications of what is happening and to come up with policies which will meet the needs of the Canadian people, than the increasing concentration and power of conglomerates. The response of the Government and that of the Minister in particular, has been to duck this question.

A number of witnesses appeared before the committee and told us that Bill C-91 does not deal with corporate concentration as it stands now, and it certainly should. We heard as well from persons such as Professor Stanbury, one of the most knowledgeable academics studying the question of competition law. He reminded us of the potential adverse consequences of excessive concentration of economic power. Professor Stanbury quoted the President of Cadillac Fairview Corporation, Mr. Ghert, who listed these potential adverse consequences as follows: first, the ability to misallocate resources by restricting output and raising prices; second, redistribution of income from the firm's customers to its owners; third, firms with excessive power can become inefficient and wasteful; fourth, a high level of concentration reduces the number and diversity of decision makers in the economy; fifth, large concentrations may be unresponsive to regulatory agencies and have the ability to influence public policy; and sixth, corporate ?PAGE 13991 concentration may stimulate greater Government intervention as a countervailing power.

Professor Stanbury painted a rather frightening scenario as to what can happen when large financial conglomerates are dominated by large non-financial enterprises. He pointed out the concern that these large groups will be able to use their power to advance the interests of some customers or suppliers and/or penalize others, undermine the position of rivals in ways inconsistent with maximizing the wealth of one's own shareholders, provide excess rewards, pecuniary or otherwise, to the top management coalition that effectively controls the corporation, or use economic power to influence public policy via the political process, that is, expenditures on lobbying, advocacy advertising, public relations and campaign contributions, and to have the ability to redirect corporate locational decisions. None of these problems are dealt with in the Bill before us.

The question the amendment seeks to have reviewed is not one which lends itself to a handy formula. We recognize that we are dealing with a highly complex problem. The merging of Imasco and Genstar was the merger of two large companies into the tenth largest in Canada with its own captive financial arm that has already been self-dealing on behalf of its parent. Such a transaction should be reviewed. We believe the director should have considerable discretion in choosing the conglomerate merger he wants to bring to the tribunal. The amendment which I am proposing would give a director that discretion.

• (1150)

The amendment I am proposing is not one which comes from the far left. It deals with the type of problem which was raised by a number of the witnesses who appeared before the committee, including Professor Stanbury. It deals with the type of problem that Jack McArthur, who writes on business and financial affairs for *The Toronto Star*, dealt with in a column which appeared in that newspaper on March 23, 1986. He pointed out in the article that we have multi-company mammoths bidding for more, for example, the Reichmann group and Power Corporation. He pointed out that the Reichmanns seek control of Hiram Walker Resources and its $6 billion empire. We know that that proposal, indeed that control, has now been obtained by the Reichmanns and part of that control is being challenged by Allied-Lyons.

Mr. McArthur also points out in his article that the Reichmann holdings, among others, include a vast real estate operation, Gulf Canada and Abitibi, the world's largest maker of newsprint. He points out that Abitibi and Gulf ranked in the top 50 on last year's list of our largest industrial corporations. He then points to other large conglomerates such as Canadian Pacific, which he says is one of our largest in transportation, mining, forest products, oil and gas, among other things. Bell is biggest in telephones and technology, significant in real estate through its ownership of Daon and Bell Canada Enterprises and large in computer retailing where its Computer Innovations has bought out a competitor. He says that we have the Edper-Brascan Bronfmans who are far-flung in mining, forest products, insurance, trust operations, oil and gas and others. Weston-Loblaw has scores in the ranks, including leading food processors and suppliers of goods to food processors and others. The Thomson conglomeracy has newspapers, insurance, real estate, oil and gas and The Bay, Simpons and Zellers stores. Power Corporation has Consolidated Bathurst in forest products and containers, Great West Life, Montreal Trust and Investors Group. He states:

> Most have links with one or more of the others, some worth hundreds of millions of dollars. This raises the fear that some of the inter-empire competition won't be hot.

That is precisely why I have moved the amendment I have moved. He continues:

> All are ambitious for takeovers. Ottawa fuels the fire by showing it will stand for almost anything. It seems to throw cold water only if a case causes enough controversy to be embarrasing politically.

I point to the opposition of some Conservative members of the finance committee to the takeover of Genstar and Canada Trust by Imasco. Mr. McArthur states:

> This is an aimless, unprincipled way of proceeding—and can't last, which is why the ambitious are shopping feverishly.

Competition Tribunal Act

Our judgments should concern: the likely future degree of competition in an industry; the possibility of national dominance by a few multi-billion-dollar pools of capital that inhibit productive variety in decision-making and investing, and intimidate those who deal with them by their very size.

It's vital that strands of ownership linking different industries in the same groups must not now or in the future interfere with normal competitive ways of buying and selling.

When 50 companies from 10 different industries are in the same bunch, will they be inclined to buy and sell their goods and services with blood-relatives? That would discriminate against independents. Plenty of that goes on already.

It has been said that nine or ten corporations control almost 50 per cent of the stock traded on the Toronto Stock Exchange. He states, and I will conclude on this note:

This is not an attack on the empire-builders. They are doing what's allowed and presumably saying what they hope will be their future action.

It simply recognizes that certain promises are not binding or enforceable on management or owners. Owners change too and suppose a "bad guy" takes over?

This is why I have moved the amendment on behalf of the New Democratic Party. We say that the country needs laws which will give the agency the power it needs to monitor business operations and to see that we have real competition which will benefit the consumer. We say that without this amendment the director and the agency will not have the power or the ability to do the job which they are supposed to do as a result of this Bill.

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I would like to speak to this matter just to take up some of the points made by the Hon. Member for Winnipeg North (Mr. Orlikow). At the outset I want to say that my colleague, who is a senior Member of the House, has put an incredible effort over the years, and especially in the last little while, into competition Bills and the competition area. He has proposed an amendment which I think is sensible. It is pragmatic. It grows out of the evidence that was presented to the legislative committee, as I understand it, which is the way amendments should come to the House. I hope the Government will accept it.

He said in his speech that the agency which monitors competition needs some strength. When I was listening to the Hon. Member I thought of an area in which I am interested, that is, the energy area. The petroleum monitoring agency in the energy field could use some strength in order to ensure some real competition in the oil industry, or at least to force some of the oil giants to pass on the savings in gasoline prices that should go to consumers but that are not going to consumers right now.

I see that the Minister of Energy, Mines and Resources (Miss Carney) is in the House. I call her energy policy "back to the future". That is what the energy policy of this Government is. It is going back to an old system in the hopes of tackling the future which is quite different.

I will give Hon. Members an example with respect to problems concerning the lack of competition in the energy industry which are addressed through this amendment, and similar parallels in general business. The Hon. Member for Winnipeg North mentioned the increased concentration of business, and in that vein he mentioned the Reichmanns who bought Gulf. It is curious to consider what happened in the last year or so. Mickey Cohen, a former Deputy Minister of Energy, made the energy policy for the last Liberal Government. After that he moved on to a more senior position as Deputy Minister of Finance. In that capacity he helped to make the business, tax and economic policies of the Government. He then went on to a better job, a better paying and bigger job, when he went to work for the Reichmanns in the private sector. The Reichmanns bought Gulf with some nice tax advantages. It was called the "Little Egypt Bump" which allowed them to make a deal with Norcen Energy in order to receive some tax advantages.

The key to corporate takeovers today is the taxation system. One has to look at taxes and what are the tax advantages. My colleague in his speech a few moments ago quoted the words of Jack McArthur who said that the ambitious are shopping feverishly for takeovers. Nowhere else is that happening more than in the oil industry in western Canada which is in desperate straits because of the low world price of oil. A great many Canadian companies are tottering on the brink of takeover. They are ripe for the picking. This tremendous danger exists. Of course, the Minister of Energy, Mines and Resources has refused to consider any bridging mechanism for the short term for these Alberta companies and has literally left them on their own. Some of them are not going to be able to survive; some of them will be taken over and there will be increased competition in the industry.

• (1200)

The reason there are high gasoline prices in Canada right now is of the lack of competition. There are 600 sellers in Alberta selling crude oil to four big buyers. There is an incredible corporate concentration in this sector. Yesterday I spoke to representatives of the Independent Petroleum Association of Canada who told me that the Canadian producer is getting the lowest price, in the world. The Canadian producer is getting the spot oil price which in some cases is below world price, while the Canadian consumer at the other end is paying beyond world price. Why is this? I see the Minister of Energy, Mines and Resources is present in the House. I would ask her why this is. No, I will tell her why. It is because there is no proper competition in the oil industry.

I would like to describe the energy policy of the Government very briefly. It is to deregulate and go back to the marketplace. In that way, the Government expects that there will be a lot of investment by the companies and that 300,000 jobs will be created. The motorists, the producers and everyone else would all get a break and everything would be rosy. Instead, we got the worst, not the best, of all possible worlds. One of the reasons for this is the world oil price. Let us be fair, however; there is another reason.

Why are Canadian gasoline prices higher than American prices? One reason is that we have higher taxes, but if we calculate the taxes in we will see that Canadian motorists are

still paying more than American motorists. We are told by the Minister of Energy, Mines and Resources that this is because the oil takes a while to work its way through the system. In other words, it takes time to move the crude oil from the West to the East through the pipelines. Do Americans have shorter pipelines for the same distances? The Canadian people are not crazy. They see that there is this difference in prices.

The difference in prices exists because we cannot have a free market energy policy without a free market. There is insufficient competition. There are occasional bursts of competition, like the gasoline wars in Toronto, but the problem is that there are four major companies which control the market. They are simply not passing on the savings and they are making money in the retailing and refining sectors. It is not even the gas station operators who are benefiting from the increased margin, but the retailers.

I hope this amendment will help provide for an agency that will determine whether or not there is competition in the market-place. It is amazing that I should have to make a Conservative argument for free competition, but if Conservative Members are not going to make this argument and are not going to accept the amendment the least they can do is accept a competitive system if there is to be a competitive energy policy. That is completely logical. That is my argument in favour of this particular amendment, Mr. Speaker.

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, this issue was raised by the Hon. Member for Winnipeg North (Mr. Orlikow) on a number of occasions before the legislative committee. There has been a great deal of discussion on this matter and we discussed it in the House at second reading stage.

As I have indicated to the Hon. Member, the proposed competition Act deals very specifically with conglomerate mergers to the extent that they raise competition issues. If there is any other aspect of conglomerate mergers which the House believes should be addressed through legislation, such as concentration of individual ownership or corporate assets control of financial institutions by non-financial corporations, they should be dealt with in the context of other appropriate legislation.

I remind Hon. Members that we are dealing with competition legislation and we are prepared to look at anything which lessens competition. That is why we have set up a tribunal and that is why many of these concerns expressed by members of the Opposition will have a chance to be aired before a tribunal. That never happened before. That is why there is a general consensus among organizations and individuals that this competition legislation is long overdue. However, this amendment is not the way to address the situation. Therefore, I recommend that the Hon. Member's motion be defeated.

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I would like to rise to support my colleague's amendment to Bill C-91 because I believe it addresses one of the major problems in corporate Canada, a problem that the Bill does not address at this particular time. That problem is the reality of corporate concentration.

When looking at the history of attempts to regulate corporate concentration, and particularly to regulate the rightly perceived ill effects of corporate concentration, there has been excessive attention in the regulations to the formal rather than the real aspects. Because there can be such a variance between the formal appearance of corporate concentration and the actual reality of it, I believe is appropriate to include discretionary powers in the hands of the director, and that is what this amendment is attempting to do.

There has been no calculus developed which can effectively measure and define the nature of corporate concentration of power. We see the way corporate power is concentrated in Canada today. My hon. colleague spoke of the 9 or 10 families involved. We see the way in which interlocking boards of directors have shareholding charts that cover interlocking companies, each holding the other's shares. We see the degree to which the influence of a single individual, a single family or a single holding company can permeate an entire industry and indeed spread horizontally into a number of industries. We see the way in which non-financial, financial, industrial and commercial holdings can be mixed in a corporate network or intercorporate structure. After seeing all that, I believe that any Canadian who is concerned about the way in which economic power is exercised should support a measure which provides for some discretion in the hands of the Government.

The key words are concern about the exercise of economic power. We are talking about the regulation of economic power ?PAGE 13993 by the Government power. Indeed, I am sure that Progressive Conservative Members would argue very strongly that there must be limits on the exercise of Government power over the economic power of the country. That is not a position that I would find untenable on ideological grounds. But I must caution the Government that in rejecting this amendment it will not only be fulfilling part of its ideological agenda but will essentially be limiting the effect of Bill C-91 on the formal basis of corporate concentration rather than assessing and addressing the reality of corporate concentration, and the reality of the exercise of economic power through intercorporate, corporate, conglomerate, holding company and *Zaibatsu*, to use the Japanese term, practices.

• (1210)

My colleagues, the Hon. Member for Winnipeg North, (Mr. Orlikow) and the Hon. Member for Vancouver—Kingsway (Mr. Waddell), made some very telling arguments and gave some very good examples of the way in which corporate power is concentrated in Canada. Rather than go into the specifics, as they did, I should like to caution the House and lay down some of the ways in which, if the amendment is rejected, companies will be able to treat Bill C-91 with the sort of high disdain and gay abandon they have always been able to address the Government's somewhat emasculated predecessors.

There are situations of corporate concentration in Canada today which are almost like the Gordian knot. It would take a sword thrust at the organizational chart to unravel the reality of intercorporate control. After all, there is no limit under Canadian law. Indeed, it is difficult to see how there could be a limit. However, because there is no limit on the chain of corporate ownership present in the current or proposed legislation—that is, a holding company owing a share in a second company or a second company owing a share in a third company and so on and so forth—we have a situation whereby any mathematical formulae, any calculus, or any written restriction can be and will be circumvented. After all, we have a myriad of examples of the ingenuity of the corporate sector and its legal advisors in circumventing any such control any time it has been proposed in any jurisdiction in Canada or in any other country.

If we do not have some discretionary power, I fear we could see Canada's economy ending up in the sort of situation which is prevalent and indeed very common in Latin American and Central American countries. I am referring to the situation where the control of the economy is divided almost half and half between a small number of foreign companies, almost always American-based multinationals, and a very small number of local families, local trusts, or local combines which control the other 30 per cent or 50 per cent of the so-called domestically controlled economy. By rejecting this amendment we would be essentially subscribing Canada's vote to the sort of system in which corporate power goes largely unfettered. Therefore, it is my belief that there must be some discretionary power.

We require a director of combines control and investigation who could go beyond the mere analysis of mathematical formulae, the analysis of percentages of shareholdings, and the analysis of calculus, whether it be that proposed by the security commission, 10 per cent, 50 per cent, 51 per cent, or the formulae of what constitutes effective control, and could look at reality, the influence of individuals, families, and trusts on the activities, decisions, and investment placements of corporations within the great Canadian market-place. If there are no discretionary powers, the formulized regulations contained in the Bill will soon be circumvented by the ingenuity of the corporations.

I think that was well said in the article from which my hon. colleague quoted, indicating that it was not an attack upon people who build financial and corporate empires. There are people who have the instinct or the urge to control or to bring more and more under their ownership umbrella. On a higher plane, there are those people with the urge to make something more profitable from something which is less profitable, and those with the urge to indulge in the forms of corporate synergy where one can assemble a conglomerate such that the members of the companies of the comglomerate rarely have to deal outside each other. However, let us not deceive ourselves into believing that those personal or corporate interests will coincide with the public interest.

This amendment addresses the public interest. It is designed to ensure that the people of Canada, through their Government, will have some say in the way in which corporate power is concentrated and exercised in Canada. That is why I urge this honourable House to support the amendment.

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I would like to take part in the debate to commend my colleague for Winnipeg North (Mr. Orlikow) for moving this amendment. If accepted by the Government, it would improve Bill C-91 significantly in my view. A number of witnesses who appeared before the Committee said, with regret that Bill C-91 did not address in any way the issue of concentration in Canada and the increasingly important conglomerate situation in this country. I would like to quote the distinguished lawyer Gordon E. Kaiser, who had this to say before the Standing Committee, and I quote:

[*English*]

Finally, the Bill, as it stands, does not deal with the large conglomerate mergers involving financial and non-financial institutions which are currently taking place.

He continued by referring to the Leader of the Official Opposition (Mr. Turner) and saying:

I notice that Mr. Turner has been speaking to this subject on a number of occasions with success. This proposed legislation provides an opportunity to deal with the matter rather than postponing it for another 16 years.

[*Translation*]

I think Mr. Kaiser is absolutely right. It is important that we take this opportunity to address the issue of concentration and conglomerates, rather than waiting I do not know how many years for another legislation, before we discuss the matter.

Someone else, a businessman this time, had this to say in a *Toronto Star* report. Mr. Bernard Ghert, from Cadillac Fairview, discussed at length some of the dangers we will be faced with if we do not solve the problems of conglomerate mergers, especially those involving financial and non-financial corporations. So here is a businessman, not an academic nor an Opposition MP, but someone directly involved in business, the president of a large corporation, who brings to our attention the increasingly serious problem of conglomerates and concentration in Canada.

Also, Professor Stanbury from the Institute of Political Research, who testified before the Standing Committee on April 29, 1986, suggested, and I quote:

I now wish to turn to the matter of conglomerates. Proposed sections 63 an 64 can only deal with horizontal and vertical mergers because the test incorporated is a substantial lessening of competition. Strictly speaking, conglomerate mergers cannot be touched by Bill C-91, although mergers involving conglomerates—each has a firm in the same industry or they

are vertically related—could be addressed under the terms of the bill. But this was not enough, added Professor Stanbury. The purpose of the amendment moved by our colleague the Hon. Member for Winnipeg North would precisely permit to correct this anomaly in the legislation. I cannot help remembering the remarks made by the Leader of the Liberal Party, the Leader of the Opposition in this House, when he said on April 9, and I quote: "We have witnessed an escalating takeover fever in the last number of months resulting in, we believe, an overconcentration of corporate power in Canada". In his remarks during debate on second reading of Bill C-91, the Leader of the Opposition emphasized that the Government should address this issue immediately and try to find solutions to the overconcentration problem.

The Leader of the Opposition reminded the House that the Governement, in its discussion everywhere in Canada, had claimed that Canadians needed large multinationals in this country to compete with foreign multinationals and that although this argument could be valid to a certain point, it was necessary to have corporations powerful enough to meet the competition head-on both on the domestic and foreign markets. But, according to the Leader of the Opposition, if corporations of this type must exist as the Government claims, this does not mean that the recent takeovers in Canada confirm this argument that it is essential to have large companies on the domestic market.

I cannot help but reflect openly on the extensive concentration which exists in the food industry in Canada and wonder whether the disappearance of our small corner stores and grocery stores and their replacement by large food chain stores have really benefited Canadian consumers. We have only to look at the prices we pay today for food and ask ourselves whether the consumer was not better served by the small corner store than he now is by large chains which make us pay for their big stores, their nice displays and their pretty packaging, because the consumer has to pay a high price for all this window dressing. Of course, the consumer did not shop in a nice environment when he went to the corner store. He did not have nice things to look at as he does today in the large chains, but I think that he left the store with more money in his pockets than he does now.

Because of corporate takeovers, bigger and bigger corporations are forgetting that quality often comes in small packages. We have to wonder about some of the recent takeovers. As the Leader of the Opposition said on April 9: "Where are the new jobs? Will two merging companies be more efficient after their merger and do these takeovers really improve competition in Canada?" And most important, is Canadian technology improved by these takeovers? Actually, Mr. Speaker, we realize that takeovers often result only in a loss of jobs for the workers whose employer is absorbed by the larger company. These takeovers bring about rationalization, and very often, this means, not more jobs and more work, but fewer jobs in a specific area. Very often, it also means a loss of efficiency and technology because big companies, like big Governments, are not necessarily very efficient.

We must ask ourselves to what extent the Government is taking the right approach when seeking to promote corporate concentration in Canada and support large and big Canadian companies.

That is why I endorse the motion introduced by the Hon. Member for Winnipeg North (Mr. Orlikow), and I think that as far as the director of investigations is concerned there is no absolute rule. Obviously, certain large companies may be in the interest of Canada.

I believe that concentration in certain sectors is essential and necessary in Canada. But I would like independent officials, I would like the Competition Tribunal which is to be established to be in a position to make an impartial assessment of each take-over and say on occasion: No, this is too big and not in the interest of Canada. Even though it may not bear directly on competitiveness, the very size of the company poses an immediate threat and we must put a stop to that.

I conclude by saying that the amendment of the Hon. Member for Winnipeg North would improve the Bill and I hope the Government will support it.

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

The Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey).

• (1220)

[*English*]

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, I want to support this amendment because I think it addresses one of the most serious problems we have in the country at the moment. There is a shuffling of corporate directorships taking place which, I suggest to you, is at the expense of one of the main planks in the Government's platform, the creation of jobs. In fact, rather than seeing the creation of new jobs in Canada we are seeing a closer and closer integration of the interlocking directorships, something which is probably more apparent and prevalent in Canada than in many other countries. That has been adequately documented by people like Peter Newman. Even some people in the corporate world admit that that is going on and that it is not good or healthy for the economy of Canada. I refer particularly to the takeover of financial institutions by other sectors in the corporate world and the conflict of interest which that engendered.

In Mr. Newman's article he quotes Mr. Ghert of Cadillac-Fairview who, in his conversation with Mr. Newman, said:

> When one entity is both a creditor and an owner of equity in a company, there is an obvious conflict of interest.

That is probably one of the most dramatic instances of corporate concentration and takeovers acting detrimentally. It is an over-all problem. We are essentially seeing the shuffling of directorships and stocks among a very few people to the detriment of the majority of the population. Rather than that kind of bridge playing or finessing of shares by corporate directors, we need some imagination from the corporate sector.

I read a speech earlier today by the President of the National Research Council. He put out some very interesting statistics comparing Canada to other countries in the area of research and development. The amount that is being spent in this country by corporations and government on research and development is miniscule compared to that which is being spent by countries like Japan and West Germany, our major competitors.

We are moving into a very competitive situation in the world economy. Our relationships are getting more personal and closer all the time. We are heading into a very tough international economy. Rather than shuffling stock and carrying out takeovers, we require some imagination of large corporations in Canada to create the technology and jobs which are needed. Although that is what is required, it is not what is happening.

• (1230)

I also want to make this point. About 80 per cent of all new jobs in Canada are going to be created by small business. I am talking about businesses whose annual income is something like $2 million and employees numbering in the tens. That is the kind of business we have to look to for the creation of new jobs. That has been adequately documented by John Bulloch and any number of other people speaking on behalf of small business in Canada. Yet smaller companies are being squeezed out of the market-place, if not gobbled up, by the corporate takeovers that are now going on.

The real threat as a result of the kind of corporate concentration which is now going on is the threat to small business. Another effect I see deals with the regions. Not only is there a concentration of economic power in a smaller number of companies, there is a concentration of economic power in certain regions, indeed certain cities, to the detriment of most other regions. Those of us who come from rural Canada and represent small communities know the great danger in being at the mercy of a giant corporation. We have seen it over and over again. In my own Province of Newfoundland the giant corporation Bowater saw its mill in Corner Brook as being at the lower end of the chain. It did not do any R and D, reinvestment or retooling. It did not keep up to date with technology. As a result, the mill was not competitive. It did not matter to that giant corporation but it mattered to the community concerned. Then that giant corporation closed the mill down, pulled out and left the city at the mercy of whoever. More and more we are at the mercy of large corporations. We feel it more and more in the rural regions and small communities. The mill was taken over by a smaller company and is operating today, but not under the aegis of that large corporation. That is why I see a real danger here.

I can point to other examples in certain regions where people have been at the mercy of large corporations. They see us merely as a cog in the wheel, an unimportant contributor to their financial success. However, the mill or plant concerned means a lot to its local community.

Another effect of all this concentration of corporate power is the effect on consumers. Obviously in this situation competition is lessened. The incentive to improve service or products is lessened. That has an effect on prices. Take oil and gasoline for example. Gasoline prices in the U.S. went down much more rapidly than in Canada because there is a great deal more competition in the U.S. Here we have really only four major refineries, Esso, Gulf, Texaco and Petro-Canada. There is less incentive to change because of the lack of competition.

I believe there is room as well as a need for big business. Obviously there are projects which can go ahead only through the use of massive amounts of capital. However, I think the pendulum has swung too far. The situation is too serious and curbs have to be put in place in the interests of the small businessman and the consumer. I support this amendment because I believe it brings a measure of balance to the Bill which is not there now. I urge my colleagues to support this and other amendments which will be forthcoming because they will give us a better Bill, one that is in the interests of all business in Canada, particularly small business and, in the final analysis, in the interests of the Canadian consumer.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I want to make a few comments in the debate on this important amendment put forward by my colleague from Winnipeg North. We are discussing today probably one of the most important issues for the Canadian economy, that of corporate concentration. I want to begin by reminding the House of a unanimous motion put forward twice by the Standing Committee on Finance and Economic Affairs not many weeks ago dealing with the Imasco takeover of Genstar. That transaction also involved the takeover of Canada Trust which was, as a result of expansion, one of the largest financial institutions in Canada.

The concern raised by the committee dealt with a non-financial corporation taking over and controlling a financial institution. In other words, a corporate conglomerate now had its own lending institution. At the same time, as we all know, it is planned that trust companies expand their commercial lending activities. Traditionally, of course, they had been very restricted in that area, but I think it is the will of everyone, quite frankly, to bring more competition to this part of the economy.

The committee thought about it for many weeks. We heard from many experts in the field of corporate concentration, and corporate activity generally. While not being quite unanimous, certainly the overwhelming majority indicated that the Imasco takeover was not in the best interests of Canada and Canadians. For an industrial conglomerate to have its own financial institution at its disposal would give it more economic power and, by implication, more social and political power. We have heard many times in this House and elsewhere how the major companies listed on the Toronto Stock Exchange, the TSE 300, the most powerful companies in Canada, are controlled by a handful of families. In other words, we have a sort of economic mafia, in the most positive sense of that term, extneding its tentacles, and more and more power is falling into fewer and fewer hands.

We have heard some very eloquent comments today from Members outlining their views and their concerns. All of us have seen the national and international chains coming into our community, large and small, and phasing out the small, independent, family-owned business operations. I am sure we are all concerned about this. I know that someone as sensitive to the needs of their community and constituency as you are would have noticed that the national shoe chains will come in and that the independent shoe operator there in downtown Edmonton, or in downtown Red Deer or Kamloops, wherever it may be, is eventually phased out of business because he buys 400 pairs of, let's say ladies and girls shoe a year, whereas a national chain will buy 50,000 pairs a month.

• (1240)

When you have to meet head to head with that kind of a conglomerate, and you are a family-owned shoe retail outlet, there is absolutely no way that you can really compete in economic terms. You can offer better more personalized service, but when it comes to hard, cold pricing it is almost impossible, if not impossible for that small family oriented business to compete with the national or multi-national chains.

This is becoming a way of life in our country. It is now up to Parliament, that reflects the best interests of our country, to decide what is it that we want for our future Canada? Do we want a Canada run by a handful of families and a handful of large multinational conglomerates, or do we want to encourge the development of small independent Canadian enterprise? That is the issue.

Quite frankly, I am rather amazed that my Conservative friends across the aisle are not all standing in unison wanting to speak to this motion. My colleague from Winnipeg North (Mr. Orlikow) said that we want the small independent enterprise to succeed in Canada. We want to see equal competition in the market-place. We thrive as a country when we have independent Canadian businesses working head to head with each other in competition, providing opportunities for Canadians.

I do not think there is anybody in this House who could say unquestionably that it is in the best interests of Canada, the Candaian economy and the people of Canada to have the emergence of large conglomerates getting larger and larger with more power in fewer and fewer hands. In a sense we are taking competition out of the market-place. We are saying if we do not agree with this particular amendment that we do not want to see more competition, we want to see less competition. We do not have to look very far to see lessened competition. Have you noticed, for example, the competition in the banking system, how all the banks offer quite significantly different interest rates? No, you have not seen that. When you get the list out every day you notice that for a deposit of $5,000 that every financial institution, certainly the big five banks, have virtually identical interest rates. Have you noticed when you go down to fill up your car with gasoline the tremendous range in pricing at the pumps across the country? No, you have not, because when you look at the oil or gas production in Canada it is done by essentially four firms. While they do not price fix, while there is not a formal cartel or formal monopoly, it is very close to that. I suspect if you poked and scratched long enough in some of those areas you could almost make a case for the cartel approach to oil pricing, particularly for the retailer.

What I am saying is you do not find competition with gasoline for all of our vehicles. You do not find real competition in terms of the services you get from our chartered banks. You do not find competition in the food area when you see so much of it now controlled, or the country divided up, with one corporation in the food producing area taking western Canada, and somebody else taking eastern Canada, and so on.

For a Government that prides itself, at least in theory, on supporting the concept of competition and fairness in the market-place, I am amazed that my Conservative friends are not in their places today in support of this particular motion.

Some people who know the business well, and I don't have to go beyond Cadillac-Fairview Corporation, a corporation that knows the world of corporate concentration well, when they appeared before the Finance Committee went on at some length trying to point out to Members of Parliament the pitfalls of increased corporate concentration, particularly when that corporate concentration includes financial and non-financial institutions as part of the same corporate conglomerate family.

When Cadillac-Fairview stands up and says, take heed of our warnings, Members of Parliament watch very carefully how you proceed on this issue, then it was no surprise to me that the finance committee unanimously—Liberals, Conservatives, New Democrats—said we advise the Government, and particularly in the case of the Imasco takeover, the Minister of State for Finance (Mrs. McDougall), not to allow corporate concentration in the same family of financial and non-financial institutions. It was unanimous and it was felt very strongly by Members. We debated the issue in the House and I do not think there was a single Member of Parliament who spoke in favour of allowing that particular transaction to take place. It is taking place, because when push came to shove the Minister of State for Finance caved in and allowed that transaction. Some of the Conservative Members in the finance committee, with all due respect to my colleagues, said that this seemed to be a good move by the Minister. I do not think it was much of a move at all. The proof of the pudding has been seen in the last few days; even with restrictions in place the corporations can get around this particular, almost self-dealing type of activity.

I am pleased to stand in support of this motion as an effort to reduce corporate concentration in Canada.

Competition Tribunal Act

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I do want to say a number of things about comments that have been made recently by my honourable colleagues on the other side. As they know, I serve on the finance committee and also served on the Committee that studied Bill C-91, the Competition Bill. I do not think this amendment should be passed, and I would like to explain why. As you will see from my remarks, I am very strongly in favour of tackling this issue of financial institutions being owned by non-financial institutions. As well, my opinions are very clearly on the record regarding the problems that are emerging in this country as a result of the corporate concentrations of huge conglomerates in the hands of a very few people.

Just to address the first matter, as a member of the finance committee I was very concerned when the Imasco offer was made. Members of the committee were equally concerned earlier when Genstar went after Canada Trust. This is a very well run trust company, one of the best in Canada. It is large in size with intermediary assets of some $22 billion. To all intents and purposes it really is a bank, and I think the Chief Executive Officer of that fine institution, Mr. Lahn, has had that objective all along.

Here we have a situation where we did not have the legislation in place to actually block this move. The Minister of State for Finance, as she explained, was considering many different aspects and many different reports. One of the main reports she is awaiting is that of Chief Justice Estey, and it should be along within a matter of weeks. Then the Department will be in a position to come forward with proper legislation, not only on the issue of financial corporations being owned by non-financial, but other aspects of ownership as well. Our committee in its unanimous recommendation last fall had to deal with a sliding scale of ownership levels; when an institution had assets beyond X level, and I think the top level was $40 billion, the maximum ownership would be at a 10 per cent level, similar to banks. In light of some of the facts that have come to light in the last few weeks and months I think it is fair to say we may want to rethink those exact levels. I, for one, am still in favour of that basic concept. I do not think we should throw the baby out with the bath water.

Many smaller trust companies in this country owe their existence to one or two shareholders getting them started. They also owe their continued existence to some of those shareholders coming to the front when they needed some extra capitalization. Thanks to those original investors we have quite a number of what I call small and medium-sized trust companies? While we must be careful not to over-react, certainly when an institution attains assets of $5 billion or more, we should consider a similar ownership structure.

• (1250)

It is also time to deal with the situation of non-financial companies owning financial companies. This is disallowed in the United States. Many different laws could be drafted to prohibit the abuse of deposits or trust funds, but in times of crisis the temptation may be too great for some management. However, I do not believe it is proper to include this matter in this legislation. It is a critical matter which the Minister of State will address in legislation some time this fall.

I have a number of views about the question of corporate concentration of power in this country. Our Party supports free enterprise and believes that success should be rewarded. We do not believe that "big is bad". The United States is a leader of free enterprise in the world in many respects, yet that country has found it necessary to introduce legislation from time to time when certain companies through legal means acquired awesome economic power and clout in the market-place and began to block entry into business, which had an impact on pricing. That country has introduced legislation from time to time to break up these huge conglomerates.

We must address that problem, but not in the Bill before us. Perhaps it could be the subject of a royal commission such as the Bryce Royal Commission commissioned in 1975 when there was some concern about the Power Corporation making a bid for Argus. With all due respect to those two corporations, this commission took place 10 years ago and those companies are peanuts compared to the size of the corporations in existence today. The final conclusion of that Royal Commission, which took place between 1975 and 1977, was that there was not a problem in terms of widespread corporate concentration in Canada. However, it is an issue today and Canadians expect the Government to deal with it.

There are many aspects to this problem of corporate concentration of power. For instance, a number of charitable organizations across the country have indicated that the number of corporations from which they can seek donations are declining. Since many of these companies are owned by a larger corporation, the charitable organizations are told that they give at the corporate level. Some might suggest that this is an obscure instance, but I suggest it is very important in terms of the donations required by many charitable organizations throughout the country.

A major concern about corporate concentration of power is the loss of jobs. Let us consider the case of a merger involving a company with a network of branch plants. All too often these mergers result in branch plants being closed, with the loss of jobs. The head office will rationalize that there is no need for two computer departments or a need for two comptrollers. While this rationale may be logical, the result is that hundreds of people are put out on the street. I have talked to many men and women, some in their mid-fifties, who might have been virtually married to a corporation for a number of years and have built strong loyalties, only to find themselves on the street after a reorganization or merger. Given their age, many of them have tough prospects for assuming a similar position.

We should thoroughly examine this situation, perhaps through a royal commission, but it should not be addressed in this Bill. It is too complex an issue to be dealt with quickly. We should deal with this question soon in view of the enormous

powers that have been assumed, all in a very legal way. These corporations enjoy some very large tax breaks, as in the case of O&Y which was mentioned today. While that particular loophole has been closed, there are other examples, such as the excessive use of non-voting stock, either common or preferred, which gives some of these groups enormous borrowing power. The major banks in this country have put awesome amounts of money at the disposal of these conglomerates. While these actions are legal, we must address a number of critical questions arising from this whole process.

While large world-scale corporations are essential and desirable if we are to compete in the world market-place in which we belong, we must also consider the pricing impact of these large corporations on average Canadians. If we get to the point where there are too few choices for Canadians this can lead to an insidious pricing network that is not fair, and the consumer will suffer as a result of a lack of choice.

In summary, two very critical issues have been addressed in this last hour. They are the ownership of financial institutions by non-financial institutions and the concentration of power in Canada. Neither of these issues has its place in Bill C-91 which deals with mergers and a number of other important subjects. Those two issues are too critical to be included in Bill C-91. They are most deserving of attention by the Minister of State for Finance (Mrs. McDougall), that is, regulations on financial institutions. Perhaps a royal commission or other body should examine these very important problems.

Might it be in order to call it one o'clock, Mr. Speaker?

The Acting Speaker (Mr. Paproski): I believe there is a disposition to call it one o'clock. It being one o'clock, I do now leave the chair until two o'clock this day.

At 12:58 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

NUCLEAR ARMAMENTS

SALT II TREATY—UNITED STATES POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, on Sunday, June 1, Secretary Shultz and Secretary Weinberger repeated, and more clearly stated, that the United States would no longer abide by the 1979 SALT II Treaty, a landmark treaty to limit strategic nuclear weapons which took years to negotiate.

This statement was made two days after Canada and the other NATO allies in Halifax expressed their disagreement with the position of the United States. This unilateral decision by the United States could lead to a massive escalation in the arms race and significantly threaten the peace and existence of all nations, not just the U.S. and the Soviet Union.

In these grave circumstances I urge the Secretary of State for External Affairs (Mr. Clark), with his NATO allies, to make further representations to the United States to abandon this dangerous unilateral adventure.

* * *

HUMAN RIGHTS

EL SALVADOR—TREATMENT OF HUMAN RIGHTS WORKERS

Mr. Dan Heap (Spadina): Mr. Speaker, in El Salvador, Michel Salinas and at least seven other Salvadoran human rights workers have recently been kidnapped, tortured, or arrested by the notorious Treasury Police. On May 31 Michel Salinas is reported to have confessed to being a member of the FMLN and named other individuals and organizations in El Salvador and other countries, including Canada, as being part of the FMLN.

The Canadian Government must act now to ensure an open international window on this situation. We cannot allow the silencing of voices on the gross and systematic human rights violations of the Duarte regime. We must press the Salvadoran Government to give the charges on which these arrested human rights workers are being held and make them public; permit Michel Salinas to meet with a reputable international human rights group to ensure her confession was voluntary and not as a result of torture as has been the case with so many others; release those arrested workers on bail or bond; set an early trial date for the accused and permit international observers, including one from Canada, to attend the trial of the accused.

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MEMBERS OF PARLIAMENT

COLUMNIST'S COMMENTS ON OPPOSITION MEMBERS

Mr. Paul Gagnon (Calgary North): Mr. Speaker, in Sunday's *Calgary Sun*, columnist and former Mayor, Rod Sykes, commented on the conduct of the Opposition toward the former Minister of Regional and Industrial Expansion. He said: "I've read everything I can find but I can't find a serious accusation of substance". It was, as Mr. Sykes writes, "The volume of general purpose mud thrown at him day after day by the news media and a bloodthirsty and irresponsible parliamentary opposition that made it impossible for him to do his job".

Certainly Mr. Sykes is not alone in realizing that the protracted histrionics of the Opposition have only served to deprive Canada of an exceptionally talented and capable Minister. This columnist is so well qualified that the Liberals selected him as their candidate in Calary East in the 1984 election.

S.O. 21

HEALTH

ALS DISEASE—APPEAL FOR RESEARCH FUNDS

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, tomorrow, Friday, June 6, is National Amyotrophic Lateral Sclerosis flower day. This fatal disease, often known as Lou Gerhrig's disease, still has not had its causes determined. However, medical research is now focusing on whether the disease is a viral one or is of toxic origin similar to lead poisoning.

ALS is a degenerative disease of the nervous system which most frequently strikes men over the age of 30, often beginning with mere weakness in a hand, arm, or leg, and progressing as nerve cells supplying the muscles are lost. For this reason, ALS is sometimes referred to as "motor neuron disease".

In the next two days a blue cornflower, similar to the one I am wearing, will be distributed in shopping malls across the country to those who make a donation to the ALS Fund. I encourage all Canadians to help with donations which will be used to conduct research into the causes of this deadly disease.

* * *

LABOUR RELATIONS

EDMONTON MEATPACKING PLANT DISPUTE

Ms. Sheila Copps (Hamilton East): I rise to ask our Prime Minister (Mr. Mulroney) to intervene directly with his good and great friend and former candidate for the Progressive Conservative leadership, Mr. Peter Pocklington, in the bitter and escalating dispute with his employees at the Gainers meatpacking plant in Edmonton. It is quite clear that Mr. Pocklington refuses to recognize the rights of his employees who are only seeking parity with other meatpacking workers in companies such as Canada Packers.

Given the great and good relationship between the Prime Minister and Mr. Pocklington, and the fact that Mr. Pocklington withdrew from the leadership race to throw his support behind the Prime Minister, and given the Prime Minister's own alleged record in labour management relations, surely he can phone his friend, Mr. Pocklington, and ask him to back off on this bitter and escalating dispute so that employees of his company can have what is their just due, that is, parity with other workers, and we can back off this escalating history of labour disputes in relation to Mr. Pocklington.

[*Translation*]

WOMEN

POSITION OF WOMEN IN BUSINESS WORLD

Mr. Guy St-Julien (Abitibi): Mr. Speaker, the position held by women in the business world and the Government of Canada is becoming every day more a significant fact of life.

During the ceremony held to pay tribute to the Business Woman of the Year in Abitibi, Mrs. Pierrette Corriveau, Executive Director of *La Vitrerie Mont-Laurier* was chosen as the business woman of the year in the Amos area, and Mrs. Jacqueline Tinor, owner of *Le Nettoyeur Royal* was similarly honoured for the Val-d'Or area.

Mr. Speaker, these business women are stimulating examples for our community and it is essential to emphasize the contribution of women of such caliber, because there is no difference between businessmen and businesswomen as far as the success of their respective businesses is concerned.

Mr. Speaker, the same can be said about the offices of Ottawa Cabinet Ministers. We have very competent women Chiefs of Staffs, like Mrs. Louise Bertrand, from the Secretary of State of Canada.

Mr. Speaker, I could continue for hours providing other examples of such value.

* * *

● (1405)

[*English*]

LABOUR RELATIONS

SITUATION IN ALBERTA

Mr. Rod Murphy (Churchill): Mr. Speaker, I also have a statement with regard to the labour situation in Alberta. I hope it will be a less partisan one.

Labour-management relations in the Province of Alberta are reaching crisis proportions. I feel great regret when I see the anti-union, anti-worker stance that has been taken by the Government in that province. I urge the Government to prevail upon its provincial counter-part in Alberta to rescind the regressive labour legislation and to introduce legislation that will protect workers from ruthless labour practices.

A recent example of the labour climate in Alberta occurred when 160 members of the RCMP appeared at a picket-line outside a struck plant in Fort McMurray on provincial election day. I have written to the Solicitor General (Mr. Beatty) requesting an investigation into the actions of the RCMP on that day in terms of expense, wisdom, and necessity of this action. With no obvious provocation, why would the Alberta Attorney General bring in 160 policemen, complete with dogs and riot gear? Workers must have confidence that those who write the laws, the laws themselves, and the enforcement of law—

Mr. Speaker: Order, please. Sixty seconds.

* * *

ENVIRONMENTAL AFFAIRS

REVIEW OF CANADA-UNITED STATES ISSUES

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, June 1 marked the beginning of Canadian Environment Week, an occasion of great importance to all Canadians.

The recent environmental review of Canada-U.S. border issues concluded by the Minister of the Environment (Mr. McMillan) and the Administrator of the American Environmental Protection Agency has brought new focus to concerns regarding acid rain and Great Lakes water quality. I am pleased to see that the agreement concluded by the Minister recognizes the immediate need for action on this front, and that the joint energies of two Governments will be focused on this problem.

Parkdale—High Park residents are aware of the urgency of these issues and the important impact prompt action will have on the quality of life we bequeath our children. Living on the very shores of Lake Ontario, Torontonians are closely affected by the results of environmental neglect and are cognizant of the need for close co-operation between all levels of Government if we are to achieve an effective solution.

On behalf of my constituents, and all Canadians, I urge the Minister to continue his work and to intensify efforts to provide a clean and safe environment in which to live and raise our children.

Mr. Speaker: Order, please. Sixty seconds.

* * *

[*Translation*]

ENVIRONMENTAL AFFAIRS

ACTION REQUIRED TO PRESERVE QUALITY OF LIFE

Mr. Maurice Tremblay (Lotbinière): On May 30, Mr. Speaker, the Minister of the Environment, the Hon. Tom McMillan, invited all Canadians to do something during Environment Week to convince all citizens of the role they can play individually and collectively to protect, preserve and enhance our common heritage.

This morning, Mr. Speaker, 90 young people 11 to 14 years of age, from *Collège Clarétain* in Victoriaville, presented Mr. Francis Kinnely, an official from the United States Embassy in Ottawa, with a petition expressing the concern of over 86,000 young Quebecers for the damage acid rains have caused to their environment.

These young people have been responding for nearly two years to the Government's request to exert pressure to indicate their dissatisfaction with the acid rain threat.

A copy of this petition will be sent to Mr. McMillan, the Minister of Environment, whom I invite, together with all these young people, to continue their action in order to improve our environment and preserve our quality of life.

* * *

[*English*]

CANADIAN JOBS STRATEGY

FORESTRY SECTOR JOBS DEVELOPMENT PROGRAM

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, 11 per cent of Canadians in the workforce are employed either directly or indirectly by the forestry sector. It is a renewable resource which, if properly managed, will continue to employ many Canadians in the years to come. To this end the Government announced last fall, as part of its Canadian Jobs Strategy, a budget of $6 million in the 1985-86 fiscal year for the Forestry Sector Job Development Program, a program with the stated objective of improving forest management skills. Funding only became available in January of this year. We forgave the Government as we have come to expect such tardiness.

Without explanation, and only several short months after funding was first made available, the Government abruptly announced that funding for the 1986-87 fiscal year would be cut back by two-thirds. Students in training at the Petawawa National Forestry Institute, for example, will be turned away with their forestry course only half finished. The action of the Minister of Employment and Immigration (Miss MacDonald) displays a complete lack of direction.

* * *

• (1410)

AGRICULTURE

DOMESTIC PRICE OF WHEAT—COMMITTEE RECOMMENDATION

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, the Committee on the Pricing of Domestic Wheat today recommended retention of the current two-price wheat system and an increase to $10 per bushel for that 8 per cent of Canadian production consumed in Canada by humans. The $10 price will represent a welcome shot in the arm for a productive sector of Canadian agriculture which faces an unprecedented world price collapse due to a subsidized trade war between the U.S. and the EEC.

The report of the committee, recognizing that a higher domestic wheat price is not in itself sufficient to meet the problem, also suggested that deficiency payments be considered, that Canada seek inclusion of agriculture as a specific item at the next round of GATT talks, and that Canada continue to strive for a new international grains agreement.

I am pleased to have been part of this committee which was formed as a result of my Private Member's Motion of last December. The entire process leading up to the report demonstrates that back-bench Members of Parliament can have meaningful input, input which can and does influence government policy.

Some Hon. Members: Hear, hear!

* * *

AGRICULTURE

FARM FINANCE REVIEW PANELS—CALL FOR ESTABLISHMENT

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, in spite of the worsening farm crisis brought on by falling world grain prices, the House has yet to see action taken by the Government on its promise to provide farm finance review panels. After the election, we saw the so-called Grey-Bruce experiment. A report was presented but no action was taken. Prior to Christmas the Minister of Agriculture (Mr. Wise) said that he would present legislation with teeth, prior to Christmas, yet again we saw no legislation. In February the Minister of Finance (Mr. Wilson) presented his Budget and promised farm debt review panels, yet no legislative proposals were made and no action taken.

The end of April saw the Prime Minister (Mr. Mulroney) enter the Conservatives' phoney war against farm debt with a promise that farm debt panels would be in place before the end of June. No legislation has been presented and no action has been taken. Today a committee recommended a $10 per bushel price for domestically consumed wheat. Will this recommendation be acted upon any faster than the oft-repeated promise to establish debt review boards?

* * *

[*Translation*]

CANADA POST CORPORATION

POST OFFICE AT POINTE-AU-CHÊNE, P.Q.—METHOD OF AWARDING CONTRACT

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, as a result of a practice which I would describe as internal patronage on the part of a Crown corporation, namely the Canada Post Corporation, the post office of Pointe-au-Chêne in my riding will be operated by the wife of the postmaster of a neighbouring community located roughly 35 kilometres from this municipality. This lady has gained experience by helping her husband now and then, and she has also carried out minor contracts for Canada Post. She gained her experience indirectly and today she can obtain a permanent commission contract on the strength of the work she has done in the past.

Mr. Speaker, I do not have anything against this lady but I denounce this system which condones such abuses. In a municipality where jobs are scarce, I deplore the fact that Pointe-au-Chêne men and women cannot hope to get this interesting job which might support another needy family. Mr. Speaker, I hope the Minister and the Canada Post Corporation president will meet with the union and abolish this conflict of interests practice which sullies the reputation of the corporation and therefore does disservice to postal employees and the members—

Mr. Speaker: Order, please. The 60 seconds have expired.

* * *

[*English*]

CROWN CORPORATIONS

SEQUEL TO PRIVATIZATION OF DE HAVILLAND

Mr. Bill Attewell (Don Valley East): Mr. Speaker, the Government remains committed to the process of the privatization of Crown corporations which are not essential to the achievement of public policy. Several months ago de Havilland Aircraft was sold to the Boeing company of Seattle. Canadians will recall the doom, gloom, and fear tactics used by the Liberals and the NDP about the loss of jobs. As we predicted, the new owners have instilled long-term confidence in de Havilland and new orders are now on the upswing.

Three major sales totalling $410 million and up to 46 Dash 8 turboprops were made this week by de Havilland. Richard Barton of Time Air of Lethbridge, Alberta, whose recent order was worth $110 million, said:

> We view the company with more confidence with the Boeing reputation behind it.

Thanks to the healthier order book, 4,850 workers at de Havilland are now secure. More jobs will be created thanks to Boeing's world-wide sales network.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF BRITISH COLUMBIA MINISTER OF INDUSTRY AND SMALL BUSINESS DEVELOPMENT

Mr. Speaker: May I draw the attention of Hon. Members to the presence in our galleries today of the Hon. Robert McClelland, Minister of Industry and Small Business Development for British Columbia.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF ZAMBIAN MINISTER OF STATE FOR NATIONAL COMMISSION OF DEVELOPMENT PLANNING

Mr. Speaker: I also wish to draw the attention of Hon. Members to the presence in the gallery of Mr. Lavu Mulimba, Minister of State for the National Commission of Development Planning for Zambia.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF UNITED STATES SECRETARY FOR HOUSING AND URBAN DEVELOPMENT

Mr. Speaker: As well, I wish to draw the attention of Hon. Members to the presence in the gallery of Hon. Samuel R. Pierce, Jr., United States Secretary for Housing and Urban Development.

Some Hon. Members: Hear, hear!

• (1415)

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADIAN LUMBER EXPORTS—U.S. INDUSTRY'S PETITION SEEKING COUNTERVAIL DUTY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Prime Minister and of the Secretary of State for External Affairs, my question is directed to the Deputy Prime Minister. He knows that Monday will be the deadline for a decision by the Secretary of Commerce of the United States, on behalf of the President, to react to the countervail petition of the American lumber industry against Canadian lumber. Will the Prime Minister be telephoning the President of the United States in order to impress upon him the importance of that decision for the survival of the Canadian lumber industry? Will that be arranged before a decision is taken by the Secretary of Commerce on behalf of the President?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as the Hon. Member knows, a number of representations have been made to the United States Government. My colleague, the Secretary of State for External Affairs, met with his counterpart, Mr. Shultz, last Friday. As well, I have spoken with Secretary Baker, and there was a meeting yesterday which included Members of Parliament. I think it is quite clear to the United States what is our position on this matter. The decision will be taken in due course, but it will be based upon full knowledge of the position of the Government of Canada.

[*Translation*]

INQUIRY WHY PRIME MINISTER DOES NOT TELEPHONE UNITED STATES PRESIDENT CONCERNING CANADIAN FOREST INDUSTRY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a supplementary. The Minister of Finance knows perfectly well that the Secretary of Commerce and the Secretary of the Treasury are both designated by the President, and that this is about the discretionary powers of the President. Why is the situation not important enough for the Prime Minister of this country to call the President of the United States personally and show him how important the matter is, not only for British Columbia but for the forestry sector across Canada?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the response of the Prime Minister to the decision taken on the shakes and shingles matter a week and a half ago, as well as the representations to which I referred in my previous response, make very, very clear to the President, to the administration, and to Congress, the position this Government has taken. We are very concerned about the decision which is on the table right now and will be following it very closely. We have stated our position very clearly.

PRIME MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, does the Minister recognize that the over-reaction of the Prime Minister to the presidential decision on shakes and shingles is no substitute for proper action before the fact? It does not matter how loudly one slams the door after the horses have left the barn. Why will the Prime Minister not act before the decision is taken, before we get another excessive, bombastic reaction to a negative decision?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the rhetoric of the Leader of the Opposition will not fool anyone. People are very clear in this country, as well as in the United States, on the concern of this Government about the decision which is in the mill right now. We have made very clear the importance of the softwood lumber industry in Canada to the Province of British Columbia in particular. That has been conveyed very clearly to the United States. Its decision will be taken in full knowledge of the position which this Government is taking.

ATTENDANCE OF MEMBERS OF PARLIAMENT AT WASHINGTON MEETING

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is for the Acting Prime Minister. The Minister will know that because of the serious nature of the U.S. threat against Canada's softwood lumber industry, opposition MPs will welcome any opportunity to participate in meaningful meetings to formulate the defence of that industry. Yesterday's meeting in Washington was not meaningful; it was high farce. Why did the Government seek to use two ?PAGE 14004 opposition MPs and a Government MP as props for a Canadian media photo opportunity in Washington yesterday, rather than take constructive action to influence American public opinion and American political leaders about the grave nature of the U.S. threat against the Canadian softwood lumber industry?

Oral Questions

• (1420)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if the Hon. Member did not have anything to contribute to that meeting, he need not have joined the contingent which went to Washington.

Some Hon. Members: Right on.

Mr. Wilson (Etobicoke Centre): The Ambassador made the point very clearly that we view this decision with the utmost gravity and are watching it very closely. The administration is very aware of the importance of this industry to Canada and will be watching very closely what happens over the next few days.

Mr. Tobin: Mr. Speaker, the seriousness and importance of the meeting were indicated by the lack of presence of anyone from the Government at the meeting yesterday.

REPRESENTATIONS MADE BY CANADIAN AMBASSADOR

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Why has the Government arranged an unprecedented, high-profile, last minute and futile plea by a Canadian Ambassador a few days before, as the Government knows, a high-profile "no" is going to be issued by the U.S. administration? Is the Government preparing to shoot the messenger?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, one of the things which is very important in this issue is for Hon. Members not to play politics and undermine the position—

Mr. Tobin: You played politics yesterday.

Mr. Wilson (Etobicoke Centre): —taken by the Government of Canada in defending the interests of those in western Canada whose livelihood depends on this particular industry.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): The position the Government has taken is very clear. It was presented by my colleague, the Secretary of State for External Affairs, to Mr. Shultz.

Mr. Tobin: You should be ashamed.

Mr. Wilson (Etobicoke Centre): I have presented it directly to Mr. Baker. My colleague, the Minister for International Trade, has presented the position to trade representative Mr. Yeutter. All of these positions have been stated very clearly, and the Hon. Member knows that.

VIEWS OF PRIME MINISTER

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is also for the Acting Prime Minister. Yesterday in Washington Ambassador Gotlieb presented legal arguments to Secretary of Commerce Baldrige. Here in the House the Secretary of State for External Affairs made legal arguments on natural justice and double jeopardy. The decision will be made before Monday. This is the last political window which is open. The Minister has made it clear that everyone in Cabinet who has some responsibility has made their position known. Why has the Prime Minister not made his views known on this very important countervailing action?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not know how many times I have to answer this question. It is very, very clear to the U.S. administration what the position of this Government has been, and it will continue to be stated in the strongest possible way.

Mr. Orlikow: What does Brian say?

REQUEST THAT PRIME MINISTER TELEPHONE UNITED STATES PRESIDENT

Mr. Jim Fulton (Skeena): Mr. Speaker, it is clear that the Prime Minister did not phone on shakes and shingles and we lost. Will the Acting Prime Minister call the Prime Minister in Quebec City and ask him to call the President? This has to be from the Prime Minister to the President and no other way.

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not know that I need to respond to that question as it is exactly the same as the first question. I will say to the Hon. Member that the Government has been following this matter very closely from the early days of a possibility of a countervail action being initiated by the United States lumber industry. We will continue to follow this situation. The positions have been stated very clearly to the U.S. administration.

Mr. Fulton: Mr. Speaker, it is clear that it is about time we stopped following this issue and saw some leadership from that side of the House.

Some Hon. Members: Hear, hear!

Mr. Fulton: I will tell you that tomorrow afternoon I am not going to go back to British Columbia or northern Ontario and tell the forest workers of the country that the Prime Minister of the country did not have the guts to phone the President of the United States about this issue.

Mr. Speaker: Order, please. Order!

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member's comments are out of order. Does he simply have a question?

REQUEST THAT PRIME MINISTER TELEPHONE UNITED STATES PRESIDENT

Mr. Jim Fulton (Skeena): Mr. Speaker, will the Acting Prime Minister phone the Prime Minister in Quebec City today and plead with him, beg with him, to phone the President and tell him to get this off the agenda?

Mr. Speaker: Order. Order, please!

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. I appreciate that the Member takes this seriously. I will allow, the answer but that is the same question again.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, that sort of bombast is not going to help the matter one little bit. The Hon. Member is looking for leadership. That leadership has been taken by the Government and the Prime Minister—

Mr. McCurdy: Where is he?

Mr. Wilson (Etobicoke Centre): —in initiating the talks with the United States leading to, if possible, a comprehensive trade agreement which will avoid, to the extent possible, this type of situation. If the Hon. Member is looking for leadership, he has got it and he should recognize it.

Mr. Riis: Sell out.

• (1425)

FEDERAL-PROVINCIAL MEETINGS

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Deputy Prime Minister. Alberta's Intergovermental Affairs Minister, Mr. Horsman, said yesterday that on Monday the provinces had reached a compromise deal with the federal Government on free trade which included, and I quote, "a ministerial meeting every month with Joe Clark". Would the Minister explain why a federal spokesman contradicted Mr. Horsman by saying, and I quote, "But it's not so". Who is telling the truth, Mr. Horsman or the federal Government?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Prime Minister, who attended that meeting personally, is the only person who can answer that kind of detailed question. However, I expect that what the Official Opposition House Leader is doing, in all probability, is distorting the true nature of the facts.

GOVERNMENT POSITION

Hon. Herb Gray (Windsor West): Mr. Speaker, I think what the Deputy Prime Minister is doing is directly attacking, and I regret this, the credibility of the Alberta Minister of Intergovernmental Affairs. Will he now reconfirm his Government's promise to the provinces to hold monthly ministerial meetings with them on the free trade talks? Will he reconfirm this promise which was stated publicly to the press by Mr. Horsman? Why is he trying to contradict it?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I am not trying to contradict at all, Mr. Speaker. I do question the accuracy of what the Opposition House Leader is saying. The Prime Minister has every intention of living up to whatever commitments he made in that meeting.

REQUEST THAT PRIME MINISTER CONTACT UNITED STATES PRESIDENT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the President cannot veto anything that happens concerning softwood lumber after this petition is accepted by Mr. Baldrige so this is a crucial three days. I ask the Deputy Prime Minister or the Minister of Finance why the Prime Minister will not use these last precious hours of political leverage personally to contact the person he has called—

Mr. Speaker: Order, please.

Mr. Langdon: —Canada's best friend?

Mr. Speaker: I am sorry, that is the same question again. I will allow the answer but it is the last time.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have responded to that question. The points have been made on many occasions. This is a quasi-judicial process.

Mr. Deans: Not yet.

Mr. Wilson (Etobicoke Centre): We have made the points very clear concerning the technical and legal elements of the process, so they will be fully taken into account at the time any decision is made. We have also made clear to the administration the importance of this in a political, economic, and regional sense. That is fully understood by the Government of the United States and it will be taken into account when that decision is made.

Mr. Langdon: The Government is trying to use a legal scapegoat which it does not yet have the right to use.

[*Translation*]

INQUIRY IF PRIME MINISTER IS AFRAID TO TELEPHONE UNITED STATES PRESIDENT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my supplementary is the conclusion I must make: Why is the Prime Minister afraid to call the President of the United States?

[*English*]

Mr. Speaker: Order. That is simply the same question. The Hon. Member for Westmorland—Kent.

Oral Questions

[*Translation*]

EMPLOYMENT

ATTITUDE OF DEPUTY MINISTER TOWARD NEW BRUNSWICK

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Mr. Speaker, I must say that I was in a state of shock when the April 10 memo, signed by Mr. Lussier and Mr. Edwards, was released. The unemployment rate in New Brunswick is now 15 per cent, and in the Acadian peninsula, according to the memo, it is 23.8 per cent. My question is as follows: Could the Minister explain why her department is prepared to use blackmail, and do so at the expense of the unemployed in New Brunswick, to force the Premier of New Brunswick to sign an agreement? Mr. Speaker, I think this is absolutely appalling.

● (1430)

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I would like to get some facts on the table in this matter. First of all I want to tell you, Sir, and Members of the House, that I did not see the memo in question until last night. At no time have I had a telephone call from Premier Hatfield on this matter.

Second, even though the Leader of the Opposition does not want to hear an explanation I feel that it is proper to give it. I want to tell the House that the planning phase for the Community Futures Program in the Acadian peninsula was signed and was approved in February of this year, well before the memo in question.

Third, negotiations for a National Training Act agreement had been going on since the latter part of last year, and I understand they are near conclusion. At no time was there ever any mention—

Mr. Speaker: Order, please. The Minister is embarking on a statement.

[*Translation*]

INQUIRY WHEN MINISTER WILL AUTHORIZE DISTRIBUTION OF FUNDS

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, will the Minister immediately provide funds for employment development throughout the province, since those funds belong to the people of New Brunswick, and should never at any time be used for political purposes? When will she be releasing those funds?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the memo of April 10 was a suggestion of accelerating the processes in these two negotiations. I want to say I will do that every time I can where unemployment is 24 per cent, or, indeed, with regard to Community Futures Program the planning stage of which has been approved elsewhere in the country.

I can assure you that what we approved and what we are negotiating at no time involved a proposal for the additional expenditure of moneys other than those which would be contemplated under the Community Futures Program and the regular programs of the Canadian Jobs Strategy. We will see that they are put into effect in the Acadian peninsula because we do understand that with a rate of 24 per cent unemployment there is action that is needed.

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TRADE

CANADIAN LUMBER EXPORTS—UNITED STATES PRESIDENT'S LETTER TO U.S. SENATOR

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Deputy Prime Minister. On May 8 the President of the United States sent a letter to Senator Packwood indicating a plan to take unilateral action against the Canadian softwood industry if necessary. Would he explain what our Prime Minister did in response to that letter and that indication of intent by the President of the United States?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member has distorted the letter that was written by the President to Senator Packwood. He should know that, before he gets an answer to that question.

PROPOSAL THAT PRIME MINISTER INTERVENE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I think the record will speak for itself that the letter the President wrote essentially said, if necessary, he would take unilateral action.

Yesterday in reply to me the Secretary of State for External Affairs said that the Government is going to do everything open to it to represent the Canadian forest industry at this critical moment. We have made a proposal today for the Prime Minister of Canada to intervene. Is that not an option open to the Government?

Mr. Speaker: Order, please. This is a long preamble.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member has distorted the President's letter again in his preamble. I am not going to respond to a question where that Hon. Member, if I might use that phrase very loosely, is going to use distortions of that order.

Mr. Speaker: Order, order. The Chair does not like to intervene during Question Period, but the Hon. Minister is, in effect, imputing motives to the Hon. Member. I must ask him to withdraw the implication that the Member is deliberately distorting something. That is what the Chair heard. I ask you to withdraw that implication.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I did not use the word intentionally at all. I will withdraw any implications, but I let it stand that I will not—

Mr. Speaker: Order. The Hon. Member for York—South Weston.

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CANADIAN JOBS STRATEGY

NEW BRUNSWICK JOB-CREATION FUNDING

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. It concerns the memo that was written by one of her Deputy Ministers. This memo was received in her office on April 10, 55 days ago. It reflects the Minister's cynical attitude towards job creation in Canada. My question to the Minister—

Mr. Speaker: Order, please. I am going to allow the question, but I am having some trouble with the comments that are going back and forth between the sides personally about individuals. May I please have the question?

Mr. Nunziata: Would the Minister not agree that it is improper, inappropriate, and unacceptable for her Department to use federal public funds for job creation in a partisan, political fashion to assist her friend Richard Hatfield?

Hon. Flora MacDonald (Minister of Employment and Immigration): Yes, Mr. Speaker, I would agree that is improper if that is what was being done. I can assure the Hon. Member that that is not what is being done.

DEPUTY MINISTER'S MEMORANDUM

Mr. John Nunziata (York South—Weston): Mr. Speaker, the Minister, in a previous answer, indicated that she only saw the memo last night. Is the Minister suggesting that a memo written by her Deputy Minister 55 days ago and received in her office 55 days ago was not brought to her attention until last night?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the content or the issue dealt with in the memo has been raised a number of times with me. I want to assure the Hon. Member that the action that we have taken in this regard is to move the processes forward. What we are saying is we want to accelerate the process of implementing the full Community Futures Program in the Acadian peninsula, and we want to accelerate the agreements with regard to the National Training Act. Those discussions have been ongoing, and I am hoping that they will very shortly be near a successful conclusion.

Mr. Speaker: Order, please.

FUNDING OF JOB CREATION IN NEW BRUNSWICK

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. It deals with the same issue. First we had a previous Minister in the same Department who tried to use taxpayers' money to recruit young Conservatives for the Government. Now we have, within the Minister's Department, another attempt to use taxpayers' money to get a Conservative elected.

Mr. Speaker: Order, please. The Hon. Member's preamble is too long. Your question, please?

Mr. Rodriguez: Mr. Speaker, will the Minister not agree with me that funding for the unemployed in New Brunswick ought to be on the basis of the need for jobs rather than political greed for office?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the economic region in question, the Acadian peninsula of New Brunswick, has an unemployment rate of 24 per cent. That is the highest of the five economic regions in New Brunswick. We have been discussing with that economic region the implementation of a Community Futures Program. We have also been applying other programs under the Canadian Jobs Strategy. We are doing what we can to alleviate the unemployment situation in that area. We will continue to do so.

MINISTER'S POSITION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, in light of the seriousness of the unemployment in New Brunswick, why then would the Minister attach the whole need to grant the moneys for unemployment programs in New Brunswick to whether, in fact, Mr. Hatfield will be re-elected?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I think that that statement is utterly uncalled for and does not in any way reflect what I am doing. What I am trying to do in the Canadian Jobs Strategy is to ensure that those areas of the country which need the help the most receive it. That is what we have been trying to do.

If Hon. Members know of the operations of either the lead corporations or the Community Futures Program they know that it takes up to the better part of a year to get that program fully implemented in any one part of the country. What we have been trying to do is to accelerate that.

* * *

WAR CRIMINALS

DESCHÊNES COMMISSION—DELAY IN SUBMITTING REPORT

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, my question is directed to the Minister of Justice. Recent reports have indicated that the Deschênes Commission has requested a further six-month extension of its mandate with a view to somehow negotiating Soviet compliance with the six Canadian rules of evidence, and completing a written report. Will the Minister advise the House whether he has received such a request, and if so, will an extension will be granted, and for what purpose?

• (1440)

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the Deschênes Commission did not actually request a six month extension. They wrote some weeks ago, giving us a progress report on the work they have done. They are doing a very thorough job, as the Hon. Member knows. They said they could not finish all of their work as they thought it should be done by the end of June of this year. They then set out certain options. Due to the illness of Mr. Justice Deschênes for some three months, we advised Mr. Justice Deschênes today that we would grant a further three month delay to submit the report by September 30.

As the Hon. Member knows, the U.S.S.R. did not respond to their requests to take certain evidence there. It was five months before they responded and they have not met all of the conditions that were set down. They violated the conditions by giving out to the public and the press the names of two persons who were among those to be investigated. The complete range of conditions—

Mr. Speaker: Order, please. The Hon. Minister may want to complete this answer under Statements.

Mr. Crosbie: That is the position with respect to the U.S.S.R.

* * *

CANADIAN JOBS STRATEGY

RELEASE OF FUNDING

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. In a poll released today we are told that only 28 per cent of Canadians are satisfied with the Government's job-creation programs. When will the Minister start listening to ordinary Canadians and stop playing political games with these programs? With the unemployment rate at 9.6 per cent nationally and 24 per cent in the Acadian Peninsula, when will she restore the jobs budget to the same level as last year and release the moneys frozen by her Department all over the country?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, we must be doing something right with the Canadian Jobs Stategy because that is reflected in the increased number of jobs created in the last year and a half—some 630,000 jobs.

Some Hon. Members: Hear, hear!

Miss MacDonald: I want to tell the Hon. Member that, although a number of his colleagues have insisted today that we should not proceed with job creation and training in the Acadian Peninsula—

Mr. Gray (Windsor West): We never said that.

Miss MacDonald: —we will do so, as we will do whether it is in Cape Breton, sections of Newfoundland, or as we did with single industry towns like Sault Ste. Marie, Trail, and other places where unemployment is so high.

Some Hon. Members: Order.

Miss MacDonald: We will continue to operate in that way.

PUBLIC OPINION POLL

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, when will the Minister start telling the whole truth—

Some Hon. Members: Order.

Mr. Allmand: —start telling the whole truth—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Hnatyshyn: Once a week, Warren.

Mr. Crosbie: Out for the day. Queen for the Day.

Mr. Speaker: Order, please, including the Minister of Justice. The Hon. Member knows that I must ask him, as I asked the Minister of Finance, to withdraw the imputation that is in that statement and simply proceed with his question. The Hon. Member will please withdraw that imputation.

Mr. Allmand: Mr. Speaker, I did not know that the whole truth or the half truth was wrong, but the Minister knows—

Some Hon. Members: Order.

Mr. Speaker: Does the Hon. Member withdraw the imputation that the Chair has taken from his comment?

Mr. Allmand: Mr. Speaker, I do not know what I should withdraw but I will withdraw it at your request. I do not think I said anything wrong. The Minister knows that while many jobs are being created, many good jobs are being lost. The ones that are being created are often low paid, part-time, temporary and non-unionized—

Mr. Speaker: Order, please. For the last time, does the Member have a question, please?

Mr. Allmand: When will the Minister come clean with Canadians and tell them the whole truth and recognize the dissatisfaction indicated by today's poll?

Some Hon. Members: Hear, hear!

Some Hon. Members: Order.

Mr. Speaker: The Chair did not draw the same imputation from that comment that it did from the earlier one, because of the way the Hon. Member put it. I will allow the Minister to answer, but I ask all Members to realize that we get close to personal language sometimes, which we should not do.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Member has suggested that jobs being created in this country are not meaningful. I ask him to go out and talk to some of the people who have received jobs.

Mr. Allmand: I have.

Miss MacDonald: I can tell you that they are very pleased that they now have a Government through which jobs are being created for a change, instead of being lost as they were under the previous Government. I would also say to him that 76 per cent of the new jobs that have been created are full-time jobs, where people have an opportunity to go back into the job market full-time.

DEPUTY MINISTER'S MEMORANDUM

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the same Minister. What kind of political direction has been given to her Ministry that would lead the Deputy Minister to conclude that it would be appropriate to use public funds to assist Richard Hatfield's re-election?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, as I mentioned earlier, I did not see that memo until last night. I have been in Toronto all this morning speaking to a gathering there. I have asked to see the official in question later this afternoon because I think that there are a number of constructions that can be put on that memorandum. I would like to know the construction that he puts on it. I do not intend to prejudge his activities until I have had an opportunity to speak to him.

MEMORANDUM ADDRESSED TO MINISTER

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, what is wrong with the inner office operations that she does not see a memo directed to her, which states quite clearly, as I read it, that she should use public funds to assist Richard Hatfield's re-election? That memo is signed and sent by her Deputy Minister.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I have already said that I did not see that memorandum until last night. I also want to assure the Hon. Member that it was not a question of doing something other than would have been done under the normal routine of the Canadian Jobs Strategy. That is what we were talking about and what was discussed with me, and had nothing to do with regard to the memo, elections, phone calls or anything else—none of which happened. We are talking about a situation which was fantasy.

Mr. Speaker: Order, please.

Miss MacDonald: I want to tell the Hon. Member that what we have been doing is discussing—

Mr. Speaker: Order. The Minister may want to make a statement.

FORESTRY SECTOR JOB DEVELOPMENT PROGRAM

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. A short time ago the Minister of Employment and Immigration announced the creation of a Forestry Sector Job Development Program with the stated objective being to improve forest management skills. Why did the Minister, who only recently announced the creation of this program, change her mind and decide to cut the program funding from $6 million in 1985-86 back to $2 million in 1986-87? Why the about-face from a Government that has made all kinds of promises to the forestry sector of Canada?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, we are funding many forestry projects across the country. I have had representations from members of his Party indeed to cut them back and I have resisted that in many cases. I want to assure the Hon. Member that the projects that we have under way in the forestry sector will improve skills and allow people to practise silviculture, to help with conservation, and in fact to beef up in many quarters the amount of money that is going into forestry.

Mr. Hopkins: Maybe we will have another answer on Monday.

PETAWAWA NATIONAL FORESTRY INSTITUTE COURSE

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, my supplementary question is directed to the same Minister. What logic did the Minister use when she decided to cut off, as of July 4, a forest management skills development program involving a large number of students at the Petawawa National Forestry Institute instead of allowing them to complete the course as of the planned date, January 4, 1987? Why such irrational decisions just to simply quit everything in midstream?

● (1450)

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, we have some 14,000 projects under way in the country which employ people, train people, and provide them with skills. I do not have all the details of each and every one of those projects in my head. However, if the Hon. Member will give me the details of the project in question, I will be glad to look into it for him.

Oral Questions

CROWN CORPORATIONS

SEQUEL TO PRIVATIZATION OF DE HAVILLAND

Mr. Bob Horner (Mississauga North): Mr. Speaker, my question is directed to the Acting Minister of Regional Industrial Expansion. Despite demands by the Opposition that the de Havilland aircraft company remain a Crown corporation, the Government sold it to Boeing Corporation last December. Can the Minister tell us if there have been mass lay-offs at de Havilland as the Opposition predicted and, I believe, hoped for?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the short answer to that question is no. Rather than mass lay-offs, there have been mass sales and an increase in the number of jobs as a result of the announcement made a couple of weeks ago regarding de Havilland building components for the Super-747. That will create some 250 jobs.

Just in the last couple of days we had the announced sales and options for some 46 Dash-8s to Canadian airlines—

Some Hon. Members: Hear, hear!

Mr. Mazankowski: —the largest being a sale to Air Ontario. That should silence the critics opposite once and for all.

* * *

AGRICULTURE

PRICE OF DOMESTIC WHEAT—COMMITTEE RECOMMENDATION

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Minister of Agriculture. In a rare spirit of unanimity, the Special Committee on the Pricing of Domestic Wheat tabled its report at 11 o'clock this morning. Would the Minister tell us whether or not he agrees with our principal recommendation that the price of domestic wheat be raised from $7 a bushel to $10 a bushel beginning August 1?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the question and since the committee, of course, was the creation of this House, I am sure all Hon. Members of the House would want to join with me in extending our congratulations to that Standing Committee under the chairmanship of the Hon. Member for Crowfoot. As the Hon. Member indicates, the report was just tabled this morning. We took that undertaking to establish the committee very seriously, and we will be giving very careful consideration to the recommendations of the committee report tabled earlier today.

DEFICIENCY PAYMENT RECOMMENDATION

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, keeping in mind that farmers are in their worst crisis since the 1930s, would the Minister tell us whether or not he would also consider the recommendation for a deficiency payment which was made by the committee this morning? And can he tell us when that decision will be made? The farmers want to know.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the official record to date would indicate that we have taken some 235 initiatives in providing benefit to the agricultural industry of over $5 billion.

Mr. Nystrom: A deficiency payment, John?

Mr. Wise: In keeping with the support the Government has provided to the agricultural industry, at the last meeting at which the Prime Minister met the farm leaders across the country he indicated that, indeed, it was a very serious problem, that farmers were facing their most serious financial crisis in 50 years, and that the Government was prepared to do more.

Mr. Nystrom: Deficiency payment?

Mr. Wise: The Hon. Member points to two issues, first, a deficiency payment and the other, of course, unless he has forgotten, additional stabilization payments. I must say that those are two options which, indeed—

Mr. Speaker: Order, please. The Minister is being long.

Mr. Hnatyshyn: This is very important.

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THE ADMINISTRATION

NEWSPAPER ARTICLE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Acting Minister of Regional Industrial Expansion. Could he tell us whether he is aware of an article in the *Toronto Sun* today which reports:

> Frank Stronach, chairman and co-founder of Magna International Corp., confirmed yesterday "we are committed" to the loan arranged by Anton Czapka, co-founder of the auto parts company?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I have not yet read the *Sun* this morning.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. I will allow the supplementary question but I must remind the Hon. Member that on these matters there is a judicial inquiry which has certain customs surrounding it.

PROPOSED SALE OF CANADAIR

Ms. Sheila Copps (Hamilton East): Mr. Speaker, given the admission by the Chairman that Magna is directly involved in the loan, will the Minister agree to suspend all discussions about the sale of Canadair, which directly involves Magna, at least until the Parker Inquiry has been completed?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I would have thought the Hon. Member would have accepted your admonition and conducted herself accordingly.

Ms. Copps: I am asking about Canadair.

* * *

CANADIAN JOBS STRATEGY

DEPUTY MINISTER'S MEMORANDUM

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. In a response to a previous question the Minister said she had not seen the memo from her Associate Deputy Minister for 55 days. Can she explain to the House why a memo to her from a very senior person within her Department was not delivered to her personally within that time period?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I can assure the Hon. Member that the subject in question, that is, whether or not Community Futures should be proceeded with in the Acadian Peninsula and in other parts of New Brunswick, was one of ongoing discussions. Therefore, the question of how Community Futures would be applied, whether in New Brunswick, in the Acadian Peninsula, or in other parts of the country, was a subject with which I was familiar.

TREATMENT OF MEMORANDUM

Mr. Rod Murphy (Churchill): Mr. Speaker, my supplementary question is directed to the same Minister. If anyone in her office believed this memo was in any way different from the policy of the Government, why would they not show that memo to the Minister?

Mr. Nystrom: In 55 days?

Hon. Flora MacDonald (Minister of Employment and Immigration): Because, Mr. Speaker, as I said, the memo dealt with—as I saw it last night—the question of how one accelerates—

Mr. Tobin: How to help Richard.

Miss MacDonald: —the processes in two sets of negotiations which were going on in New Brunswick. We had tried to say to the Province of New Brunswick, "we want to see these negotiations speeded up". We wanted to deal with them more quickly.

Ms. Copps: Blackmail.

Miss MacDonald: That is what we have been trying to do. That was the subject of the memo. I suppose, in looking at it, it was decided that because we were already proceeding along that track it was not necessary to give me a memo as well to that effect.

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[*Translation*]

TRADE

REQUEST FOR CLARIFICATION OF NEW TARIFFS ON BOOKS AND MAGAZINES

Mr. Guy St-Julien (Abitibi): Mr. Speaker, I have a question for the Minister of Finance.

Mr. Speaker, some French-speaking media in Quebec have claimed that French-speaking readers will be penalized by the tariffs you have announced on books last Monday, because they would only apply to French-language books.

Could you clarify the situation for Quebecers, and tell us on which books and periodicals those new tariffs apply?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, those tariffs apply to English-language books only. No French-language book or periodical of any origin will be affected by those new tariffs.

* * *

SHIPYARDS

REQUEST FOR EXPLANATION OF VERSATILE VICKERS LAY-OFFS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I have a question for the Acting Minister of Regional Industrial Expansion.

This morning, there were 50 new layoffs at the Versatile Vickers plant, for a total of 300 in the last three weeks. Can the Minister tell the House whether those job losses are the direct consequence of the request made by the Government to Mr. Saunders to rationalize Quebec's shipyards?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the answer is no.

[*Translation*]

ALLEGED MANDATE OF MR. SAUNDERS TO RATIONALIZE SHIPYARDS—AWARDING OF CONTRACTS TO THREE SHIPYARDS IN QUEBEC—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, since the Minister says that the answer is no and since Mr. Saunders has said that he was forced by the Government to do this dirty work, would the Minister be willing to cancel the mandate of Mr. Saunders to rationalize the shipbuilding industry? Second, would the Government be willing to give out contracts to provide employment for the workers of the three Quebec shipyards?

Point of Order—Mr. Fulton

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the mandate is an illusion of the Hon. Member.

Mr. Crosbie: Of which he has many.

[*Translation*]

INQUIRY CONCERNING WHICH MINISTER IS RESPONSIBLE FOR SHIPBUILDING AND IF GOVERNMENT INTENDS TO WITHDRAW MR. SAUNDERS' ALLEGED MANDATE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is for the same Minister. Can he explain the contradiction between the statement of the Minister of State for Small Businesses, who says that there have been no instructions, and the statement made last Wednesday by this same Minister, who then confirmed that the Governement had asked Mr. Saunders to prepare a plan for rationalizing the shipbuilding industry in Quebec?

Which Minister is responsible for the shipbuilding industry? Finally, is the Government planning to withdraw its instructions to Mr. Saunders?

• (1500)

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, it is unfortunate that the Hon. Member across the way does not listen to answers. I have said before, and he knows, that there needs to be some rationalization in the shipbuilding industry. That rationlization is being discussed among all the players within the shipbuilding industry itself. That should certainly be clear enough to him. All the players in the shipbuilding industry are involved in the discussions.

Mr. Cassidy: Supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. It is three o'clock.

I have received a note with respect to a desire to raise a point of order by the Hon. Member for Skeena arising out of Question Period.

* * *

POINT OF ORDER

REQUEST TO REVERT TO MOTIONS

Mr. Jim Fulton (Skeena): Mr. Speaker, I would like to test the House to see if there is unanimous consent to revert to Motions to consider the following motion:

That this House endorse the view of the Secretary—

Mr. Gauthier: How did he get the floor?

Mr. Speaker: I think the Hon. Member knows that a motion under a point of order is improper. Therefore it is difficult to ask to revert to Motions under a point of order. That is my dilemma. I have to rule that the Hon. Member is not raising a point of order. He may have a matter he wishes to raise when he has the floor on debate. Does the Hon. Member have a point of order?

Mr. Fulton: Yes. What I am asking for, Mr. Speaker, and I have discussed this with both the House Leaders, is whether or not there is unanimous consent to revert to Motions so I can put a very brief motion to the House.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there was a discussion but there was no resolution to that discussion.

Mr. Speaker: The House indicated earlier that at three o'clock it wished to revert to Statements by Ministers. That was agreed to at the time. Therefore, reverting to Statements by Ministers, the Hon. Minister of Agriculture (Mr. Wise).

ROUTINE PROCEEDINGS

[*English*]

THE ENVIRONMENT

WORLD ENVIRONMENT DAY

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I have been informed that any of the difficulties which might have occurred this morning have been dealt with. Therefore, that allows me to proceed on behalf of my colleague, the Hon. Minister of the Environment (Mr. McMillan), to make the following statement on his behalf.

Today is World Environment Day and, as Hon. Members know, it was the intention of the Minister of the Environment, the Hon. Member for Hillsborough, to make a statement to the House marking both the day and Environment Week. Late yesterday, however, the Minister was called home to be with his wife at the birth of their child.

Some Hon. Members: Hear, hear!

Mr. Wise: I therefore have the pleasant task of making the following statement on his behalf.

In the past 10 days Canada has played host to the World Commission on Environment and Development, the Brundtland Commission, as well as the World Conservation Strategy. Next week the Fate of the Earth Conference opens in Ottawa. Senior politicians, officials and non-government organizations have been discussing vital international problems in the environment. My colleague, the Minister of State for External Relations (Mrs. Vézina), was warmly received by the Brundtland Commission when she assured its members that Canada is emphasizing the need for environmental awareness in assessing foreign aid projects.

The past week has been marked by the presence of people from all over the world, people who have given us new perspectives and a new understanding of the global scope of pollution and of environmental concerns in other countries.

At the national level there can be no doubt that the major polluters in Canada include companies that manufacture, use and dispose of chemical compounds in violation of good sense, good citizenship and good corporate behaviour. They need to be dealt with—and dealt with harshly—through tougher laws and regulations and through more vigorous enforcement of the laws and regulations already on the Government statute books.

However, realistically, if every company in Canada were to become environmentally responsible this very day only part of the equation necessary to improve the Canadian environment would be in place. Individual citizens, through decisions they make daily, have a profound effect on the environment. That is why the focus on individual responsibility for clean air, on the dangers of misfueling and of mismanagement of hazardous home products, is so vital. The sorry fact is that today a million Canadians are using leaded gas in cars designed for unleaded fuel. Another one-half million deliberately tamper with their catalytic converter systems. In so doing they damage their cars, their environment and the health of their children.

Since repeated research has shown that Canadians are firmly committed to a better environment, even if that involves some economic sacrifices, the key to change is education. We do not want to talk to those already convinced, but to the millions of people who may not be aware of how they personally can make a difference in our goals of cleaner, safer air, water and soil.

Therefore, I invite Members on all sides of the House to join me in getting two messages across. First, the most serious international tragedies of our day, for example in Ethiopia, are the direct result of environmental problems. Canadians who have opened their hearts, as well as their purses, should learn more about how the world can avoid future catastrophes. Second, Canadians should be given the opportunity to learn how they as individuals can make their immediate environment better.

I assure Hon. Members that my Department and I stand willing to offer information and assistance to any interested persons or groups on this specific matter.

Some Hon. Members: Hear, hear!

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, it is regrettable that the Minister of Agriculture (Mr. Wise) for whom I have the highest respect and esteem, particularly in terms of his courage and action with respect to controlling and banning pesticides where possible, has been given the impossible task of reading what I would describe as a non-statement.

Page 1 is simply a diary of social activities, inclusive of one mistake. The Fate of the Earth Conference does not open next week; it opened this week. Page 2 sets out toothless verbiage which rambles endlessly. On Page 3 the absent Minister trots into the House the notion that education would be the substitute for Government action. Perhaps he does so in order to justify the $1 million advertising campaign in a manner that creates the impression that advertising will substitute and solve the problem, when the onus is entirely on the Government and not on the advertising agencies. When it comes to day-to-day environmental issues the Tory logic seems to boil down to: "You, the citizens, do the job for us, the Government, while we spend your money on advertising and get the public relations benefits".

With respect to the message that Canadians were expecting, it seems to me that Canadians would prefer substance as opposed to this kind of stuff. They would like to know when the Government will act in putting crimes against the environment into the Criminal Code instead of the Minister of the Environment (Mr. McMillan) pointing the finger at the culprits and the industries without taking any further action.

I suspect Canadians would like to see an equalization of the price of gasoline at the pump between leaded and unleaded gasoline. That will resolve the problem of misfueling, something the advertising campaign will not do. Canadians would like to see a launching of a real plan along the Niagara River, the one that was promised by the predecessor of the present Minister of the Environment for the clean-up there.

I suspect that the message Canadians would like to hear today would be one with respect to action in reinstating, for instance, the Guelph Toxicology Centre that was wiped out by the Minister of Finance (Mr. Wilson) in November of 1984, thus giving the toxic issue Government support and the scientific impact it deserves.

Canadians would like to see a reinstatement of the Canadian Wildlife Service. They would like to see a strengthening of the environmental protection services which have been weakened in the past two years by the Government. Canadians would like to see an assurance as to the growth and expansion of our national parks system by way of new sites and new facilities. The list is endless.

Since you are pointing to me that I should conclude, Mr. Speaker, I will conclude by saying this. So far with respect to acid rain there has been no U.S. reduction from which we have been able to benefit. With respect to scientific research, there have been retreats and cuts. With respect to scientists in Environment Canada, there has been muzzling. On PCB research, which was promised by the predecessor of the present Minister of the Environment, in terms of the destruction and research, there has been no action at all. On the removal of lead from gasoline, the action has been delayed. I hate to conclude with these remarks but, nearing the end of Environment Week, the Government has shown that it is merely concerned with one thing, and that is public relations.

Competition Tribunal Act

• (1510)

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I would like to begin by extending, on behalf of everyone, congratulations to the Minister on the reason for his having to return to Prince Edward Island. I know the birth is imminent; I do not know whether it has happened or not. In any event, we wish mother, child and father well.

Having said that about the Minister, I want to say a word about his performance in his portfolio. I think he had an easy go of it at the start because he followed the Hon. Member for Rosemont (Mrs. Blais-Grenier). There was a great willingness within the environmental community and the House to give him the benefit of the doubt for some time. I must say with a great deal of personal regret that that honeymoon is coming to an end.

A pattern in environmental policy is beginning to emerge. This pattern consists of many things, some of which have already been mentioned; including the gag order on the Department, the failure to restore cuts made by the former Minister to the toxicology centre, the wildlife service and others, the cessation of traditional assistance to environmental groups, the fact that we celebrated the anniversary of Canada's National Parks without the creation of a single new National Park, the acceptance by the Minister of no American action on acid rain and the Niagara River, the acceptance by the Minister of positions of which he was formerly critical in this latter respect, and the tendency to lean on advertising as a solution.

We saw $1 million spent on Environment Week itself, something I was reluctant to criticize in principle because I have nothing against attempting to stimulate public awareness of the environment. However, when this is juxtaposed with the failure to spend in other areas where it is very important to spend money, one must be a bit skeptical. A million dollars is being spent on advertising to discourage Canadians from using leaded gas when a simple adjustment to the tax structure might have had a more immediate effect, and might even have raised a few dollars for the Government. In all this we see a disturbing trend of having the responsibility shifted from Government to individuals, and we see this in the statement the Minister just made.

The Government talks about what individuals need to do. I do not quarrel with the fact that all individual Canadians have a part to play, but it would be a serious mistake indeed if during Environment Week, statements that tend to downplay the role of Government in protecting the environment were to go by without comment. It is not simply a question of education and individual lifestyles. It is a fact that if all of the companies referred to in the statement started being environmentally responsible today most of our problems would be solved. However, they are not going to do that until Canada has a Government that is willing to stand up to the vested corporate and bureaucratic interests that are making money out of pollution and are meeting their short-term economic goals. That is where the fundamental contradiction in the Conservative Party's policy on the environment lies.

The Government cannot have an economic philosophy based on deregulation and on letting business do its own thing if it hopes to meet our environmental concerns. Companies that pollute for short-term economic goals are doing the very thing which, through other rhetoric, the Conservative Government is encouraging them to do.

I believe the position we heard today from the Minister of Agriculture (Mr. Wise) on behalf of the Minister of the Environment (Mr. McMillan) is riddled with errors. Sure, the Ethiopian example is an environmental problem, but many of the environmental problems in the Third World and elsewhere are related to economic problems. They are related to the things Third World countries have to do because of their debt relationships and the kinds of economies they have developed as a result of investment patterns on the part of the First World. These are fundamental global economic questions which we are not going to solve until Canada has a Government that is willing to resist the way the market-place works both here and abroad. That is not the kind of Government we have now.

If Canadians, as a result of this week and perhaps even as a result of the advertising campaign, are concerned about the environment and want a political solution to that concern, I say to them that they are not going to find it on that side of the House.

The Acting Speaker (Mr. Paproski): I wish to inform the House that because of the Ministerial statement Government Orders will be extended by 14 minutes, beginning at 5 p.m.

GOVERNMENT ORDERS

[*English*]

COMPETITION TRIBUNAL ACT

MEASURE TO ENACT

The House resumed consideration of Bill C-91, an Act to establish the Competition Tribunal and to amend the Combines Investigation Act and the Bank Act and other Acts in consequence thereof, as reported (with amendments) from a legislative committee; and Motion No. 8 (Mr. Orlikow) (p. 13991).

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, in taking part in this debate, I would like to make a few comments about the amendment put forward by my colleague, the Hon. Member for Winnipeg North (Mr. Orlikow).

[*Translation*]

Mr. Speaker, motion No. 8 asks the following:

That Bill C-91—

—now under consideration—

—be amended in Clause 47 by striking out line 36 at page 51 and substituting the following therefor:

"graphs (*a*) to (*c*), including the concentration of corporate ownership by one or more individuals to levels which the Director finds excessive,».

[*English*]

The amendment speaks of corporate concentration, and that is the point I would like to address in my brief remarks. Preventing interlocking directorships and corporate concentrations *per se* is a preoccupation of many Hon. Members of Parliament including myself. I believe the finance committee has eloquently addressed that subject and is dealing with the approach of self-dealing that flows from the concentration of power.

I would like to remind the House that some useful comments were put to the committee and indeed cited in the House. I would like to cite one comment which put forward very adequately and eloquently the point I wish to make. Mr. Justice Wyzanski of the U.S. Federal Court had this to say:

Concentration of power, no matter how beneficially they appear to have acted, nor what advantages they seem to possess, are inherently dangerous. Their good behaviour in the past may not be continued; and if their strength were hereafter grasped by presumptuous hands, there would be no automatic check and balance from equal forces in the industrial market . . . Dispersal of private economic power is thus one of the ways to preserve the system of private enterprise.

I think that comment puts it better than I could. Indeed, we must address the question of corporate concentration. I would like to congratulate the Hon. Member for Winnipeg North for giving us the opportunity to make a few comments about it.

I believe that free enterprise is better protected and expressed if we do not allow corporate giants to be created. As I said, the *status quo* could become a difficult and dangerous problem. Therefore, we have an obligation to state clearly that Parliament views the concentration of powers in the corporate field as a dangerous and possibly difficult situation with which to deal.

• (1520)

In conclusion, we will support this amendment and vote in favour of it.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The House has heard the terms of the motion. All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), a recorded division on the proposed motion stands deferred.

Competition Tribunal Act

The House will now proceed to the consideration of Motions Nos. 9 and 10 which have been grouped for debate and will be voted upon separately.

Hon. André Ouellet (Papineau) moved:

Motion No. 9

That Bill C-91, be amended in Clause 47 by adding immediately after line 32 at page 53 the following:

"(*f*) any history of anti-competitive behaviour on the part of any party to the merger or proposed merger;"

Mr. David Orlikow (Winnipeg North) moved:

Motion No. 10

That Bill C-91, be amended in Clause 47 by adding immediately after line 42 at page 53 the following:

"(*i*) and to the extent to which concentration of corporate ownership is in the public interest, by avoiding conflicts of interest between merged financial and non-financial commercial operations, and by providing lower prices, innovation, employment and other public benefits through economic efficiency."

[*Translation*]

Mr. Ouellet: In my opinion, Mr. Speaker, the clauses concerning mergers are probably among the most important of this Competition Tribunal Act. I am glad that mergers no longer come under criminal law.

As I was saying, Mr. Speaker, the clause concerning mergers in Bill C-91 is probably one of the most important in this Bill. I am delighted that the Government has elected to follow-up on this recommendation that mergers no longer come under criminal law but under civil law. In this operation, however, the Government seems to have overlooked a number of factors which the previous Bill introduced by former Minister Judy Erola had taken into account. That is why, during the Parliamentary Committee study, I moved a number of amendments to increase the number of factors. As a matter of fact, Bill C-29 contained no fewer than 12 factors to be considered at the time of a merger while the original Bill C-91 presently before us contained only six. During the Committee hearings, several witnesses came forward to indicate that this part of the legislation was not as strong and adequate as former Bill C-29. I am glad to see that the Government has accepted two amendments which I had moved at the time, that is, any likelihood that the merger or proposed merger will or would result in the removal of a vigourous and effective competitor, and the second amendment, the nature and extent of change and innovation in a relevant market. Those amendments are important because they allow for a specific identification of the factors to be considered in cases of mergers. I appreciate the Government wanted to condense the 12 factors in Bill C-29 into the six factors in this legislation. But it is my view that the Act should include among the factors that may be considered, not only those that might encourage the tribunal to accept the merger but also to list a number of factors that could lead the court to reject the merger. It is with that in mind that I proposed this series of amendments.

Now, there is another factor on which I am calling the attention of the House today, and which is just as important in my view. It is the one you just read, Mr. Speaker, under which any history of anti-competitive behaviour on the part of any party to the merger should be considered by the Tribunal.

I know some Hon. Members opposite will say this may never happen again, and that a company which might have broken the law in the past could very well show an exemplary behaviour afterwards. But unfortunately this is not always the case. With this amendment, I am trying to establish a factor under which people in the Tribunal might consider whether indeed they are dealing with a company that in the past has exercised good will, prudence and respect for the laws of the land or whether the Tribunal is dealing with a company which in the past has had an anti-competitive behaviour.

As I understand it, the purpose of Bill C-91 is not to closely scrutinize every single merger. Only those involving turnovers in excess of $400 million will be looked at. In a similar vein, I believe that as a result of this amendment the members of the tribunal would weigh this factor only in cases where there is strong evidence of prior anti-competitive behaviour which is deemed to have been constant or important enough to be taken under consideration. Naturally, companies which may have erred in the past but which showed good will afterwards will be allowed to merge. But since the tribunal is a new jurisdiction, I would suggest that our duty as legislators is to facilitate the job of the tribunal members and indicate to them that, in our opinion as legislators, the anti-competitive behaviour of a party to the merger, or of one of the two companies involved, may be considered on the same basis and in the same way as any other factor which is already included in the Bill as introduced by the Minister.

I think it is important—and I will conclude on this note—for the Government to realize that the absence of this factor is not a problem which can simply be disregarded. Adding such prior anti-competitive behaviour as a factor is not a cranky suggestion.

In my remarks on second reading I said there was nothing to justify the absence of certain factors. Several witnesses raised this point in briefs to the committee, particularly Professor Stanbury and the Consumers' Association of Canada. Mr. Speaker, I would remind you that four or five of my colleagues who took the floor in the second reading debate expressed regret that this factor was not included among those considered in this part of the legislation.

Therefore I urge the Government to give serious consideration to this amendment. I hope it will be accepted so that my NDP colleagues and I might give our support to this measure.

[*English*]

Mr. Orlikow: Mr. Speaker, I am proposing that Clause 47 of Bill C-91 be amended as follows:

> "(*i*) and to the extent to which concentration of corporate ownership is in the public interest, by avoiding conflicts of interest between merged financial and non-financial commercial operations, and by providing lower prices, innovation, employment and other public benefits through economic efficiency."

• (1530)

The new subsection which I am proposing would provide a means by which the appropriateness of conglomerate mergers could be judged. The public interest test, which is used by many public regulatory agencies, which I have included in this amendment, was proposed by competition lawyer Gordon Kaiser in his testimony to the committee. He said in part:

> It is essential that there be a facility or mechanism to have these transactions reviewed with proper public input prior to their consummation. The proper test, of course, is not whether competition is being limited substantially in a specific product market but whether the transactions are in the public interest generally. A number of regulatory tribunals review acquisitions involving regulated companies and determine whether the acquisitions are in the public interest.

The remaining parts of the test which I am proposing would deal with some of the conglomerate issues on which the committee heard a good deal of testimony from a number of witnesses including the Canadian Labour Congress, the Consumers Association, Professor Brecher, Professor Stanbury and Mr. Kaiser. The following are some of the issues which could be dealt with if this amendment were included in the Bill: First, divorcing financial and non-financial operations of conglomerate business and commercial lending agencies. This would be done to ensure that Genstar buying Canada Permanent and Imasco buying Genstar to get Canada Trust would be considered for the anti-competitive aspects which they will undoubtedly generate, namely the ability to self-deal with other people's money to advance corporate interests in a way which no competitor is able to do. I understand that we are dealing with conglomerate corporations which now control assets of $50 billion or more. They are as big or bigger than some of the big five banks.

We also propose that conglomerate mergers be judged by the public benefits which they could and should provide. For example, do they provide lower prices, innovation in the market-place, more employment and other benefits which the companies should be only too happy to tell us about if that is what they are going to achieve? What we have seen in conglomerate mergers to date is not very reassuring. We have seen big pay-outs to senior executives and board members for their stock options. The Genstar twins have denied press reports that they could clear $40 million or $50 million each in the Imasco takeover of Genstar. However, they have been very careful not to tell anyone how much they will in fact be able to make.

Let us look at what is happening in the battle to take over Hiram Walker. The three top officers of Hiram Walker have been guaranteed a salary of $500,000 a year for the next three years whether or not they stay with the company after the takeover is completed. Besides that, they have been given options to buy shares in the company for substantially less than the market price. They will be able to make several million dollars each in that way. It is too easy for companies simply to strip the assets and sell them in order to get back the money they spent in acquisition costs. This amendment would emphasize public benefit in conglomerate mergers and all mergers would benefit from having such a test applied.

Members of Parliament, the Government and the people of Canada should be asking what questions we should be asking in regard to conglomerate concentration and what questions the director of investigation and the tribunal should ask on our behalf in regard to conglomerate mergers if they are to take their jobs seriously and get the information they need in order to judge, as we believe they should be able to, whether a takeover of a large corporation by another corporation in a different field is of benefit to the people.

Fortunately, the House of Commons Finance Committee will be examining the officers of Brascan and Genstar next week. My colleague, the Member of Parliament for Kamloops—Shuswap (Mr. Riis), who is our spokesperson on finance, has prepared a list of questions, which he has already sent to the officers of Brascan, which he wants them to answer when they appear before the committee next week. The questions he asks should be asked by the people of Canada, the Government, the director of investigation and the tribunal whenever a large corporation proposes to take over another large corporation.

I will put these questions on the record. We propose that Brascan, or any corporation in this situation, should answer the following questions. What are the companies in which Brascan has an equity position that results in effective control of that company? What is the percentage of voting shares that Brascan holds in each case? When were these companies acquired? What was the price paid at the time of acquisition for each of these companies? What were the strategic benefits to the company as they perceived them to be that led to these acquisitions, i.e. tax benefits, diversification, etc.? What tax savings were there, if any, in making each of these acquisitions?

I remind Members of the House and the Parliamentary Secretary that in the takeover of Gulf by Olympia & York they were able to use the Egyptian bump to benefit to the extent of some $500 million in tax savings. Most Canadians would appreciate a very small fraction of such a tax benefit.

What benefits were paid to senior officers of the acquired companies? I have already mentioned the benefits which the officers of Genstar and Hiram Walker are going to get. What was the number of employees in each of the acquired companies before the acquisition? What is the number of employees in each of the acquired companies today? In other words, are there more people or less people working for these companies? If there are less people, of what benefit is that to the country?

How much money was allocated for each company for research and development before the takeover? How much money is being allocated by each of these companies for research and development today? In other words, are they doing any more in the way of research and development to make the companies, and therefore the country, more efficient, innovative and able to compete in international markets? Has there been any reduction in the cost of production by any of these companies since they were acquired? Has there been any reduction in prices to consumers by any of these companies since their acquisition?

We should be asking some very important questions on behalf of all Canadians. What benefits or improvements in their lives, if any, result from the mergers we have seen in recent years, or do all the benefits go to the initiators and promoters of these mergers? We have been told that we must move from the resource-based industries which have been the foundation of the economy of this country for most of the years that it has been a country. We have told that they must become more efficient and innovative and move to newer fields of endeavour to which the world is moving in communications, computers, steel, aluminum and ceramics. If we are to provide jobs for Canadians in the labour market now and those entering it in the very near future, that is what we have to do. Yet, instead we see our captains of industry and finance increasingly involved in takeovers, a policy which has been described as paper entrepreneurship. It benefits only a few powerful individuals and corporations.

● (1540)

Where is the effort to help the small independent businesses which we know have provided most of the new jobs in recent years? Where are the plans to help the slow growth regions of Canada? They are certainly not in the thinking of these conglomerates. That is why we believe the kind of amendment I have moved is of crucial importance if this Bill is to do what it is supposed to do.

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, being as brief as I can, I would first like to address Motion No. 9 presented by the Hon. Member for Papineau (Mr. Ouellet). The motion recommends that the tribunal consider, as a factor in its deliberations on whether or not to allow a merger, the history of the anti-competitive behaviour of the parties to the merger. This was deleted from the list of factors which appeared in Bill C-29 introduced by the previous Government because past behaviour is not necessarily a good indication of future behaviour. I suggest to the House that the tribunal may consider any other relevant factor, including the past behaviour of parties to the merger. For that reason I recommend that the House reject Motion No. 9.

As to Motion No. 10 moved by the Hon. Member for Winnipeg North (Mr. Orlikow) it recommends adding to the list of factors for the tribunal to consider under the merger provision a factor which, as drafted, has no place in this Bill. It deals primarily with concentration of ownership and control of financial institutions by non-financial corporations. As I already indicated, if this House believes those issues should be added by legislation, they should be dealt with in other appropriate legislation. The motion also includes factors which are already explicitly included and are implicit considerations the tribunal will most certainly take into account where it is appropriate. For those reasons I recommend that the House reject Motion No. 10.

Competition Tribunal Act

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 9 standing in the name of the Hon. Member for Papineau (Mr. Ouellet). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 10 standing in the name of the Hon. Member for Winnipeg North (Mr. Orlikow). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The discussion is now on Motion No. 11.

Mr. David Orlikow (Winnipeg North) moved:

Motion No. 11

That Bill C-91, be amended in Clause 47 by adding immediately after line 20 at page 60 the following:

"79.1(1) The Director

(*a*) upon his own initiative may, and upon direction from the Minister shall, carry out an inquiry concerning the existence and effect of conditions or practices relating to any product that may be subject of trade or commerce and which conditions or practices are related to monopolistic situations or restraint of trade, and

(*b*) upon direction from the Minister shall carry out a general inquiry into any matter that the Minister certifies in the direction to be related to the policy and objectives of this Act.

(2) It is the duty of the Tribunal to consider any evidence or material brought before it under subsection (1) together with such further evidence or material as the Tribunal considers advisable and that such evidence or material be made public by the Tribunal unless the Tribunal decides it is in the public interest that the evidence or material be kept confidential."

He said: Mr. Speaker, I would remind the Parliamentary Secretary that both Professor Irving Brecher and Professor David McQueen made the plea that independent inquiries should continue to be carried out on competition issues. This amendment, suggested by the Consumers' Association, would bring back from the old law the Section 47 inquiries which the director could undertake on investigation of a monopolistic situation. In the hearings which the committee held to discuss this Bill, Professor Brecher testified as follows:

It is argued in the blue book of the Department of Consumer and Corporate Affairs that, since the Tribunal is a judicial or quasi-judicial body, there is no need to have a general research section; hence, it should be repealed. This, to my mind, is about as good a *non sequitur* as one could find. I do not see how one follows from the other.

It is true there is a reference to the Commission in section 47, but that could certainly be deleted. It is still important, indeed vital, I believe, for the Director and for the Minister to be able to sponsor or to launch or to encourage general inquiries into the state of competition and to problem areas like conglomerates, problems in the media, mass media industry, and a variety of other things which are extremely important in this field.

So I urge in the strongest possible terms that reconsideration be given to this and that section 47 in the appropriate place be restored to the Bill.

This is the appropriate place. Professor McQueen, in a written submission to the committee, said:

—I see no good reason for depriving the new tribunal of the power now exercised by the Restrictive Trade Practices Commission to conduct general inquiries into competition matters. Some of those published inquiries are among the most informative documents we possess in this field in Canada. The inquiry into prescription drugs and their prices was a particular standout in that respect. Such inquiries should continue to be sponsored by some detached and credible body, and I do not see why that body should not be this tribunal, supported by a modest staff.

The Consumers' Association is a very responsible organization, although often, in my view, too cautious. However, this is an amendment which it suggests and it is supported by Professor Brecher and Professor McQueen. Both of those people are highly respected academics who have spent a great deal of time and effort in thinking about the problem of competition and how to ensure that we have real competition and people benefit from it. Both suggest that we need this kind of authority for the tribunal and the Director of Investigations to be able to do their jobs adequately in order to protect the interests of Canadians in a more effective way. Yet we see the Government refusing to agree to what we consider to be a very moderate and sensible proposal. Because the Government is taking that very narrow approach we are very skeptical that it is really very serious about getting this law passed and giving the tribunal and the director the ability to do the job which the Bill requires them to do.

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, we are dealing with Motion No. 11 and Motion No. 12 moved by the Hon. Member for Winnipeg North (Mr. Orlikow). I would like to suggest that Motion No. 11 would in effect reinstitute the research inquiry power in the Act under the provision dealing with the Competition Tribunal. The reason Section 47 of the Combines Investigation Act was repealed—

• (1550)

The Acting Speaker (Mr. Paproski): I would like to bring to the attention of the Hon. Parliamentary Secretary that we are dealing with Motion No. 11 only. He said Motions Nos. 11 and 12. I think that he should just stay with Motion No. 11, if I may suggest it to the Hon. Parliamentary Secretary. I think that we are going to be voting on it separately, so therefore I would appreciate it very much if he would stay with Motion No. 11. That will keep the ball game straight here, and then we can carry on with Motion No. 12 next.

Mr. Domm: I am still on Motion No. 11, so I will refrain from mentioning Motion No. 12 until later.

The reason Section 47 of the Combines Investigation Act was repealed was to ensure that the tribunal's function would be strictly adjudicative. Not only is this desirable in terms of the impartiality of the tribunal, but I suggest to the House that it helps guarantee its constitutionality. In the future, should situations arise where research inquiries into the state of competition in a particular industry are necessary, the Government then can rely on general provisions of the Inquiries Act for creation of an ad hoc commission of inquiry. For these reasons I urge the House to reject Motion No. 11.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 11. Mr. Orlikow moved:

Motion No. 11

That Bill C-91, be amended in Clause 47 by adding immediately after line 20 at page 60 the following:

"79.1(1) The Director

(*a*) upon his own initiative may, and upon direction from the Minister shall, carry out an inquiry concerning the existence and effect of conditions or practices relating to any product that may be subject of trade or commerce and which conditions or practices are related to monopolistic situations or restraint of trade, and

(*b*) upon direction from the Minister shall carry out a general inquiry into any matter that the Minister certifies in the direction to be related to the policy and objectives of this Act.

(2) It is the duty of the Tribunal to consider any evidence or material brought before it under subsection (1) together with such further evidence or material as the Tribunal considers advisable and that such evidence or material be made public by the Tribunal unless the Tribunal decides it is in the public interest that the evidence or material be kept confidential."

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it.

Some Hon. Members: On division.

The Acting Speaker (Mr. Paproski): I declare the motion lost.

Motion No. 11 (Mr. Orlikow) negatived.

Mr. David Orlikow (Winnipeg North) moved:

Motion No. 12

That Bill C-91, be amended in Clause 47

(*a*) by striking out line 26 at page 62 and substituting the following therefor:

"rations would exceed 15 mil-".

(*b*) by striking out line 34 at page 62 and substituting the following therefor:

"(*i*)would exceed $15 million":

He said: Mr. Speaker, I am not very optimistic that the Government will agree to support this amendment. Let me just point out to the Parliamentary Secretary that both the Consumers' Association and the Canadian Federation of Independent Business prefer the $15 million figure which I am proposing in this amendment, as it takes into account a number of smaller businesses which are often merger targets. They believe that the $35 million ceiling which is in the Bill at the present time, is too high. The Government amendments for acquisitions which must be reported to the Director of Investigation simply limit the amount to Canadian assets, which may make much larger companies unreviewable. That is all the more reason to adopt the views of the Consumers' Association of Canada and the Canadian Federation of Independent Business.

As I say, I am puzzled as to why the Government would not incorporate in the Bill this proposal made, not by me originally, but by the Consumers' Association and the CFIB. As this debate continues I become more and more convinced that the Government has no real intention or desire to see this Bill work effectively in dealing with a monopoly situation.

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, on Motion No. 12 the Hon. Member is proposing to amend the pre-notification provision for the acquisition of voting shares by reducing the threshold from $35 million to $15 million. I have difficulty understanding why the Hon. Member is suggesting that the threshold for the acquisition of voting shares should be different from the one for the acquisition of assets, as this will surely be the effect of this proposal.

I believe that the effect of this motion will be to create confusion, and it may provide an incentive to restructure transactions to avoid pre-notification. For these reasons I cannot support this motion.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I do not plan to prolong this debate unnecessarily, but since my colleague from Winnipeg North spoke very briefly I thought I would simply add a few comments to fill up his time allotment.

I think that there are two points that have to be made. One is the fact that in certain parts of Canada traditionally the size of corporations tends to be smaller. I am referring, of course, to the corporations existing in the hinterlands where we are very concerned about the level or need for competition and the concern of what continuous corporate amalgamations, takeovers and mergers mean in terms of lessening competition in the hinterland regions of the country.

When you consider that both the Consumers' Association and the Canadian Federation of Independent Business suggested a $15 million figure, I suspect that that was one of the concerns that they had in mind.

When you look at what is going on today in the Province of Alberta, and you look at the mergers that are taking place there, almost by definition most of the mergers that are taking place these days are in the category around the $15 million mark. These tend to reflect the small Canadian independent companies that, under the present situation in the traditional oil patch are simply finding it impossible to continue and are essentially at the mercy of any company which wishes to come in and take them over.

Considering that this simply aids and abets the process of the takeover of small Canadian companies, it is something that we should consider when we vote on this particular amendment.

The other point that my colleague from Winnipeg North made was that the government amendments for acquisition, which must be reported to the Director of Investigation, simply limit the amount to those assets that are in Canada. Now, what this means then is that if a corporation has a small asset base in Canada but a large asset base in Hong Kong, Japan, the Phillipines or some other country, it will not come under scrutiny. In other words, it will not be considered a company with a large enough asset base here in Canada. Consequently, the Director of Investigation will not be alerted to this particular takeover or merger.

We find that to be rather illogical when you consider that the role of the multinationals surely is one that we all are interested in and concerned about in terms of the impact that this has in terms of enlarging their sphere of influence in our own economy. Of all the western industrialized nations, we happen to have significantly more foreign ownership and foreign control of our economy than any other country. This will simply say that if you are a multinational corporation with a small Canadian asset base, if you wish to make acquisitions in Canada you will not be subject to the watchful eye of the Director of Investigation. For that reason, my honourable friend from Winnipeg North decided that this was an appropriate motion for our consideration.

Mr. Domm: Mr. Speaker, we are now dealing, I guess, with debate on Motions Nos. 13 and 14, and I will put my remarks together—

The Acting Speaker (Mr. Paproski): I have not dispensed with No. 12. Order, please.

Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 12. Mr. Orlikow moved:

Motion No. 12

That Bill C-91, be amended in Clause 47

(*a*) by striking out line 26 at page 62 and substituting the following therefor: "rations would exceed 15 mil-".

(*b*) by striking out line 34 at page 62 and substituting the following therefor: "(*i*)would exceed $15 million":

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it.

Some Hon. Members: On division.

The Acting Speaker (Mr. Paproski): I declare the motion lost.

Motion No. 12 (Mr. Orlikow) negatived.

Mr. David Orlikow (Winnipeg North) moved:

Motion No. 13

That Bill C-91, be amended in Clause 47 by striking out line 21 at page 77 and substituting the following therefor:

"tribunal, may, and".

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Etobicoke—Lakeshore (Mr. Boyer)—External relations—Size of Polish consulate in Etobicoke—Lakeshore; the Hon. Member for Broadview—Greenwood (Ms. McDonald)—Health—Ban on tobacco advertising requested. (*b*) Hazardous products designation inquiry; the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart)—Benefits for widows and widowers aged 60 to 64 years—Exclusion of single, divorced and separated persons.

● (1600)

GOVERNMENT ORDERS

[*English*]

COMPETITION TRIBUNAL ACT

MEASURE TO ENACT

The House resumed consideration of Bill C-91, an Act to establish the Competition Tribunal and to amend the Combines Investigation Act and the Bank Act and other Acts in consequence thereof, as reported (with amendments) from a legislative committee; and Motion No. 13 (Mr. Orlikow) (p. 14021).

The Acting Speaker (Mr. Paproski): I must also include Motion No. 14 which has been grouped for debate.

Mr. David Orlikow (Winnipeg North) moved:

Motion No. 14

That Bill C-91, be amended in Clause 47 by striking out lines 7 to 9 at page 78 and substituting the following therefor:

"tribunal, may make representations to and"

He said: Mr. Speaker, I moved these amendments because we look on this Bill as pemitting further federal intrusion into areas which come under provincial jurisdiction. They deal in part with the same subject in Motion No. 3.

The amendments were put forward in a letter from Mr. Mackling, the Minister for Telecommunications in Manitoba, to the federal Minister of Consumer and Corporate Affairs (Mr. Côté). Part of the letter explains the reason for this amendment and demonstrates the concern of the Government of Manitoba about a situation that occurred some time ago.

I suggest to the Parliamentary Secretary that the same concern would be expressed at least by the Governments of Saskatchewan and Alberta because there was an occasion when CN-CP attempted to enter into competition for long distance telephone business with the existing trans-Canada system. This involved the whole question of telephone rates and the relationship of household rates, small business rates, and local service rates to long distance rates.

The former Director of Investigation took it upon himself to make a case for permitting CN-CP to enter into the long distance telephone business.

The Manitoba Government, acting for the publicly owned Manitoba Telephone System, was very disturbed by that intervention. Therefore, the Minister from Manitoba wrote to the federal Minister of Consumer and Corporate Affairs. I want to quote part of his letter which explains Manitoba's concerns. He said in part:

With regard to the mandate given to the Director of Investigation and Research in sections 97 and 98—

These are sections of the Act still in effect.

—my predecessor in this portfolio, Hon. Eugene Kostyra, has sent you copies of correspondence identifying the Government of Manitoba's concern with the role played by the Director on his own initiative in telecommunications regulatory hearings. The introduction of competition into telecommunications services has the potential for such an enormous impact on all telecommunications users, it is a policy matter which should be decided by Ministers, not through the regulatory process. The Government of Manitoba has joined with your colleague, the Honourable Marcel Masse, and the majority of other provincial governments in determining that telecommunications policy should be established not by regulatory agencies, but rather through federal-provincial co-operation at the ministerial level. It is therefore unacceptable for an agency of the federal Department of Consumer Affairs to be given a mandate to access public funds on its own initiative to advocate one approach to industrial organization policy without regard for other aspects, such as consumers' interests and the development of an efficient and cost-effective telecommunications system. Regulators such as the CRTC and the Manitoba PUB—

That is, Public Utility Board.

—are charged with the responsibility of reviewing each case in the public interest, and they have established procedures to provide financial assistance to any independent intervenors who provide worthwhile input to regulatory hearings, regardless of the interests which they represent. Under this system, there is no evidence that those who advocate competition within the industry are in any way underrepresented or unable to present their case adequately, and there is no evidence that the Director is making effective use of taxpayers' funds by participating in the CRTC's hearings on his own initiative.

With respect to section 98, the Government of Manitoba would find it totally unacceptable for an agency of the federal Government to intervene on his own initiative to provide policy recommendations in a provincial regulatory hearing.

It is our contention that, if the federal government wishes to comment on provincial policies, such debate should take place between and among elected officials. Honourable Marcel Masse joined with all provincial and territorial Ministers responsible for telecommunications to establish a co-operative process to review telecommunications policy across Canada. The inevitable effect of Bill C-91 in its present form would be to complicate and perhaps jeopardize these important and sensitive discussions. Therefore, I respectfully urge you to:

Competition Tribunal Act

1. Ensure that regulated activities of Crown Corporations are explicitly excluded from the purview of the Competition Act, and

2. Eliminate the Director's mandate in sections 97 and 98 to expend public funds to make representations on his own initiative in respect of competition to boards, commissions or tribunals.

We consider this to be a very important matter. The Government of Manitoba made representations on the question of telecommunications to the federal Ministers who were involved. I am certain that other provinces would do the same if, for example, the director were to intervene in the activities of marketing boards. The provincial Governments which set up marketing boards that try to meet the needs of producers and consumers would be just as upset as the Government of Manitoba was when the director intervened in the telecommunications question.

It is my recollection that when we were discussing this matter in committee we were told that this question, which was raised by the Government of Manitoba, had been dealt with, and that the clause of the present Bill met the concerns raised by the Government of Manitoba. Since that was my information, I let it go through. However, after going through this clause by clause, we heard from the Government of Manitoba that it is not satisfied. Since the Government is not satisfied and I believe it has made a very valid case for its position, I moved the amendments which we are now discussing.

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I will deal with Motion No. 13 first. The existing legislation gives the director the right to make representations for federal boards, commissions or other tribunals on his own initiative.

The effect of the Hon. Member's motion would be that the director would only be allowed to make such representations at the request of the particular board, commission or tribunal or on direction from the Minister. The Government does not believe it would be appropriate to restrict the powers of the director in this way, as it would not serve the over-all public interest in competition. I would strongly urge the House to reject this motion.

Let me move on to Motion No. 14. This proposed amendment would unnecessarily lessen the ability of the director to intervene before provincial regulatory boards to advocate competition considerations where relevant. This could lead to less competition in some provincially regulated industries.

There is no rationale for such an amendment since Bill C-91 requires that the director obtain the consent of the provincial board when he, on his own initiative, intends to make representations before it. Therefore, any abuse of the director's ability to intervene is prevented. For that reason, I suggest that the House reject Motion No. 14.

● (1610)

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 13. Mr. Orlikow moved:

Motion No. 13

That Bill C-91, be amended in Clause 47 by striking out line 21 at page 77 and substituting the following therefor:

"tribunal, may, and".

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it. I declare the motion lost.

Motion No. 13 (Mr. Orlikow) negatived.

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 14. Mr. Orlikow moved:

Motion No. 14.

That Bill C-91, be amended in Clause 47 by striking out lines 7 to 9 at page 78 and substituting the following therefor:

"tribunal, may make reprsentations to and".

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it. I declare the motion lost.

Motion No. 14 (Mr. Orlikow) negatived.

The Acting Speaker (Mr. Paproski): The House will now proceed to taking the deferred divisions at the report stage of the Bill now before the House.

Call in the Members.

● (1640)

And the division bells having rung:

Mr. Speaker: Order, please. The first vote will be on Motion No. 6. Mr. Ouellet, seconded by Mr. Gauthier, moved:

Motion No. 6

That Bill C-91, be amended in Clause 47 by adding immediately after line 14 at page 41 the following:

"(7) For the purposes of subsection (4) in its application to market restriction, where there is an agreement between the "first" person and the "second" person, both defined in subsection (6), whereby these persons are deemed to be affiliated for the purposes of subsection (6) in respect of food or drink, and where the "first" person supplies or causes to be supplied to the "second" person food or drink in a packing or container other than a packing or container produced or made by the "second" person in his own plan and where this food or drink is distributed in this packing or container by the "second" person in association with the trade mark mentioned in subsection (6), the "first" person and "second" person are deemed, in respect of this distribution, to be affiliated."

The House divided on Motion No. 6 (Mr. Ouellet), which was negatived on the following division:

(*Division No. 266*)

YEAS

Members

Allmand
Althouse
Berger
Blaikie
Boudria
Cassidy
Copps
Deans
de Corneille
Finestone
Foster
Fulton
Gauthier
Heap
Isabelle
Langdon
Malépart
Marchi
McCurdy
McDonald (Broadview-Greenwood)
Murphy
Nunziata
Orlikow
Ouellet
Parry
Prud'homme
Riis
Robinson
Rodriguez
Rompkey
Rossi
Waddell—32.

NAYS

Members

Attewell
Bertrand
Blais-Grenier
Bourgault
Boyer
Brightwell
Brisco
Browes
Caldwell
Champagne (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Cochrane
Comeau
Corbett
Cossitt
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Dorin
Edwards
Ellis
Epp (Provencher)
Fennell
Forrestall
Gagnon
Gass
Greenaway
Grisé
Guilbault (Drummond)
Hamilton
Hardey
Hicks
Hnatyshyn
Hockin
Horner
Howie
Hudon
James
Jardine
Johnson (Bonavista-Trinity-Conception)
Joncas
Kindy
King
Ladouceur
La Salle
Lawrence
Lesick
Lewis
Mailly
Mantha
Mazankowski
McCain
McCrossan
McCuish
McDougall (St. Paul's)
McKenzie
McKinnon
Merrithew
Moore
Nielsen
Nowlan
Oberle
Oostrom
Paproski
Peterson
Pietz
Plamondon
Plourde
Price
Ravis
Reid
St-Julien
Schellenberg (Nanaimo-Alberni)
Sparrow
Stackhouse
Taylor
Towers
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Vankoughnet
Vincent
Warner
Weiner
Wilson (Swift Current-Maple Creek)
Wise—92.

Mr. Speaker: I declare the motion lost.

Perhaps I should advise the House that the other motions are Motions Nos. 7, 8, 9, and 10. Is there a disposition in this regard?

Mr. Deans: Mr. Speaker, there have been discussions and I believe it would be possible, if Your Honour checked, to apply the vote just taken to the remaining votes and to have them recorded as if they were actually taken.

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

Mr. Speaker: Let us do this simply. I take it the Hon. Member for Brampton—Georgetown (Mr. McDermid) is rising on a point of order to indicate that he missed the previous vote and that he wishes to be counted in the remaining votes.

Mr. McDermid: Exactly, Mr. Speaker.

Mr. Speaker: Similarly with the Hon. Minister of Energy, Mines and Resources (Miss Carney) and with the Hon. Member for Blainville—Deux-Montagnes (Mrs. Landry)?

Miss Carney: Yes, Mr. Speaker.

Mrs. Landry: Yes.

Mr. Speaker: Is the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan) seeking the floor for the same purpose?

Mr. MacLellan: Yes, Mr. Speaker.

Mr. Speaker: I take it the Hon. Member for Cape Breton—The Sydneys wants his vote recorded in the affirmative and the other three in the negative. Therefore it is understood that with those additions, the vote on Motion No. 6, as amended, will apply to Motions Nos. 7, 8, 9, and 10.

The next vote is on Motion No. 7. Mr. Ouellet, seconded by Mr. Gauthier, moved:

Motion No. 7

That Bill C-91, be amended in Clause 47 by adding immediately after line 11 at page 42 the following:

"(*i*) restriction, by a supplier, of the available margin to his customers ("intermediate customer"), by inciting, requiring or compelling an intermediate customer to resell the products bought by an intermediate customer from a

third party ("last favoured customer"), under arrangements or terms resulting in discounts, rebates, allowances, price concessions or other advantages ("bonuses") offered directly or indirectly to a last favoured customer for purchase of identical products intended to be resold to other third parties that are not favoured."

The House divided on Motion No. 7 (Mr. Ouellet), which was negatived on the following division:

(*Division No. 267*)

YEAS

Members

Allmand
Althouse
Berger
Blaikie
Boudria
Cassidy
Copps
Deans
de Corneille
Finestone
Foster
Fulton
Gauthier
Heap
Isabelle
Langdon
MacLellan
Malépart
Marchi
McCurdy
McDonald (Broadview-Greenwood)
Murphy
Nunziata
Orlikow
Ouellet
Parry
Prud'homme
Riis
Robinson
Rodriguez
Rompkey
Rossi
Waddell—33.

NAYS

Members

Attewell
Bertrand
Blais-Grenier
Bourgault
Boyer
Brightwell
Brisco
Browes
Caldwell
Carney
Champagne (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Cochrane
Comeau
Corbett
Cossitt
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Dorin
Edwards
Ellis
Epp (Provencher)
Fennell
Forrestall
Gagnon
Gass
Greenaway
Grisé
Guilbault (Drummond)
Hamilton
Hardey
Hicks
Hnatyshyn
Hockin
Horner
Howie
Hudon
James
Jardine
Johnson (Bonavista-Trinity-Conception)
Joncas
Kindy
King
Ladouceur
Landry
La Salle
Lawrence
Lesick
Lewis
Mailly
Mantha
Mazankowski
McCain
McCrossan
McCuish
McDermid
McDougall (St. Paul's)
McKenzie
McKinnon
Merrithew
Moore
Nielsen
Nowlan
Oberle
Oostrom
Paproski
Peterson
Pietz
Plamondon
Plourde
Price
Ravis
Reid
St-Julien
Schellenberg (Nanaimo-Alberni)
Sparrow
Stackhouse
Taylor
Towers
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Vankoughnet
Vincent
Warner
Weiner
Wilson (Swift Current-Maple Creek)
Wise—95.

Mr. Speaker: I declare the motion defeated.

The next vote is on Motion No. 8. Mr. Orlikow moved:

Motion No. 8

That Bill C-91, be amended in Clause 47 by striking out line 36 at page 51 and substituting the following therefor:

"graphs (*a*) to (*c*), including the concentration of corporate ownership by one or more individuals to levels which the Director finds excessive,"

The House divided on Motion No. 8 (Mr. Orlikow), which was negatived on the following division:

(*Division No. 268*)

YEAS

Members

Allmand
Althouse
Berger
Blaikie
Boudria
Cassidy
Copps
Deans
de Corneille
Finestone
Foster
Fulton
Gauthier
Heap
Isabelle
Langdon
MacLellan
Malépart
Marchi
McCurdy
McDonald (Broadview-Greenwood)
Murphy
Nunziata
Orlikow
Ouellet
Parry
Prud'homme
Riis
Robinson
Rodriguez
Rompkey
Rossi
Waddell—33.

NAYS

Members

Attewell
Bertrand
Blais-Grenier
Bourgault
Boyer
Brightwell
Brisco
Browes
Caldwell
Carney
Champagne (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Cochrane
Comeau
Corbett
Cossitt
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Dorin
Edwards
Ellis
Epp (Provencher)
Fennell
Forrestall
Gagnon
Gass
Greenaway
Grisé
Guilbault (Drummond)
Hamilton
Hardey
Hicks
Hnatyshyn
Hockin
Horner
Howie
Hudon
James
Jardine
Johnson (Bonavista-Trinity-Conception)
Joncas
Kindy
King
Ladouceur
Landry
La Salle
Lawrence
Lesick
Lewis
Mailly
Mantha
Mazankowski
McCain
McCrossan
McCuish
McDermid
McDougall (St. Paul's)
McKenzie
McKinnon
Merrithew
Moore
Nielsen
Nowlan
Oberle
Oostrom
Paproski
Peterson
Pietz
Plamondon
Plourde
Price
Ravis
Reid
St-Julien
Schellenberg (Nanaimo-Alberni)
Sparrow
Stackhouse
Taylor
Towers
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Vankoughnet
Vincent
Warner
Weiner
Wilson (Swift Current-Maple Creek)
Wise—95.

Mr. Speaker: I declare the motion defeated.

The next vote is on Motion No. 9. Mr. Ouellet moved:

Motion No. 9

That Bill C-91, be amended in Clause 47 by adding immediately after line 32 at page 53 the following:

"(*f*) any history of anti-competitive behaviour on the part of any party to the merger or proposed merger;"

The House divided on Motion No. 9 (Mr. Ouellet), which was negatived on the following division:

(*Division No. 269*)

YEAS

Members

Allmand
Althouse
Berger
Blaikie
Boudria
Cassidy
Copps
Deans
de Corneille
Finestone
Foster
Fulton
Gauthier
Heap
Isabelle
Langdon
MacLellan
Malépart
Marchi
McCurdy
McDonald (Broadview-Greenwood)
Murphy
Nunziata
Orlikow
Ouellet
Parry
Prud'homme
Riis
Robinson
Rodriguez
Rompkey
Rossi
Waddell—33.

NAYS

Members

Attewell
Bertrand
Blais-Grenier
Bourgault
Boyer
Brightwell
Brisco
Browes
Caldwell
Carney
Champagne (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Cochrane
Comeau
Corbett
Cossitt
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Dorin
Edwards
Ellis
Epp (Provencher)
Fennell
Forrestall
Gagnon
Gass
Greenaway
Grisé
Guilbault (Drummond)
Hamilton
Hardey
Hicks
Hnatyshyn
Hockin
Horner
Howie
Hudon
James
Jardine
Johnson (Bonavista-Trinity-Conception)
Joncas
Kindy
King
Ladouceur
Landry
La Salle
Lawrence
Lesick
Lewis
Mailly
Mantha
Mazankowski
McCain
McCrossan
McCuish
McDermid
McDougall (St. Paul's)
McKenzie
McKinnon
Merrithew
Moore
Nielsen
Nowlan
Oberle
Oostrom
Paproski
Peterson
Pietz
Plamondon
Plourde
Price
Ravis
Reid
St-Julien
Schellenberg (Nanaimo-Alberni)
Sparrow
Stackhouse
Taylor
Towers
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Vankoughnet
Vincent
Warner
Weiner
Wilson (Swift Current-Maple Creek)
Wise—95.

Mr. Speaker: I declare the motion defeated.

The next vote is on Motion No. 10. Mr. Orlikow moved:

Motion No. 10

That Bill C-91, be amended in Clause 47 by adding immediately after line 42 at page 53 the following:

"(*i*) and to the extent to which concentration of corporate ownership is in the public interest, by avoiding conflicts of interest between merged financial and non-financial commercial operations, and by providing lower prices, innovation, employment and other public benefits through economic efficiency."

Competition Tribunal Act

The House divided on Motion No. 10 (Mr. Orlikow), which was negatived on the following division:

(*Division No. 270*)

YEAS

Members

Allmand
Althouse
Berger
Blaikie
Boudria
Cassidy
Copps
Deans
de Corneille
Finestone
Foster
Fulton
Gauthier
Heap
Isabelle
Langdon
MacLellan
Malépart
Marchi
McCurdy
McDonald (Broadview-Greenwood)
Murphy
Nunziata
Orlikow
Ouellet
Parry
Prud'homme
Riis
Robinson
Rodriguez
Rompkey
Rossi
Waddell—33.

NAYS

Members

Attewell
Bertrand
Blais-Grenier
Bourgault
Boyer
Brightwell
Brisco
Browes
Caldwell
Carney
Champagne (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Cochrane
Comeau
Corbett
Cossitt
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Dorin
Edwards
Ellis
Epp (Provencher)
Fennell
Forrestall
Gagnon
Gass
Greenaway
Grisé
Guilbault (Drummond)
Hamilton
Hardey
Hicks
Hnatyshyn
Hockin
Horner
Howie
Hudon
James
Jardine
Johnson (Bonavista-Trinity-Conception)
Joncas
Kindy
King
Ladouceur
Landry
La Salle
Lawrence
Lesick
Lewis
Mailly
Mantha
Mazankowski
McCain
McCrossan
McCuish
McDermid
McDougall (St. Paul's)
McKenzie
McKinnon
Merrithew
Moore
Nielsen
Nowlan
Oberle
Oostrom
Paproski
Peterson
Pietz
Plamondon
Plourde
Price
Ravis
Reid
St-Julien
Schellenberg (Nanaimo-Alberni)
Sparrow
Stackhouse
Taylor
Towers
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Vankoughnet
Vincent
Warner
Weiner
Wilson (Swift Current-Maple Creek)
Wise—95.

Mr. Speaker: I declare the amendment defeated.

Hon. Ray Hnatyshyn (for the Minister of Consumer and Corporate Affairs and Canada Post) moved that the Bill be concurred in.

Motion agreed to.

Mr. Hnatyshyn (for the Minister of Consumer and Corporate Affairs and Canada Post) moved that the Bill be read the third time and passed.

• (1650)

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I am sorry to interrupt this debate because I know Members will want to speak on it, but I think this is an appropriate time for me to announce the business of the House. I thank all Members for their co-operation in proceeding to third reading. I think there may be a disposition to conclude third reading today.

On that basis, the first item of business tomorrow will be second reading of Bill C-95, the Bill with respect to the archives. Following second reading of that Bill, Bill C-90, an Act respecting pension plans, will be called. Should debate on Bill C-90 be concluded prior to four o'clock in the afternoon, it would be my intention to call Bill C-103. We have an understanding that if the Minister of State for Finance (Mrs. McDougall) completes her remarks, and it is the will of the House at that time, we would adjourn business for the day at that point.

Monday and Tuesday of next week will be the two final days of Supply in the current trimester. Pursuant to our new rules this means that the House will meet for an extended sitting on Tuesday.

With respect to the rest of the week, I have been meeting with my colleagues in the opposition Parties to discuss the legislation on the Order Paper to see what legislation might be passed prior to the adjournment of the House at the end of this month. I hope that as those negotiations proceed I will be in a position to report to the House the order of business. Hopefully we can deal with a reasonable package of legislation.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I just want to clarify one matter. While it is true that we have agreed it would be possible to adjourn after the Minister's speech on Bill C-103, it is not absolutely essential that that occur. It may be that Members will wish, because of the time available, to proceed with it beyond the Minister's speech. I just wanted to be sure no one misunderstood.

GOVERNMENT ORDERS

[*English*]

COMPETITION TRIBUNAL ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Côté (Langelier) that Bill C-91, an Act to establish the Competition Tribunal and to amend the Combines Investigation Act and the Bank Act and other Acts in consequence thereof, be read the third time and passed.

Mr. Gauthier: Mr. Speaker, I rise on a point of order. I know that we are going to proceed to 5.14 p.m. by extension of the allotted time. I think there is some kind of arrangement that all three Parties will share equally in the time. I take it that the Parliamentary Secretary, the Member speaking for the Liberals and the Member speaking for the NDP will get equal time for debate in the time remaining until 5.14.

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I would like to confirm that that is my understanding of how the debate on third reading will proceed. It is a pleasure to speak to Members of this House on the subject of Bill C-91, the proposed Competition Act and Competition Tribunal Act.

Mr. Speaker: Order, please. In fairness to the Hon. Parliamentary Secretary, would those who have other meetings to go to please do so. Order, please.

Mr. Domm: Thank you, Mr. Speaker. We are dealing with third reading of the proposed Competition Act and Competition Tribunal Act. I am sure that many Hon. Members share with me a real sense of achievement. We are making major changes to the Competition Act which reflect the excellent co-operation of all Parties as we have considered hundreds of representations and many letters and telegrams from persons interested in being involved in the decision on this Bill. There is no question in my mind that the amendments approved by the committee and reconfirmed in this House will enhance the effectiveness of the proposed law.

This new competition law is aimed at enhancing trade, assisting Canadian industry in meeting foreign competition at home and abroad and, most important, protecting small business and consumers, placing greater reliance on market forces and the private sector for economic renewal and strengthening the market-place as the trend toward deregulation continues.

Careful review and consideration of past attempts at competition law reform and a dedication to consultation from the blueprint stage have been instrumental in producing the Bill which is before us today. First, the new competition law will establish a Competition Tribunal to adjudicate non-criminal competition matters. Second, with respect to mergers and abuse of dominant position, the Bill proposes to repeal the existing criminal law provisions replacing them with civil law provisions. Third, the Bill will substantially increase the maximum penalty for conspiracy designed to lessen competition. Fourth, bank mergers and agreements will be subject to the new law as will Crown corporations which compete with private business.

As I said at the beginning of my remarks, with the Bill now back in the House we are witnessing the combination of a democratic process that has involved discussion, consultation and a thorough review of the legislation at committee. The amendments accepted by the committee clearly indicate a commitment by its members to take into account the concerns of Members of this House and those expressed by individuals, groups and organizations. Because such reform is now long overdue, I want to assure Hon. Members, and particularly the Hon. Member for Papineau (Mr. Ouellet), and the business community, that the Government is prepared to put the merger provisions into effect when the Bill receives Royal Assent.

This Bill owes its effectiveness to the many who took a very active part in the reform process. The diligence of the Members of this House, of committee members and interested parties from all sectors has given us the potential to help ensure increased economic benefits for all Canadians. I now urge this House to support this Bill so that we may realize that potential as soon as possible.

The Acting Speaker (Mr. Paproski): Before I recognize the Hon. Member for Papineau (Mr. Ouellet), I would indicate to Members that there are some people here who would like to hear the debate that is going on. If Members have other conversations to carry on, would they please take them behind the curtain.

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I am pleased to rise in the House to deal on third reading with Bill C-91. During consideration of this Bill by a Parliamentary Committee, we have come to realize that beyond political differences, it is sometimes possible for a group of Members to work together to improve a legislation.

On behalf of my Party, at the second reading stage, I had indicated that, in my opinion, this Bill was not the appropriate response to the competition problems in the Canadian economy, but that we all agreed that this Bill was a step in the right direction and that it was certainly better than the current legislation. We said at a time that we would try to move amendments in Committee to improve the legislation.

In light of the efforts made in Committee, I must say that I was agreeably surprised by the Government and by the Minister and his Parliamentary Secretary in particular, because they have accepted a fair number of the amendments I have proposed on behalf of organization representatives, consumers or individuals interested in Bill C-91 who appeared as witnesses before the Committee.

In its final form, Bill C-91 is not perfect, but thanks to the amendments proposed and accepted, I am more convinced now that this legislation is superior to the existing one. Therefore, I strongly believe that we would act irresponsibly if, as Members of this House, we did not take this opportunity to approve this Bill and give Canada and Canadians a legal frameworks in the area of competition. That is why, as Members of the Opposition, contrary to what happened in the past, we are willing to help the Government and cooperate with it to expedite the adoption of this Bill.

My position is especially important because, throughout the consideration of this Bill, one of my greatest concerns was to ensure that the interests of small and medium size businesses, and above all those of Canadians consumers would be taken into account. Mr. Speaker, my extensive political experience, especially as Minister, former Minister of Consumer and Corporate Affairs, have convinced me that the current Minister of Consumer and Corporate Affairs (Mr. Côté) must have received additional representations from pressure groups, first of all on the Bill, and then during the study in Committee which saw the Bill being amended a number of times to reinforce its provisions.

I must state for the record that I am pleased with the attitude taken by the Minister of Consumer and Corporate Affairs. I want to congratulate him for standing up, and I want to tell the Minister to keep up the good works. I wish the Minister will not worry too much if he is assailed by people who are dissatisfied with the Bill, and indeed that he will not backtrack under pressures from some important pressure groups in Canada that might be a little disappointed at the passing of Bill C-91.

Especially, I ask the Minister not to backtrack because the legislation that will go through this House now will be sent to the Senate. This will be the last opportunity for large pressure groups to try and minimize the impact of the Act, and I hope the Minister will resist those last minute pressures.

• (1700)

To conclude, I would like to use my last remaining seconds to mention the most valuable help provided to me by some people. I would like to thank especially Mr. Mel Cappe, from Consumers and Corporate Affairs, who has been available, very open and very cooperative throughout the discussion of the Bill.

I would also like to thank Professor Stanbury, from the University of British Columbia, who for a number of years has been a leader in the analysis of this legislation in the academic community and who has inspired our work in Committee.

I would also like to thank Solicitor Gordon Kaiser, whose very important and worthwhile evidence has helped me in the consideration and preparation of the amendments to the Bill.

I must also mention the evidence given by Mr. Daniel Martin Bellemare, who is from the school of that great promoter of American consumers' rights, Ralph Nader, and brought to the Committee a refreshing point of view.

I also wish to thank Mr. Larry Wilson, who agree to give evidence and express the views of a member of a Commission responsible for examining the Competition Act and occasionally ruling on it.

I would have liked the Chairman or other senior members of the Restrictive Trade Practices Commission to give evidence on behalf of the Commission. Apparently this was impossible for a number of reasons, but, at any rate, I am grateful for the thrust and the quality of Mr. Wilson's evidence.

Finally I would like to say that as a Member I was asked on very short notice to replace my colleague from Saint-Michel—Ahuntsic (Mrs. Killens) who would have looked after this matter. I also got her assistant, Mr. Maurice Gingues, who works for the Member for Saint-Michel—Ahuntsic and who did not spare any effort to help me do my job. Mr. Gingues did not work with newspaper clippings as is often done, he did serious research and I must say he was of great help to me in drafting the amendments I introduced in committee.

I also want to thank Miss Carolyn Green of the Liberal Party research office who made an outstanding comparison between this Bill C-91 and previous Bills introduced by the Liberal Party on various occasions. This background work gave us a much better idea of Bill C-91.

It is rather interesting to note that, in many respects, the Bill we are about to adopt is much like the Bill our colleague Mr. Basford had introduced in the late 60s. Indeed I might sum up the main elements of that Bill, Bill C-256, which at the time met with strong opposition from business circles. What was this famous Bill all about? First, the transfer of offences related to monopolies and mergers from criminal to civil courts; second, the creation of a new tribunal empowered to prevent mergers and certain domineering practices of major companies; third, the registration of domestic mergers involving sales of more than $5 million at that time; fourth, provisions allowing exemptions for companies operating outside Canada and others which wanted to specialize their products on the domestic market; fifth, criteria related to the proceedings and the decision-making process of the Tribunal which would have been authorized to issue rulings before mergers or other potentially anti-competitive practices actually took place.

Those are some of the elements of Bill C-256 which I am glad to see today in Bill C-91, and others which 15 years later can still be described as being ahead of their time. Mr. Speaker, if over the years the Liberal Government was unable to pass legislation in the field of competition as it wanted to, it may be that at the time the Opposition was not quite as co-operative as we are prepared to be today. I am delighted about this historic moment when we will finally have competition legislation which deals with mergers, and particularly with the anti-competitive behaviour and practices of certain major companies, which have cornered the Canadian market.

I commend the Minister for his flexibility, I thank him for accepting several of the amendments introduced by the Liberal Party, and I can assure you that we will vote in favour of this legislation which, I believe, will serve the interests of the Canadian public, the Canadian consumers, small and medium-size businesses, in a word, in the best interests of the whole country.

• (1710)

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, when this Bill was brought forward it was given very lukewarm support by a number of organizations and individuals. After studying it they came to the conclusion that it was better than nothing and the law which had been in place for a number of years was really worth virtually nothing. When those organizations and individuals first looked at the Bill they said it was so bad they could not support it as it was then. Among those organizations were the Petroleum Marketers' Association, representing small business people in the petroleum business, and Professor Irving Brecher, a career student of competition law. However, as we heard testimony from witnesses appearing before the committee, particularly those putting forward the views of small business, there were some amendments which persuaded some groups to support the Bill even though they were not satisfied. We tried to support those groups by moving amendments which were proposed by the Consumers' Association, by Professor Stanbury, by the independent petroleum marketers, but unfortunately most of the amendments which we put forth on their behalf were turned down.

We were not surprised about that because the history of competition reform in Canada is, to say the least, a sad one. This Bill is the fifth attempt to get a Bill. The first four attempts were made by the former Liberal Government. Not one of them got to the House, not one of them was passed. The reason this happened was the powerful business and financial interests who have the most say—in fact some people would argue, with a good deal of merit, that they have more power and more decision-making say about what happens in this country than the Parliament of Canada.

We are not surprised that this Bill does not do as much as it should because we know that while the Conservative Party, before it became the Government, promised that it would consult very widely, in fact, when it came to this Bill the Minister's real consultations took place only with the Big Five; the Business Council on National Issues, the Canadian Chamber of Commerce, the Canadian Manufacturers' Association, the Grocery Products Manufacturers' Association and the Canadian Bar Association. What they wanted was essentially incorporated in this Bill. The proof of that is the fact that they really did not oppose this Bill as they had the other four Bills.

When we knew the Government intended to bring forth a Bill, we tried to persuade the Minister to have real consultation. We sent him a list of organizations with which he should consult. We sent him a list of seven academics who had done major studies of competition programs and competition policies and what was needed to be in the competition Bill. Their views were not really considered. They were not incorporated into this Bill. Any Member who disagrees merely needs to look at the record of the committee hearings.

The biggest missing factor, one which is of the utmost importance, is the question of conglomerates and mergers. These have been taking place at an accelerated rate. The Government, as far as I can see, has no intention to deal with this, despite the fact that there is no evidence that the mergers which have taken place add anything to the productivity of this country, add anything to new forms of production or add anything to increased employment. I say to the Government that we are bitterly disappointed with this Bill.

The Acting Speaker (Mr. Paproski): It is the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to and Bill read the third time and passed.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*Translation*]

REGIONAL INDUSTRIAL DEVELOPMENT

SUGGESTED GOVERNMENT INTERVENTION IN INDUSTRIAL DECLINE OF EAST MONTREAL

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie) moved: That, in the opinion of this House, the Government should consider the advisability of intervening in the matter of the industrial decline of the eastern sector of Montreal by designating the said area (Zone 4), and by granting contracts to Versatile-Vickers, Bombardier, C.S.W. and other endangered industries.

He said: As you have just mentioned, Mr. Speaker, this is a positive, not a negative motion. It invites all the Members of this House to ask the Government to help the people of Eastern Montreal who, for various reasons, have been affected by industrial closures.

First, I would like to give some background of the events in Eastern Montreal. Following the announcement of the closure of the Gulf refinery, of Bombardier, of the Vickers shipyards, of Canadian Steel Wheel, of Canadian Foundry, of SKD and of Daoust, and at the request of the Bombardier people and my colleague for Papineau (Mr. Ouellet), certain Liberal Members, including the Hon. Member for Saint-Denis (Mr. Prud'homme) and the Hon. Member for Mount Royal (Mrs. Finestone), accepted to support the Bombardier workers in their representations to the Government to obtain contracts and avoid the closure of their plant.

Being a responsible opposition and at the request of my colleagues, we indicated to the Bombardier employees and all the other workers that, to avoid their efforts being viewed only as a protest, a Survival Committee for Eastern Montreal should be established to oppose the closure of these seven plants and the loss of 5,000 direct and indirect jobs. This Survival Committee was created eight months ago. It has had seven meetings. Last week, at its seventh meeting, we looked at the economic situation in Eastern Montreal. I would like to note that the members of the Survival Committee are mostly workers, representatives of the employees of these industries, citizens, representatives of the industrial community, representatives of the commercial association of Sidac Masson, and Eastern Montreal politicians at the municipal, federal and provincial levels.

I would like to take this opportunity to congratulate the representatives of the workers, such as Mr. Chouinard, Mr. Baril from the Gulf refinery, Mr. Beaubien from Vickers and Mr. Dugas who represented the workers of Bombardier, Canadian Steel Wheel and Canadian Foundry. Thanks to the work and efforts not only of the Survival Committee, but most important, of the employees and employers of these industries, we were able to avoid the closure of Bombardier. Instead of 450 jobs, there are now 650 at Bombardier, and the possibility of 100 more.

At Canadian Steel Wheel, there are still 200 jobs, and at Canadian Foundry, 100. This last industry is threatened. I have some solutions to propose.

Unfortunately, as concerns Versatile-Vickers, as of last week, 300 employees had lost their jobs in the space of three weeks, and the union president told me that, by July, the other 350 jobs would have disappeared if the Government did not take action to provide shipbuilding contracts for the company.

As concerns the Gulf refinery, Mr. Speaker, I want to congratulate some of the Conservative Members for their efforts, but unfortunately, the refinery is now closed. The whole country saw what happened. We even saw a Minister resign because of the decision of the Government, and another Conservative Member of Parliament has recently decided to resign and sit as an independant.

Mr. Speaker, I would like to congratulate the Hon. Member for Rosemont (Mrs. Blais-Grenier) and the Hon. Member for Terrebonne (Mr. Toupin) on their dedication to the cause of helping the people of Montreal East.

Mr. Speaker, in looking back, if there had been no intervention by anyone at all in the case of Montreal East, we would have lost 2,370 jobs outright. We have been able to save or prevent the loss of 1,500 jobs which are still there today.

• (1720)

Regarding the matter of the Gulf refinery, Mr. Speaker, we owe a special word of thanks to the Government of Quebec and its Minister of Natural Resources (Mr. Caccia) who, immediately after the federal Government's negative reaction, was alone in taking a positive stance and making representations to management, and at this very moment, there is a possibility of preventing the loss, of saving 100 jobs, and further negotiations are going on to save another 150 jobs.

Mr. Speaker, that is the situation today. In my speech this afternoon, I am speaking on behalf of the citizens of Montreal East, of several Members and municipal councillors from Montreal East and of the Liberal caucus—I am reminded of this by my hon. friend from Saint-Denis (Mr. Prud'homme). I must say that at our last meeting, everyone agreed that as far as Montreal East was concerned, the federal Government had failed.

Regional Development

Mr. Speaker, I could spend all my time criticizing and looking at what happened in the past. However, I don't think the 300 employees at Versatile-Vickers, and all the other employees at Gulf and Bombardier who want to save their jobs, want us to make political speeches just to say whose fault it was and when we lost the most jobs.

Mr. Speaker, I think the Government will have an opportunity in the weeks and months to come to set up a form of assistance for Montreal East. First of all, we know that the Government of Quebec is going to announce an enterprise zone for Montreal East. Unfortunately, Mr. Speaker, although the Quebec Government's plan is excellent, if there is no coordination with the federal Government's decision to designate Montreal East as Zone 4 and a designated area, and the efforts of the federal and provincial Governments and also the municipal Government—

Mr. Speaker, this kind of program could be announced and made available to businesses in Montreal East, with the possibility of creating up to 6,000 jobs. Subsequently, it could be used as a pilot project. Then we could assess it, and perhaps Montreal East would become what it was before, and get back to normal.

Mr. Speaker, I know that later on, the Hon. Member for Joliette (Mr. La Salle) will speak in this debate, and I am delighted to see that in this important matter, the Government has called on one of its big guns, instead of merely hotting out one of its backbenchers. I dare hope that through the intervention of the Minister of Public Works, whom I hold in high esteem, the Federal Government will be able to announce concrete measures before the beginning of the Montreal Economic Summit. The first concrete measure would be to designate the Montreal East area as a "Zone 4". The second would be to make sure, as promised by the federal Minister of Supply and Services (Mr. McInnes), to advance the date in 1986 and to award the contract for repair of the *Algonquin* ship under the Trump Program, to a Montreal firm as early as November 1986. These are promises which the Minister has made here to the employees.

Mr. Speaker, I think also of another commitment which the Minister should confirm, namely, that the Government will ensure that contracts for the building of railway engines are awarded to the Bombardier company in Montreal East.

As to the negotiation with Gabon—yes, Mr. Speaker, I have still two minutes left—Gabon and Mexico, the employee representatives were telling me that we are not hearing any more news concerning this.

But why the "designated area", Mr. Speaker? It is to make sure that, if the Bombardier firm must adapt in order to change its orientation and vocation, the Government may grant it additional moneys to do so.

Mr. Speaker, together with my colleagues the Hon. Member for Saint-Denis (Mr. Prud'homme), the Hon. Member for Papineau (Mr. Ouellet), the Hon. Member for Mount Royal (Mrs. Finestone), the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano) who is not here now and even my colleague the Hon. Member for Shefford (Mr. Lapierre), we have worked for eight months on the Montreal East dossier. I want to thanks for their assistance members of the Quebec National Assembly, both from the Parti Quebecois and Liberal Party: there was no conflict there. On the other hand, I am sorry to report the only conflicts which existed within the committee were between Progressive Conservative Party Members. First of all, there was one between the Hon. Member for Montreal—Mercier (Mrs. Jacques) and the Hon. Member for Duvernay (Mr. Della Noce) and the Hon. Member for Terrebonne (Mr. Toupin).

Mr. Speaker, I was talking today with two Hon. Members, one Progressive Conservative, and one who is now sitting an Independent. It will be necessary for the survival committee to transform itself into an affirmative development committee for Montreal East, including all interested parties. I can assure you that today all these people were in agreement, and I hope that the Hon. Member for Joliette (Mr. La Salle) will be able to announce in a few minutes that there will be concrete action for the development of the eastern sector of Montreal: Designated area, contract for the Versatile-Vickers yards and contracts for Bombardier. Mr. Speaker, the time at my disposal has expired.

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, I am not going to hide the fact that I am interested in the motion put forward by the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart). I am always anxious to congratulate Hon. Members who take an interest in their own areas. At the same time, I would like the same Members to have a more comprehensive view of the help that may be provided to our own areas, our respective constituencies, within the overall picture. Sure enough, it may be easier to condemn the Government of the day. That is a role I played for a long time. I very well remember that, on occasion, solutions are much harder to come by. This is something I remember, and surely the Hon. Member for Papineau (Mr. Ouellet) knows what I mean.

Mr. Speaker, what is important in my view is that each and every Member of Parliament, whatever his constituency, will try and exercise objectivity as to the interests and responsibilities that were placed upon us by the people's choice at a certain point in time.

Mr. Speaker, it is tempting of course for a Member of Parliament occasionally to reach beyond the limits of decency in the remarks being made here in this House. If one wishes to make a quick little exercise that does not go too far back, one will realize it is not easy for the Government at this point to satisfy the appetites of the entire population. It is also clear, as the Hon. Member for Montreal—Sainte-Marie will agree, that he has just as much as I do, an obligation to support a rationalization of expenditures, a reduction in the deficit that cannot but create for instance much more serious problems than the ones we are facing now.

The financial conditions which we inherited from the previous Government is forcing us to ask the people of this country to make certain sacrifices to restore lost wealth and redistribute it more evenly among needy ridings.

I understand quite well the situation of Montreal East. I also understand quite well the areas where, for instance, unemployment exceeds 20 and 25 per cent. We could of course designate areas throughout Canada but it is not always the most effective solution.

As far as Montreal East is concerned, if we are to be somewhat unbiased, we will admit that this Government has made tremendous efforts throughout the metropolitain area of Montreal. Members of Parliament are not always involved in such things.

Personally, I could also complain that I have not seen any plant providing 1000 or 500 jobs spring up in my riding during the past 16 or 17 months. No. However, I am pleased to see today that close to 700,000 jobs have been created by the private sector in Canada. Jobs have been created in the various provinces. The Greater Montreal area has not been neglected, Mr. Speaker. Quite the contrary. I do not blame the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) for reminding the Government of its responsibilities or for seeking help for his riding. Yet, I should like him to possibly recognize that the private sector which is now playing the part it should have played all along, has created between 600,000 and 700,000 new jobs across Canada. Montreal has not been forgotten because, as the Hon. Member will certainly recognize, unemployment in the Greater Montreal area alone has decreased by 1.2 per cent. Over 100,000 new jobs have been created in the province of Quebec and, I believe, 39,000 in the Greater Montreal area.

Also, a number of important projects have been announced. We have demonstrated our interest for Montrealers, especially those residing in the eastern section, by setting up an interdepartmental committee, chaired by the President of the Treasury Board (Mr. de Cotret). I know my colleague wanted to reply personally to the Hon. Member for Montreal—Sainte-Marie, but because he was prevented by his outside obligations from doing so, I have agreed to try and reply objectively to the remarks made by the Hon. Member for Montreal—Sainte-Marie and possibly reassure Montrealers by saying that we hope we can reduce further the unemployment level, something we have already managed to do.

Mr. Speaker, it is difficult for this Government—and I hope the Hon. Member for Montreal—Sainte-Marie will remember that—to accept lessons from an Opposition which will go down in history as responsible for losing 100,000 jobs a year over the past 15 years.

• (1730)

Mr. Speaker, I do not want to be malicious and I certainly do not want to be accused of partisanry, but there are some things which should be said, and the hon. Member for Saint-Denis (Mr. Prud'homme) will know what I mean. Certain things have to be said. We have had some results. For many years, we had a Government which I have reason to remember and which I saw myself in this House for at least 18 years except for nine months, and during that time, the number of unemployed increased to 1.5 million. I think that Montreal and especially the eastern sector suffered under the previous Government. The hon. Member for Montreal—Sainte-Marie speaks about certain industries, such as Canadian Steel Wheel or Foundry, and says that there are only about 100 or 200 jobs left in these industries, but I must say that, according to my information, the number of jobs had already begun to go down 10 years ago.

It is therefore not the fault of this Government which, for nearly 17 months, has being trying every day to correct the mistakes made by the previous Government. In spite of all that, Mr. Speaker, the Opposition even tries to suggest that we are causing problems for the elderly and that we are not sensitive to their needs. That is shameful and indecent.

In view of all this, Mr. Speaker, I say once more that I am quite glad that this Government is my Government, that it can claim to have created over 600,000 new jobs, brought interests rates down lower than since 1979, I believe, succeeded at bringing down inflation to under 4 per cent, had the confidence of businessmen as shown by the present level of investment and opened up to the private sector.

Last February, if I may give a few examples to the hon. Member for Montreal—Sainte-Marie since he has forgotten to mention them, and I know that it was an involuntary omission on his part, our Government announced two important investment projects which will create 2,500 jobs in the high technology sector at Pratt and Whitney and SPAR Aerospace.

An Hon. Member: That is on the south shore.

Mr. La Salle: It is not far from Eastern Montreal to the south shore, Mr. Speaker. I know people in Joliette who work in Montreal. In fact, they are quite happy to do so and I am happy for them.

In those circumstances, although I am not saying that the invitation by the Hon. Member for Montreal—Ste-Marie today is a negative step, I simply wish to insist, Mr. Speaker, that for the past 17 months we have been busy redirecting our economy and putting Canada back on the road to prosperity, as well as restoring the status that Montreal had lost under the previous administration.

For instance, Mr. Speaker, when the head offices started to move from Montreal, it was not the Progressive Conservative Party that ruled—

Mr. Ouellet: It was your Péquiste friends.

Mr. La Salle: —and some people even revelled in labelling Ottawa "French power". Well, Mr. Speaker, that "French power" is what caused those head offices to leave—

An Hon. Member: Right on.

Mr. La Salle: And the Hon. Member for Papineau remembers vividly the problems he faced at the time, which he was unable to control, and which caused Montreal to lose its metropolitan image. That is not the result of the present Government's action. We made a commitment, and these will be my final words, the Prime Minister of Canada pledged first to restore communication between Quebec and Ottawa, and that has been achieved, Mr. Speaker, there is a renewed sense, among a majority of Quebecers, of faith in a Federal organization which is not only generous, but also respectful of every part of Quebec including Montreal East. Those commitments were carried through and will be carried forward, and I trust the Hon. Member for Montreal-Ste-Marie will eventually want to congratulate us for what we have done for the great Metropolitan Montreal.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I appreciate the eloquence of the speaker who has just resumed his seat but, just the same, I will point out to him that it is always the privilege of a newly elected Government to blame the previous one for the problems it has inherited. However, this Government has been in power for 20 months now and even if the problems of east-end Montreal cropped up under the Liberal Government, the problems in the shipyards, in the textile and other industries now on the wane, have continued, Mr. Speaker, under this Government and I can tell you that even if some jobs were created in Canada since September 1984, they were not created in Montreal.

Today, in Toronto, the unemployment rate has dropped to 5.4 per cent and in Ontario to 6.8 per cent. Those are fine results for Ontario, but in Quebec the unemployment rate is still at 11 per cent and even in Montreal the great metropolis of Quebec, the unemployment rate is about 15 per cent and it is still higher in east-end Montreal. This is why we see that in the polls, in spite of their 56 or 57 members in Quebec, the Tories are falling in the good opinion of Quebecers. Today, the SORECOM poll indicates that if an election were held now, a great percentage of Quebecers would vote for the Liberal Party, but 30 per cent of Quebecers would vote for the NDP and 28 per cent for the Conservative Party. They have fallen back to the third place in spite of their 57 members and this shows the failure of the Conservative Government to deal not only with the economic development of east-end Montreal, but also with that of the entire province. They lack capability and it hurts, Mr. Speaker. Where are those strong cabinet members responsible for defending Quebecers? Where are the powerful men and women in the Cabinet needed to create the economic policies, to restore Quebec's economic health? As a matter of fact, Mr. Speaker, instead of helping the economy east-end Montreal the Conservatives are hurting that economy. Looking at the economic structure of that major area of our largest city, we see that shipyards, textile and footwear industries and refineries are very important to that area's industrial base. What have the Conservatives done for refineries in Montreal? They shut down the Gulf refinery. What did they do with the footwear industry? They opened the doors to all sorts of imports, to the prejudice of the Quebec footwear industries, including those in east-end Montreal. What did they do for the textile industry? For the textile industry, Mr. Speaker, they did nothing. They put off acting on all requests made by the clothing and textile industry for a policy that would guarantee a certain percentage of that market to Canadians. Here is an industry that is centered mainly in the Province of Quebec. It provides 20 per cent of all manufacturing jobs in Montreal.

I toured that industry in Montreal and I can state that despite a general improvement in Canadian industry, despite a certain reduction in the unemployment rate in Canada, here is an industry that is still completely depressed in Montreal. What are the Conservatives doing with all those Members from Quebec? Nothing at all.

The former Minister of Regional Industrial Expansion had promised us a policy. This Government has now been in power for 21 months, and it has had nothing to announce. The Minister of Finance, and the Minister of Regional Industrial Expansion are fighting hard within the Cabinet, and nothing has come out to ensure the survival of that industry that is so important for all Quebecers, especially for the Montreal area.

With respect to shipyards, the motion put forward by my friend for Montreal—Sainte-Marie (Mr. Malépart) said the repair contracts should be granted to the Versatile Vickers shipyard in Montreal. But the Hon. Member for Montreal—Sainte-Marie ignores the fact that there are also concerns for the future of that important industry in Quebec and Sorel. I personally went to Sorel last Thursday, and I met workers there. I toured that important shipyard that has been serving Canadians for 50 years.

I wonder what criteria this Government used in deciding on the future of a major industry where employment has dropped 50 per cent in two years: from 14,000 to 6,500 employees. On whom was the future of the industry to depend? On Mr. Peter Paul Saunders, President of Versatile-Vickers, who lives in Vancouver, is not part of the Quebec industrial *milieu* and who owns two of Quebec's three shipyards, Marine Industries being the third. I put the question to the Minister today: Why didn't Mr. Saunders talk to the directors of Marine Industries, since it is the other shipbuilding company? I did not get an answer, Mr. Speaker. Instead of simply awarding a contract to Montreal East, we must have a policy that will provide for a Canadian merchant marine and employment for all our shipyards, not just those in the province of Quebec. But this Government is not doing a thing.

Did they meet the sacred and solemn commitments made by the Prime Minister during the election campaign in August 1984? they did not. They ignored all the promises they made to this major industry.

Mr. Speaker, this is a very sad story. The Minister who just spoke gave the House the assurance that he was delighted a certain number of jobs had been created in this country. For Quebecers, however, those jobs are elsewhere. They are certainly not in Montreal East. He said they created 100,000 jobs in Quebec, but Quebec has a job creation rate one half the rate in the rest of the country. Montreal's job creation rate is also much lower than the rest of the country's. He said they were going to create 2,500 jobs in the hi-tech sector at SPAR Aerospace and similar companies. He ignores the fact that shutdowns in Montreal East have cost us 5,000 jobs and that the jobs being created now do not pay as well as the jobs that are disappearing. People who were working for $10, $12, $14 and $15 an hour in industry are now working at MacDonald's, in restaurants, and in the tourist sector, jobs that are not negligible but only pay $6, $7 or $8 an hour. That is the future for Montreal under this Government.

Mr. Speaker, as I said earlier, it is a new Government's prerogative to censor the previous Government. However, this is no longer a new Government. This Government had the responsibility of changing Quebec's industrial future, of changing a situation where historically, under the Liberals, Quebec was always ignored because of the focus on the Golden Horseshoe in Southern Ontario. This must change. Quebec must become a truly equal partner with the rest of the country, and especially with Ontario. I say this as a former leader of a provincial party in Ontario and as a Member from that province. And I believe this strongly and sincerely.

I also want to remind everyone in the House that our Party has developed policies especially for Quebec and that this is why the latest polls put us in second place in Quebec, in front of the Progressive Conservatives. After the next elections, our Party will have representatives in this place to defend the workers of Eastern Montreal and all Quebec.

Many Conservatives will be defeated because of the failure of their Cabinet to defend the interests of Montrealers and Quebecers.

Hon. André Ouellet (Papineau): Mr. Speaker, it gives me pleasure to take part in this debate to support the motion of my colleague for Montreal—Sainte-Marie (Mr. Malépart).

Some Hon. Members: Ha, ha!

Mr. Ouellet: It seems obvious that the Conservative Members who are now laughing on the other side feel no responsibility to the people who are now unemployed in Eastern Montreal and who have been asking this Government to take action for weeks.

Mr. Tremblay (Lotbinière): We certainly did not learn responsibility from you!

Mr. Ouellet: I see that the Hon. Member for Lotbinière (Mr. Tremblay), who has become an expert in fisticuffs, is trying to intervene on our behalf—

Regional Development

Mr. Tremblay (Lotbinière): Question of privilege, Mr. Speaker!

The Acting Speaker (Mr. Paproski): I am sorry. Is the Hon. Member rising on a point of order?

Mr. Tremblay (Lotbinière): Yes, Mr. Speaker.

• (1740)

[*English*]

The Acting Speaker (Mr. Paproski): Is the Hon. Member who is rising on a point of order in his seat? Order, please. If the Hon. Member has a point of order he must return to his own seat to raise it. The Hon. Member for Papineau (Mr. Ouellet).

[*Translation*]

Mr. Tremblay (Lotbinière): I understand, but if I may explain—

Mr. Ouellet: Mr. Speaker, I see that some Conservative Members are trying to waste the time allotted to us to discuss a most important proposal which concerns the interests—

Mr. Tremblay (Lotbinière): On a point of order, Mr. Speaker!

The Acting Speaker (Mr. Paproski): The Hon. Member for Lotbinière on a point of order.

Mr. Tremblay (Lotbinière): Mr. Speaker, when one refers to a sense of responsibility and one has occupied a chair . . . and one has exercised . . . in such a way, one should not allow oneself to do that.

In addition, Mr. Speaker, making such obvious innuendos—

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member . . . Order. Order, please. Enough is enough—

Mr. Tremblay (Lotbinière): I may not be as sophisticated as the Hon. Member for Papineau (Mr. Ouellet) but—

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. Would the Hon. Member resume his seat, please.

That is a point of debate; it is not a point of order. The Hon. Member for Papineau.

[*Translation*]

Mr. Della Noce: A point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The Parliamentary Secretary to the Minister of State (Fitness and Amateur Sport and Multiculturalism) (Mr. Della Noce) on a point of order.

Mr. Della Noce: Mr. Speaker, perhaps you did not hear what the Hon. Member for Papineau (Mr. Ouellet) just said, but it is a low blow and he is intelligent enough to know what he is doing. He must withdraw his remarks!

Regional Development

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. The Chair understands. There has been calmness in the Chamber today. I understand that there can be very heated debate at this time of the day. However, I would like the Hon. Member to know that what he raises is still a point of debate and not a point of order. As long as language that is unparliamentary is not used then that is fine. However, if the Hon. Member starts to use unparliamentary language, then I will bring him to order.

This is Private Members' hour and Hon. Members are wasting their own time. The Hon. Parliamentary Secretary will have the floor next. I am at the disposal of Hon. Members. However, I would appreciate very much if Hon. Members would be calm and enter into debate as it should be entered into. The Hon. Member for Papineau.

[*Translation*]

Mr. Ouellet: I appreciate your understanding, Mr. Speaker, and I hope these untimely interventions will not be included in my allotted time.

I was saying that the motion of the Hon. Member for Montreal—Sainte-Marie—

Mr. Tremblay (Lotbinière): We do not all act the same way. What do you want me to tell you? The Member for Montreal—Sainte-Marie (Mr. Malépart)—

Mr. Ouellet: There must be something wrong with the Member for Lotbinière. Mr. Speaker, I was saying that the motion clearly urges the Government to consider the advisability of intervening in the matter of the industrial decline of the eastern sector of Montreal by designating the said area (Zone 4), which would promote economic development and job creation in that area which has been severely affected ever since the Conservative Party took office. This would also make it easier for Versatile-Vickers, Bombardier and C.S.W. to land contracts. Since the Conservatives took over these companies have not been awarded contracts as they used to get from the federal Government.

Now it is unfortunate that the President of the Treasury Board (Mr. de Cotret), who is supposed to be the Minister in charge of a committee which will be asked to find solutions to the problems in east-Montreal, is not here today to take part in this debate. I deeply sympathize with the Minister of Public Works who at the last minute has had to uphold an indefensible cause. It is obvious that the Minister is always away when there is a difficult problem to be solved. We know it. He was not in Montreal when his colleague announced the closing-down of the Gulf refinery in east-end Montreal. The President of the Treasury Board was absent then and again today while my colleague from Montreal—Sainte-Marie is raising in the House a very important point. The President of the Treasury Board who should be looking after that case is away.

I can understand why he is not here and why his colleague, the Minister of Public Works is left to defend the case because he did not give him the information he needed. The Minister of Public Works has just stated in reply to my colleague from Montreal—Sainte-Marie: "You have forgotten a ratten important contract granted in east-end Montreal which will solve the problem." He was referring to that small grant given to Pratt & Whitney and to SPAR Aerospace Now SPAR Aerospace has contradicted the Minister when the announcement was made, as the Minister of State (Small Business) (Mr. Bissonnette) was bragging and trying to make us believe that hundreds of jobs would be created with a grant which had only been extended under a number of programs set up between SPAR Aerospace and the former Liberal Government. Indeed, that grant had nothing to do with the program and the problems existing in east-end Montreal, as everybody knows. I see the Hon. Member for Vaudreuil (Mr. Cadieux) is here. That important industry is not in east-end Montreal, but rather in west-end Montreal.

I am very pleased that this Conservative Government has continued those grants to SPAR Aerospace, which is located in west-end Montreal, and to Pratt & Whitney which is located on the South Shore, because in both cases that program was initiated under the previous Liberal administration and deserves to be maintained. But what they failed to honour is the series of promises made by the previous Government to companies in east-end Montreal. My colleague for Montreal—Sainte-Marie is perfectly right when he suggests that Bombardier and Vickers were betrayed with the cancellation of agreements that existed under the previous Liberal Government. Because the Liberals ensured that the three Quebec shipyards would be granted contracts, that we would help the Lauzon shipyard, the Sorel shipyard and the one in Montreal, the Versatile Vickers shipyard in east-end Montreal.

But the promises made by the previous Government to the Vickers' workers in east-end Montreal have not been honoured by this Conservative Government. The same goes for Bombardier. And with respect to that industry, which went into operation early in this century, which has always been granted locomotive building contracts, which has always been awarded contracts by the Government to provide employment for hundreds of specialized workers, both at Bombardier's and the forge or the foundry, never in the past did a Canadian Government abdicate its responsibilities toward those companies, those specialized workers.

What we say is that the Conservative Government does not have a procurement policy in the area of transportation. We say that the Conservative Government tried to stop committing funds to support the purchase by Crown corporations, the Canadian National, VIA Rail, of the locomotives and the rolling stock which would enable employees in Montreal East to work in dignity.

The Minister of Public Works (Mr. La Salle) may find some comfort in a long speech in which he tells us that many jobs were created in Canada, but he should keep in mind that because of the lack of action of his Government in Montreal East, one Minister, one of his colleagues, resigned from the Conservative Cabinet and one Hon. Member from Montreal East does not sit anymore as a Conservative.

In conclusion, I will say that I am somewhat surprised to see the Hon. Member from the New Democratic Party realize all of a sudden, at the last second, at the 23-rd hour, that he has an interest for Quebec. The Hon. Member from Ontario who spoke before me cannot deceive us, Mr. Speaker. His new-found interest in this issue does not suit the legitimate aspirations which were so well represented by the efforts of this committee for the survival of Montreal East under the able leadership of my colleague for Montreal—Sainte-Marie (Mr. Malépart), who is a real advocate and a true representative of the workers from Montreal East. I trust much more the Hon. member for Montreal—Sainte-Marie than—

• (1750)

[*English*]

—than late-coming members of the New Democratic Party from Ontario.

[*Translation*]

Mr. Vincent Della Noce (Parliamentary Secretary to Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, I am also pleased to talk about the motion of my colleague from Montreal—Sainte-Marie, but first of all, I must make a remark that I have not had an opportunity to make earlier. I heard the Hon. Member for Papineau (Mr. Ouellet). I have heard the reply made by the Hon. Member for Joliette (Mr. La Salle), our Minister of Public Works. I have also heard the remarks made by my colleague the Hon. Member for Papineau, and although I must confess that his ending was very good he does not nearly measure up to our Minister of Public Works, because he started with a very cheap shot by directing that kind of innuendo to one of my colleagues who might have had a small personal experience which does not concern the House at all and of which they should like to make a sort of scandal.

That is unfortunate, Mr. Speaker, because the issue which was raised today is that of Montreal East. I am quite willing to deal with the situation in Montreal East generally, and especially with a problem which I know very well, that of the refineries in Montreal East, including the Gulf refinery.

Mr. Speaker, I have been involved for several years in the Montreal East area. I have organized groups too, just as my colleague the Hon. Member for Montreal—Sainte-Marie has, and that does not go back only to 1984, but as far as 20 years ago. I have also witnessed the closing of several refineries in Montreal East. There have been 13 refineries closed in Canada. The Gulf refinery, unfortunately, was the 13th.

• (1800)

The Texaco refinery closed in February 1983. The BP refinery closed in June 1983. The Esso refinery closed in October 1983. The Gulf refinery closed very recently, and nobody is talking about that anymore. I wonder where was the Hon. Member for Papineau (Mr. Ouellet) who is blaming us for being the champions of inaction. Where was his Party in 1983? Was not his Party in power while 12 refineries were being closed in Canada? Where was the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) when the last refinery, the Texaco one, closed in 1983 and we asked for his help? He even refused to come and see us. Where was the Hon. Member for Saint-Denis (Mr. Prud'homme)? Where was the Hon. Member for Papineau (Mr. Ouellet)? I suppose he was playing golf, because I had seen him playing golf at the time. He does not hit with his fists, he prefers to hit balls, that is his choice and I respect that.

But while the Texaco workers were losing their jobs, the Party which was in power before us was totally inactive and the Hon. Member for Montreal—Sainte-Marie was not silent: he was mute, it was absolutely impossible to have him speak out. Yet, today, he speaks out and he is worse than Mr. Pavarotti: His tenor voice can constantly be heard all over Montreal East.

Mr. Speaker, there was recently a television program called *Le Point* originating in Montreal. There was there one of their colleagues or former colleagues whom they have lost as we did, but this colleague preferred to resign: I mean Mr. Jean Chrétien, the former Liberal Minister of Energy, Mines and Resources. Well, on that program entitled Le Point run by the French network of CBC, Mr. Chrétien clearly acknowledged that the closure could be anticipated several years earlier. He acknowledged that on the CBC television program Le Point, which has to be one of the serious programs of the French network of CBC.

Also in Montreal East, Mr. Speaker, we had those famous grants offered by the Government to convert heating systems into electrical or gas heating systems. I was one of the victims of that advertising campaign. I got $1500 to remove my oil system and get connected to the famous James Bay network. So I went for James Bay, without thinking that some day as a result of that a friend of mine, a citizen of Duvernay, would lose his job because the Gulf Company would close down. The Liberal Government had not warned us about that aspect of our grants. At the time, they also said: save energy.

Mr. Speaker, as you know, I was a mechanic for 20 years. They told us: The famous 450 cubic inch gaz guzzlers are no good anymore, they are too big, we have to buy four cylinders. Instead of getting six miles per gallon, you will be doing 40 miles per gallon, and we did. There was a tremendous advertising impact. We were told: Let us no longer depend on the Arabs for our heating, let us get plugged on the James Bay project, one of the largest in the world. And so we did. Now today, Mr. Speaker, we have a declining market, we have a market where offer and demand are lower than they used to be, and that is the price we have to pay for that kind of things. In English, they say: "You can't have it both ways". Well, Mr. Speaker, this is the price we have to pay for our industry. They also say that in this respect, we need strong medicine and not superficial medication, and it is well-known that strong

medication is often the most bitter to swallow. I remember when my mother forced me to gulp down syrup that tasted almost like poison, but I was cured by the next day. That was probably one of the best medications ever. Eating sweets solves nothing! But my colleague may have forgotten that back in 1975, 41 refineries were in operation in Canada. Today, unfortunately, or fortunately for those who have hydro power, fortunately maybe for Mr. Bourassa, there are 28 left out of those 41. There are only 28 refineries left in Canada.

Mr. Speaker, when those refineries closed down, the Progressive Conservatives were not in power. In 1980, the Gulf refinery in Point Tupper was closed; in 1978, the Texaco refinery in Port Credit, Ontario; in 1976, Petro-Canada in Newfoundland; in 1984, Texaco in Edmonton, Alberta. We also had Ultramar in 1983. In Calgary, the Gulf refinery closed down in 1983; in Saint-Boniface, in September 1983 . . . Shell in July 1983. Yet in 1983, the Progressive Conservative Party had not yet won the elections, it was still campaigning. It was trying to set up a team and win the elections.

Mr. Speaker, I would have a lot to say about the Gulf case. I could go on for at least two hours. Let me tell you about the famous survival Committee of East Montreal which my colleague appropriately set up. I attended its meeting several times.

An Hon. Member: Once!

Mr. Della Noce: Twice. My colleague for Montreal—Ste-Marie is wrong once again, Mr. Speaker. He says: Once. But it was indeed twice. What happened then? My colleague has darn good ideas, but he has a big drawback, he always invites convenient people. He never invited anyone else but unions. That workers are losing their jobs is a sad thing. Unions have their way of looking at things, and I respect those ways. And we cannot reflect other cases were 300 jobs, or maybe 200 when the case is over, are lost, or maybe even no jobs will be lost when everything is settled. But anyway, in this refinery, they lost 2,000 jobs. What happened? There were unions, friends, Liberal Members. My colleague the Hon. Member for Saint-Denis (Mr. Prud'homme) joined us. There was the other one from Shefford (Mr. Lapierre) who came to help the Minister with his coat. That was a nice show on TV. It was all on TV, Mr. Speaker! Great fun! But they forgot one guy, they forgot two guys. They forgot the one who was supposed to buy the Gulf refinery, who was supposed to bring in $120 million, who promised me and my colleague the Hon. Member for Terrebonne (Mr. Toupin) on that night, on TV, in front of the Chairman of my caucus, the guy who said: Yes, we will provide $120 million. But no, at the last minute, they failed us. So they were never invited, but they say they have a buyer. Even journalists were in on this and never told the truth. They do not know the truth. My colleague has forgotten why I was the only one from this side and that I believed I was on the right side because nobody else but me held the truth. My colleague forgot to invite the person who was supposed to buy. There was no buyer for Gulf. That is the truth! My colleague knows it too well. Come on! I know my time has expired, Mr. Speaker.

● (1805)

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I think that throughout the debate we have heard discussed almost everything else but the motion of our colleague the Hon. Member for Montréal—Sainte-Marie (Mr. Malépart) who moved, and I urge the House to listen attentively to the motion since we will be voting on it at the end of the debate:

> That, in the opinion of this House, the Government should consider the advisability of intervening in the matter of the industrial decline of the eastern sector of Montreal by designating the said area (Zone 4), and by granting contracts to Versatile-Vickers, Bombardier, C.S.W. and other endangered industries.

That is what we are talking about, Mr. Speaker. That is the issue to which my colleague and friend from Montreal—Sainte-Marie has been devoting himself. He was first chosen by the people of eastern Montreal and he had the absolute confidence of the caucus he represents here, that of Montreal and the province of Quebec. We asked him to organize all those survival committees and he did it, not in a partisan spirit, but in order to save what we consider as one of the most important things: eastern Montreal. What does that area mean to us, Quebecers? I know the member of the New Democratic Party, a newcomer, as my colleague the Hon. Member for Papineau (Mr. Ouellet) said, does not understand what it represents for us, Quebecers and Montrealers.

I will always remember, and you probably remember it too, Mr. Speaker, the speech that Mr. Marchand delivered in this House when he was a Member and a Minister. He said that we must realize that Quebec is not only a different province, but also that its economic heart is in Montreal. When Montreal does not work, the whole province suffers, because there is, in Quebec, a tendancy for the rural population to come to Montreal. When they come to that city, and I say it without malice, they do not settle in the West end. I know that there is, presently, a revival in some industries, but it is mainly noticeable in the Western part of the city. My riding covers part of Montreal East and also some of West Montreal, so I am in a very good position to know what is happening.

When my colleague from Montreal—Sainte-Marie (Mr. Malépart) is spending all this time and effort on defending the interests of Montreal East, his concern is the thousands of workers who cannot be retrained. Never in all my life, and I say this quite frankly, though it may be a little embarassing, was I so profoundly moved as when, with my colleagues from Saint-Léonard—Anjou (Mr. Gagliano), Mount Royal (Mrs. Finestone) and Papineau (Mr. Ouellet), I met with all these workers from Montreal East. We saw the despair on the faces of these people when they asked: Are you going to help us? We were born in Montreal East and that is where we belong. Don't try to give us other jobs in West Montreal, don't try to move us south of Montreal. Our lives are here. You have to understand the people of Montreal East. I do, because I live there, but perhaps not as well as my colleague from Montreal—Sainte-Marie who is right in the centre of it.

But I want the House to understand, I want my colleagues ... but I see that there is only one Member, and I will not refer to him by name, but I would have liked to see all Government Members from Montreal in the House. I see one Member whose riding is on Montreal island, and I wish him good luck in this summer's Cabinet shuffle. I know he is in the House, he is the chairman of the Quebec caucus. But I would have liked all my colleagues, all the Government Members from the east-end of Montreal to be here since we are talking about the survival of our region.

Mr. Speaker, I want to tell you that if this House does not understand, if the Government does not understand, I, for one, did understand how those workers felt when I met with them. I could read in their eyes the fear of losing their jobs. After meeting with these labour leaders we were painly aware of the problems which exist in the east-end of Montreal.

Mr. Speaker, before closing because I will cut my remarks short, I want to tell you, that I am ready to read again the motion and to sit down with my colleagues and invite them to say: That, in the opinion of this House— we should take this measure.

Mr. Speaker, I will read again the motion, and I call on all my colleagues on the Government side to join me in saying:

That, in the opinion of this House, the Government should consider the advisability of intervening in the matter of the industrial decline of the eastern sector of Montreal by designating the said area (Zone 4), and by granting contracts to Versatile-Vickers, Bombardier, C.S.W. and other endangered industries.

I invite them, Mr. Speaker, to join us in a unanimous vote, to say "yes", we hope, and I ask them to immediately say: "Yes, we want it!"

• (1810)

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister for External Relations): Mr. Speaker—

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member, but the period provided for Private Members' Business has now expired. Pursuant to Standing Order 42(1), the order is dropped from the Order paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

EXTERNAL RELATIONS—SIZE OF POLISH CONSULATE IN ETOBICOKE—LAKESHORE

Mr. Patrick Boyer (Etobicoke—Lakeshore): Mr. Speaker, the issue I want to raise in this adjournment debate stems from a question I asked in this House on April 24. I asked the Minister for External Relations (Mrs. Vézina) whether, in light of current construction, doubling the size of the Polish consulate located in Etobicoke—Lakeshore, even though no apparent reason exists to justify this increased activity, she could inform the House if the Government of Canada had authorized any increase in the number of Polish government representatives accredited to work at this consulate. The answer was straightforward and simple, to the effect that departmental staff requirement assessments are based on two criteria, namely reciprocity and assessment of needs.

• (1815)

As to the consulate mentioned, the Minister said in reply that a recommendation had recently been made that one Toronto consulate position be transferred to a Montreal consulate. If the Government supporting Members in this House had the opportunity to put supplemental questions, the obvious supplemental question on that day would have been: "Well, if, in fact, there is one less authorized position at the Polish consulate in Toronto, then why has it been necessary to more than double the size of those consular facilities?" I know what the answer is, and I raise this with all the sobriety and seriousness that the situation warrants.

The reason is that in this world Canada does not stand alone, but is subject to international pressures. There are Governments that seek on a daily basis to spy on activities in this country. The Soviet bloc countries, in particular, are actively engaged in espionage activities. The Polish consulate in my riding is a prime example of how this issue comes home.

Let us just reflect on the fact that in this Parliament, legislation has been passed creating the Canadian Security Intelligence Service. That is a separate body that will carry out activities formerly carried out by the RCMP. We also have, of course, the Department of External Affairs with a direct vested interest in these relationships. At least three branches of the federal Government now have responsibility.

My concern and the inquiries I have made to date in my investigation of what is actually going on in terms of Soviet espionage in Canada, conducted directly, and indirectly through those who are representing Soviet bloc countries here as well, leads me to a grave concern that for our part, and the Government of Canada, the divided responsibility in this area may be allowing certain things to happen that should be detected, dealt with and stopped.

Indeed, I am advised by City of Etobicoke officials that the building permit for the doubling of the consular building in the City of Etobicoke, required nothing more than a normal application for a building permit. I am advised locally that the Department of External Affairs was not even involved.

It took a great deal of inquiries to find out how many are currently accredited here to represent the Polish Government. The number is approximately 35, and that refers to diplomatic passports, not the families of diplomats.

The movement of Polish consular officials is unrestricted in Canada. Anyone who has been following the press would know from that source alone that there is unending activity in this country in terms of information gathering that is being transmitted to the Soviet Union. The television documentary *Agents of Deception* a few weeks ago documented very clearly what is happening in that area. The report of the Law Reform Commission, calling for new measures to deal with crimes against the state, show that we in this country are desperately in need in this country of measures that will allow us to deal with this contemporary problem.

The Polish consulate is not only doubling in activity, but there are trading companies that operate on behalf of the Polish Government. For example, Dalimpex Ltd., also situated in my riding, sells and services a wide range of Polish consumer and industrial products. I have been conducting my own research on this company and its activities, based on various sources. Many people in the industrial heartland of Ontario are totally unaware most of the time that activities of interest to the Soviet Union are being assiduously pursued there and they are, therefore, less on guard than they should be. I can say that the scope and range of what is happening in the industrial heartland of Ontario is very revealing to me of the need for concerted and direct action, and a plan to deal with this, where the RCMP, the CSIS and External Affairs are acting in consort.

• (1820)

When we consider incidents such as the way that Soviet bloc consular representatives act within the various east European communities in this country, sowing the seeds of dissent, obtaining information, conducting intimidation and controlling visas along with many other activities like that, it is clear that we are on to something that deserves much more time than I can give in these seven minutes of debate.

I assure Members of the House that this is a subject that I am opening up now and to which I shall return time and time again until we are sure that the national security of Canada is properly and adequately protected and that Canadians understand the hard-ball reality of what is going on in this country in terms of subvention and subversion of our interests.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister for External Relations): Mr. Speaker, I would be remiss if I did not start by, commending the hon. member for Etobicoke—Lakeshore (Mr. Boyer) for his determination in following up a case so as to seek the truth, his own truth, about the activities surrounding the expansion of the Polish consulate in Toronto.

Mr. Speaker, under the Vienna Convention on diplomatic relations, the host government has the power to control, as it sees fit, the number of diplomatic and non diplomatic agents in the embassies and consulates located on its territory. Therefore, it is always more convenient to have agreements on such a matter obviously. But when there is no agreement between the Department of External Affairs and a country on the maximum number of agents accredited to work in its mission, the Department merely monitors the number of representatives according to certain on factors such as the number of Canadian diplomats in that country, the importance of our bilateral relations and other considerations. So, whenever a request to increase the staff of a foreign country is made in Canada, the Department examines the appropriateness of an equal increase in our own staff in that country and sees if our embassy needs more people to carry out its current operations.

But as far as the Polish consulate in Etobicoke—Lakeshore is concerned, there has been no increase of its staff. Indeed, we have allowed that consulate not long ago to proceed with the transfert of a vacant position to the Montreal consulate which needed it. According to our information, Mr. Speaker, the premises in Toronto are being expanded to build a reception room and a apartment to accomodate one agent already living there.

[*English*]

HEALTH—BAN ON TOBACCO ADVERTISING REQUESTED. (*B*) HAZARDOUS PRODUCTS DESIGNATION INQUIRY

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, on May 26 of this year I asked the Minister of National Health and Welfare (Mr. Epp) a very important question on the issue of cigarette advertising and the terrible toll that tobacco-related diseases have on Canadians.

• (1825)

The answer I received from the Minister, I regret to say, was misleading, evasive and, indeed, somewhat rude. The banning of cigarette advertising, according to the Minister, would not have very much effect. He said: "painfully few effects". How does he know this? In fact, cigarette advertising has not been banned anywhere. There are partial bans in some places, but there has not been a complete ban, so we do not know how effective this action might be. We do know that in places where there has been a partial ban, there has definitely been an improvement, particularly in decreasing sales to young people.

When one considers that the number of deaths per year in Canada resulting from tobacco-related diseases is in the order of 35,000, if this could be reduced by only 10 per cent, that is 3,500 Canadians who died prematurely and very painfully of tobacco-related diseases, it would be worth-while. Even if 1 per cent were saved, that is 350 lives. That is half the murder rate. If anyone could come up with a plan to cut the murder rate in half, that person would be considered a great hero. Instead, the Minister of National Health and Welfare says 3,500 lives is nothing, so let us not bother doing anything about it. He suggested that I deal with the visuals and he would deal with the reality. However, he is not dealing with the question at all. He makes the occasional speech. His speeches go in the right direction. He says he is concerned about the problem, but there has been no action.

What measures have been taken have been taken by Air Canada, for example, but not because of any legislation. Of course, it has not been taken up by any of the other airline companies or by the bus or train companies. Treasury Board is still fighting employees who want a smoke-free work environment. There has been no action on the part of the Government in the direction of reducing smoking. On the contrary, Government is still pushing cigarettes. It is still allowing advertising, and the taxpayer is still subsidizing these advertisements.

The companies have to advertise because they are losing customers. Thirty-five thousand smokers are dying every year. Some people are intelligent and effective enough to quit smoking, so the companies have to go after new people, and they are going after women and children. The tobacco companies are doing this extremely effectively. Among girls in Canada between the ages of 12 years and 19 years, 39 per cent smoke daily. Among young women aged 20 years to 29 years, 49 per cent smoke daily, and we must remember that this is the prime child-bearing years. It means women are harming their own health and the health of their newborn.

Advertising is geared to women and children, and it is working. The tobacco companies are going after people with promotions of reduced prices which, of course, we have seen happen in other countries when there have been only partial bans. For example, the ban on television advertising of cigarettes in Britain was followed up with heavy promotions, and those promotions were effective.

What does the Minister mean when he says he is getting down to talking with the tobacco companies? What is he actually talking about? He tells us he is talking about getting the tobacco companies to improve the health warning. Instead of that puny little one-inch sentence across an enormous billboard, which can hardly be seen, he wants the tobacco companies to show more visible warnings and ones which are more to the point.

Let us be very clear. The tobacco manufacturers are never going to show a really effective health warning because they do not want that effect. If the warning were to be effective, they would not be advertising at all. In fact, they are spending more than $100 million a year on advertising. They will probably go for a slightly improved health warning and that will be that. It will not be one which will dissuade people from smoking. It is not going to overturn the use of lifestyle, the use of the Lang gliders and all the cultural and sports promotions which these advertisers get away with.

The Minister says he wants comprehensive action. Unfortunately, an Hon. Member is not allowed to ask five Ministers a question one at a time as to what they would do. The Minister of Consumer and Corporate Affairs (Mr. Côté) must tell us if he is going to put cigarette and tobacco products under the Hazardous Products Act which Physicians for a Smoke-Free Canada have demanded. We have no answer yet that would be an effective step. There are a whole lot of other things. Labour Canada should amend the Labour Code to give adequate protection, and we need the ban on advertising.

I call upon the Parliamentary Secretary and, indeed, challenge her when she rises today to answer me, to come up with specifics and tell us what the Government's comprehensive plan of action is. We are tired of speeches. We are tired of being blamed for not understanding the Government's magnificent plan. If it has a plan, let us hear the specifics. Let us hear about how it will deal with women and children, with workers, the public, with people in transportation and people in the workplace. Let us hear how Canadians are going to have real protection against Canada's number one preventable health problem.

• (1830)

[*Translation*]

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I am pleased to answer to my hon. colleague, and in particular to the request made by Physicians for a Smoke Free Canada that tobacco products be included in Part II of the Schedule to the Hazardous Products Act and be regulated in the manner provided for by the Act. That request has been made to the Minister of Consumer and Corporate Affairs (Mr. Côté), and he will follow it up within the scope of his responsibilities. His answer will come within the framework of this government's global approach to tobacco, an issue involving many areas of responsibility. For example, the Minister of Finance (Mr. Wilson) has taken action on tobacco taxation. The Minister of Agriculture (Mr. Wise) is presently developing programs to help producers giving up this crop and tobacco producing areas turn to other operations. Similarly, other Ministers who are adressing the problem within the scope of their responsibilities. Historically, there has always been contradictions in the federal policy on tobacco. We are presently trying to put in place a more consistent policy with more emphasis on health. To that end, we do not hesitate to call on every department.

As for the Department of National Health and the issue of tobacco advertizing in particular, there is no doubt that selfregulation of that form of advertizing by the tobacco industry must be reconsidered.

The voluntary code now in effect has been violated in many cases and on many occasions and the adequate character of present agreements as well as their implementation have given rise to general dissatisfaction.

This is the reason why the Department of National Health and Welfare has granted to the tobacco industry an extension up to the end of June to allow them to submit a plan aimed at regulating its publicty and the promotion of tobacco. If the industry does not come up with an adequate project for solving the immediate and most important problems of publicity and promotion of tobacco, then the Government will clearly have no other choice but to consider possible legislative controls.

There are a number of things the Minister would like to see done. First, what we now find is that the current warning on each package of cigarettes is weak hearted. The bland wording of that warning should be replaced by a series of rotating warnings that would be striking and decisive, in the fashion: "Tobacco causes Cancer." Those kinds of warnings are already in place in the United States, the United Kingdom and the Scandinavian countries.

Second, the Minister wants a restriction on lifestyle advertising. Advertisements and promotions linking smoking to health, sports and an exciting, attractive lifestyle are totally misleading. We are extremely concerned with the impact of that kind of publicity, especially on young people.

Third, the Minister wants limits to be set for the amount of money tobacco companies may invest in advertising.

Four, the Minister is currently considering a ban on private publicity and the use of sports people in sports events sponsored by tobacco companies.

The Government also wants a smokeless Canada by the year 2000, and we are striving to take that direction.

• (1835)

SOCIAL SECURITY—BENEFITS FOR WIDOWS AND WIDOWERS AGED 60 TO 64 YEARS—EXCLUSION OF SINGLE, DIVORCED AND SEPARATED PERSONS.

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, on Monday, the opening of the Salon des aînés took place in Montreal. Most senior citizens who were present asked me what the Conservative Government, the Mulroney Government, had against senior citizens. Those people made me aware of the fact that over a period of 20 months, the Government passed five pieces of legislation which were detrimental to senior citizens.

First of all, they made some discrimination over the spouse allowance. The Government deliberately decided to deny 80,000 persons aged between 60 and 64 years the right to be eligible to one of the old age pensions programs, the spouse allowance, in order to save $300 million. At the same time, this Government decided to spend $1 billion to help people who deposited $60,000 or more in banks.

• (1840)

The second negative decision, the House will recall, was in May, when the Government decided on a 3 per cent cut in the indexation of Old Age Security pensions. We all remember Mrs. Denis on Parliament Hill, and the senior citizens who had to drop their card games at their senior citizens' clubs, pick up their signs and come and defend their rights.

Third, in January the Government decided to cut unemployment insurance benefits for 34,000 early retirees in Canada who had been obliged to take early retirement, to leave their jobs and give somebody younger a chance or simply because their plants were being shut down. There again, the Government cut the benefits of 34,000 early retirees in Canada, which works out to 13,000 in Quebec, just to save $30 million, while the same Government spent $50 million to change the colour of military uniforms.

Fourth, Mr. Speaker, this year, for the first time, that same Conservative Government turned down all home maintenance projets under the Canada Works and Job Development Programs. These projects were used across the country to do small repair jobs and spring cleaning at the homes of senior citizens who were in need. There again, it was the Government's decision.

Recently, Mr. Speaker, and I heard about this Monday, and I think this will be news to everyone, that same Government, ignoring the promise it made in Sherbrooke to leave the indexation of Old Age Security pensions alone, to maintain the New Horizons program, to grant subsidies and to consult senior citizens, that same Government has decided to cut $3,721,000 from the New Horizons program, a cut of 27 per cent. In Quebec, this works out to a cut of nearly $906,000, that is, 27 per cent less for the New Horizons program.

Mr. Speaker, I wish the Parliamentary Secretary to the Minister, whom I have to call the Minister of Social Injustice, would tell us why the Government is picking on senior citizens. What have these people done to get such a raw deal from this Government?

In 20 months, Mr. Speaker, we have seen five negative measures against senior citizens. These are people who helped to build our country. What have they done to deserve this? What young people have today they owe to them. Why is this Government, why is the Prime Minister so hard on these people who are in need? In fact, the vast majority have incomes which put them right on the poverty line. I wish the Parliamentary Secretary would explain why, in the last Budget, the Government decided against extending the spouse's allowance and also why, without telling a soul, it made cuts in the New Horizons program.

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, for the nth time, we are having a debate about the spouses allowance, and naturally, this issue was raised by none other than the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart). Some could see in his attitude a kind of blind obstinacy since he continues to question not a negative, but in fact a positive action since we are dealing with an improvement to the spouses allowance program. As for me, I think that it is more than time to give a realistic description of the situation.

First of all, the public should know that there is no disagreement in principle as far as the spouses allowance is concerned.

Indeed, whether we sit on the side of the Government or that of the Opposition, we all agree on the need for more social justice. Whatever our party, it is obvious for all of us that the ideal structure of a society which would meet our aspirations would be one that would help all needy people, and I did say all of them. However, the fact is that, in practice, this ideal

society is difficult to achieve, and we all know that dream solutions can rarely be easily adapted to economic constraints. While this may sadden us, it is useless to ignore the gap there generally is between what is desirable and what is possible. It is unfortunately when they must be translated into available dollars that wishes become utopias. All those who have been part of a Government are certainly aware of this fact, otherwise, how could we explain the fact that all assistance programs are not yet perfect?

Should we once again remind the Hon. Member for Montreal—Sainte-Marie of what the spouse's allowance program was like before we made this improvement which he keeps questioning? Can the Hon. Member sincerely deny that there has been an improvement for all new beneficiaries? Could he convince these people who are now eligible for a minimum income to which they were not entitled before that the Government was wrong? And that it should not have helped them because it could not help all the others as well?

This argument does not make sense and we can understand why. It is sad enough not to be able to help all needy people without being cruel to the point of denying assistance to those whom we can help.

There was nothing arbitrary about our decision to give special assistance to widows and widowers aged 60 to 64. We simply followed the recommendation made in 1963 by the parliamentary task force on pension reform on which all Parties were represented.

Mr. Speaker, I am sorry I cannot contribute to this debate as much as I should like to, but I can assure you that the only way to succeed, sometimes, is to proceed step by step, and that is what we have done and will continue to do.

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 11.00 p.m., pursuing to Standing Order 3(1).

The House adjourned at 6.42 p.m.

HOUSE OF COMMONS

Friday, June 6, 1986

The House met at 11 a.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ENVIRONMENTAL AFFAIRS

CRITICISM OF GOVERNMENT POLICIES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, Environment Week is coming to an end and all we have heard from the Government is public relations and advertising schemes. There has been no action of substance, such as reinstating the Guelph Toxicology Centre, reinforcing the Canadian Wildlife Service, rebuilding the Environmental Protection Service, expanding our National Parks system, strengthening scientific research in the environment, giving renewable energy and recycling new life, restoring freedom of speech to Environment Canada scientists, keeping the promise of a national destruction strategy for PCBs, removing lead from gasoline before 1992, and equalizing gas prices at the pump to stop misfuelling. At the end of Environment Week the Government shows a sad record and earns an F- on its environmental report card.

* * *

TRADE

U.S. TARIFF ON CANADIAN CEDAR SHAKES AND SHINGLES—EFFECT ON EMPLOYMENT IN BRITISH COLUMBIA

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, like all wars, the Mulroney-Reagan trade war is producing a daily casualty list. As of 4 p.m. today the shake and shingle tariff casualties from Mission, British Columbia, include Mr. Buck Atkinson, Mr. Balbir Sidhu, Mr. Bob Crouch, Mr. Ray Johnson, Mr. Jim Webber, Mr. Lloyd Wilson, Mr. Guy Stewart, Mr. Brian McRae, Mr. Calvin Adams, Mr. Ward Creassy, Mr. David Knott, Mr. Ab Clauson, Mr. Gary Burke, Mr. Andy Papp, Mr. Wes Neats, Mr. Conrad Hilton, Mr. Ken Cruso, Mr. Gary Bundisan, Mr. Ron Vears, Mr. John Tufts, Mr. Alec Clarke, Mr. Arno Mons, Mr. Jack Brown, Mr. Phil Fitzpatrick, Mr. Gary Creassy, Mr. Bill Gouche—

• (1105)

Mr. Speaker: Order, please. Sixty seconds.

TRANSPORTATION OF DANGEROUS GOODS

LOAD LIMIT ON NITROGLYCERIN DYNAMITES

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, Canadians have a growing concern about the transportation of hazardous goods on our highways. Constituents have recently brought to my attention that the load limit for road transportation of nitroglycerin dynamites has been reviewed by the Department of Energy, Mines and Resources.

Nitroglycerin dynamites are currently restricted to 200 cases, 5,000 kilogram truckloads on Canadian roads. Pressure is now coming from dynamite manufacturers to accept 20,000 kilogram truckloads of dynamite.

Changing restrictions on dynamite for purely commercial reasons would be regressive and would needlessly heighten public exposure to the hazards of an explosion. Tractor trailers are inherently harder to control in panic stop situations and are more frequently involved in upsets than trucks used for 5,000 kilogram loads. Their cargo is thus subjected to multiple impacts, possible fires and explosions.

Industries in Canada have been constantly moving toward more safety and less exposure, and to permit nitroglycerin dynamite to be transported—

Mr. Speaker: Order, please. Sixty seconds.

* * *

STATUS OF WOMEN

MEETING OF FEDERAL, PROVINCIAL, AND TERRITORIAL MINISTERS

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, over the last two days Ministers responsible for the status of women from the federal, provincial and territorial Governments have been meeting in British Columbia to discuss a number of issues of vital concern to women. Among the important items on their agenda are discussions of wife battering, child care, and the development of a strategy for women's labour force equality.

Ministers have also been focusing their attention on the particular needs of native women, immigrant women, and visible minority women, which marks an important step forward in considering the special concerns of these three distinct groups of women.

S.O. 21

As this meeting enters its final hours, I am sure I am joined by Members on both sides of the House in wishing the Status of Women Ministers success in their important deliberations on behalf of Canadian women.

* * *

[*Translation*]

POLITICAL PARTIES

YOUNG QUEBEC FEDERAL LIBERALS—MEETING HELD AT UNIVERSITY OF MONTREAL

Mr. David Berger (Laurier): Last Tuesday, Mr. Speaker, the Hon. Member for Laval (Mr. Ricard) referred to my presence at meeting of young Quebec Liberals where they passed a resolution to recognize the Palestine Liberation Organization as the chief spokesman for the Palestinians.

Had the Hon. Member had the thoughtfulness of calling me before I would have told him about a release issued on Monday, June 2, in which I dissociated myself from this resolution and explained that I was not present when that debate took place.

The resolution is particularly clumsy because it does not require the PLO to forgo violence and terrorism.

I might remind the House that recently Mrs. Thatcher made a statement to the effect that the PLO would have a role to play if were to renounce violence, otherwise other legitimate spokesmen would have to be found.

* * *

[*English*]

EXPO 86

CANADIAN PAVILION—LISTING OF CANADIAN WINES

Mr. Joe Reid (St. Catharines): Mr. Speaker, Canadian wineries are on lay-off. Import wines are grabbing an ever increasing share of our domestic market, and not for reason of quality.

Can you imagine a United States pavilion, or that of France, Germany or Italy at a world trade fair or exposition promoting Canadian wines? No, you cannot. Canadians are the world's poorest promoters and salespersons. The Canadian Pavilion, Expo 86, built and paid for by Canadian taxpayers, lists only one Canadian red and one Ontario white wine in its restaurants, a few more host province wines, but a much wider range of the United States and European import products.

Was this not a show to sell Canada to the world? It is not too late yet to redraft George Hees, who once did just that. Canadian products are good. You can have confidence in them. Try them, and then you will buy them.

TRADE

U.S. TARIFF ON CANADIAN CEDAR SHAKES AND SHINGLES—EFFECT ON EMPLOYMENT IN BRITISH COLUMBIA

Mr. Jim Fulton (Skeena): Mr. Speaker, the countervail action has been given the green light by President Reagan. At midnight tonight the B.C. shake and shingle industry will be sacrificed on the altar of free trade protectionism. A $250 million cedar industry will be ruined.

Our Prime Minister (Mr. Mulroney), now known as the mouse that roared, leader of the banana republican party of Canada, has learned that being a patsy to the whims of the White House is bad for Canada.

On June 2 our Prime Minister wrote to President Reagan and said, "Dear Ron: I accept your apology for the communications breakdown respecting shakes and shingles. I appreciate it because this was damaging to me personally and to my Government". He said: "This incident will not alter our personal relationship. Our personal relationship is too valuable to be diminished by occasional misunderstandings."

• (1110)

Well, what of the workers, the families, and the communities in British Columbia? Where is any mention of concern about softwood? Nowhere.

Our Prime Minister never phoned the President to stop the 35 per cent duty on shakes and shingles and did nothing to protect our softwood lumber industry. Thanks a lot, Brian. Canada is sorry for voting Tory.

* * *

WAR CRIMINALS

DESCHÊNES COMMISSION—REGARD FOR JUSTICE

Mr. William G. Lesick (Edmonton East): Mr. Speaker, yesterday the Hon. Minister of Justice (Mr. Crosbie) made an important announcement on the Deschênes Commission. Due to the illness of Justice Jules Deschênes, the Commission has been extended until September 30, 1986, when the final report will be submitted to the Government.

The Deschênes Commission will not be going to the Soviet Union or to any Eastern Bloc countries to gather further evidence. The Deschênes Commission outlined six prerequisites before it would accept an invitation to obtain evidence in the Soviet Union. The Soviets would not agree to the principle of allowing witnesses to be interviewed under Canadian rules of evidence. Justice Deschênes quite rightly refused the invitation and is now in the process of completing his report.

I commend the Commission for its pre-conditions that Canadian rules must apply for obtaining evidence for a Canadian justice commission. The Government has been generous with its time limits and looks forward to the completed report. Canada and the Deschênes Commission have acted honourably and with the highest regard for justice.

ENVIRONMENTAL AFFAIRS

TOXICOLOGY CENTRES—NEED FOR FUNDING

Mr. Don Ravis (Saskatoon East): Mr. Speaker, environmental damage is one of the greatest threats to our health and safety. We urgently need a national program to monitor and advise on the effects of toxins in our environment.

The National Research Council called for the establishment of Canadian toxicology centres at Laval, Toronto, Guelph, and Saskatoon. These would assess environmental damage caused by contaminants such as industrial waste, pesticides, and radioactive materials. The centres would also advise on the effects of exposure to various toxins, and conduct research to find solutions.

The toxicology centre at the University of Saskatchewan in my constituency is under construction. Federal assistance is needed to complete this vital facility. However, cuts to toxicology funding announced in November, 1984, jeopardize the future of Saskatoon's toxicology centre, and all other centres in Canada.

I am all for reducing the deficit and restraining Government spending, but if the cost of deficit reduction threatens our environment I must urge the Government to rethink its cost-cutting measures.

* * *

[*Translation*]

CANADA PENSION PLAN

PROVINCIAL BORROWINGS—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, yesterday, the Minister of National Health and Welfare (Mr. Epp) sent us a press release announcing changes in the Canada Pension Plan. Unfortunately, while the Minister announced premium increases for both employees and employers, he did not raise premium levels. Furthermore, the Government failed to announce any changes with respect to the amounts owed by the provinces to the Canada Pension Plan. The provinces' debt to the Plan totals nearly $30 billion. Ontario's share is $15 billion and Quebec owes $115 million.

Mr. Speaker, I hope that before this legislation is passed, all Members of this House will make sure that the changes in the Canada Pension Plan will benefit employees and stop the provinces from living off the employees of this country.

* * *

LABOUR RELATIONS

SITUATION OF CERTAIN WORKERS IN TÉMISCAMINGUE RIDING

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, I rise in the House today to defend the interests of the workers in my riding. Since my constituency is right on the Ontario border, hundreds of mainly forestry workers, who live in Quebec, carry out their trade in the province next door, and over the years many have unfortunately had accidents at work which often disabled them for the rest of their lives. They have therefore become totally dependent on the Ontario Workmen's Compensation Board and its decisions.

Mr. Speaker, these workers feel they are being treated like second-class citizens, without any consideration whatsoever. Often, their files and correspondence with the Board are in English only, and the decisions it makes are unsatisfactory.

Mr. Speaker, speaking on behalf of these workers who are helpless and do not know where to turn, I would urge the Ontario Minister of Labour to treat these people with a little more dignity and justice. These people have sacrificed a part of their lives and their health in Ontario and are claiming the legitimate right to be considered on the same level as all other citizens of this country. And I would like to say to these workers that they can always count on their Member to defend their interests.

* * *

[*English*]

TRADE

THREAT TO CANADIAN LUMBER EXPORTS TO UNITED STATES

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, on November 23, 1985, I wrote the Prime Minister (Mr. Mulroney) urging him to go to whatever lengths were necessary to protect our lumber industry from actions of the U.S. Congress. I received an acknowledgement but, of course, no response.

It appears that rather than taking some form of action the Prime Minister relies upon his personal relationship with the President of the United States, putting all his eggs in one basket. His actions have clearly failed us.

Over a thousand jobs in Kenora—Rainy River are at risk. McKenzie Forest Products in Hudson exports 90 per cent to 95 per cent of its product to the United States. Great Lakes Forest Products in Dryden exports 95 per cent to the United States. Boise Cascade Stud Mill in Kenora exports 75 per cent of its product to the United States. Countervailing tariffs being initiated in the U.S. on forest products will cost far more lumber jobs than the forest fires presently raging in Northwestern Ontario. The Government has to undertake a trade information campaign in the U.S. and take our case directly to the people of the United States. Why will the Prime Minister not get on the telephone now and—

• (1115)

Mr. Speaker: Order, please. Sixty seconds.

ORAL QUESTION PERIOD

[*English*]

TRADE

SOFTWOOD LUMBER EXPORTS TO UNITED STATES—PRIME MINISTER'S LETTER TO PRESIDENT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Today our worst fears were confirmed. The United States Congress Department has now accepted the petition of the U.S. lumber industry which can only be considered a very serious act of provocation against Canada's trade relations.

In the self-serving letter sent by the Prime Minister to the President on June 2, why did he not at least mention, or make an appeal to have the softwood lumber petition rejected? Why did he totally ignore the interests of the softwood lumber industry and workers, as he has obviously done with respect to shakes and shingles? Why did he not make some effort in that letter to try to get some reaction from the U.S. President on this very serious action?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, when I was informed in advance, by U.S. Secretary of Commerce Baldrige, of the decision which was going to be taken on countervail, I expressed Canada's very deep regret that the processes in the United States led the administration to take that decision.

The Hon. Member has suggested that it is a provocation. He should know better because he would know that in 1983, when he was a member of the Government of Canada, exactly the same process was triggered, following exactly the same rules and, in our judgment, dealing with exactly the same evidence.

The challenge for Canada now is to ensure that we work together effectively to defend the Canadian case in a process which has been started. The process was started today. It will not be concluded for some time. There is an opportunity for Canada to make a calm, strong, case. I look forward to co-operation from everyone in making that calm, strong, Canadian case.

Mr. Axworthy: Well, Mr. Speaker, the Minister is right that the case was presented in 1983, but it was a provocation then as it is a provocation now. At that time we were successful in offsetting it.

REQUEST FOR INVESTIGATION UNDER GENERAL AGREEMENT ON TARIFFS AND TRADE

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): I want to ask the Minister to tell us the specific steps he and his Government intend to take? Will the Minister immediately take this case to the international trading system? Will he make an application under Article 22, Article 23, or Article 24 of GATT so that under the international trading rules this matter can be investigated and looked at by our other trading partners, being that it represents as much threat to them as it does to us because it substanatially undermines the GATT rules relating to matters of countervail—

Mr. Speaker: Order, please.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member, I think, is more aware of the GATT rules than his question lets on. There is a remedy open to Canada under the GATT. That certainly is a remedy we will follow if other approaches do not succeed. Certainly, I would not want to follow a course, if that is what the Hon. Member is suggesting, of abandoning the importance of making a very strong Canadian case in this process in the interests of just going to the GATT.

Certainly, we will be prepared to go to the GATT if, among other reasons, the United States chooses to change unilaterally the definition of some of the questions which are at issue.

Mr. Axworthy: Mr. Speaker, my question was posed in the light of not only approaching the matter in the United States but also in the international forum.

LENGTH OF HEARING ON U.S. INDUSTRY'S PETITION TO HAVE COUNTERVAIL DUTY IMPOSED

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Miss Paula Stern, the Chief Commissioner of the ITC, said yesterday that they expect to be voting on this matter in the week of June 23, which is only three weeks away. Are we now prepared to make that case in that incredibly short time of three weeks, or will we be asking the United States to make a major extension of the hearing so we, as well as our industry, have the proper time to make a case against that petition?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have already raised with Secretary Baldrige the importance of there being time enough for Canada to make a very strong case. I do not know from where the Hon. Member got the date of June. He is citing a report I have not seen.

Mr. Axworthy: An interview yesterday.

Mr. Clark (Yellowhead): An interview yesterday I have not seen. In my conversation with Secretary Baldrige two dates were mentioned. One was a date in mid-August and one was a date in October. I indicated our preference for an October date.

[*Translation*]

INQUIRY WHY PRIME MINISTER DID NOT SEIZE OPPORTUNITY TO DEFEND CANADIAN INTERESTS

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, the Secretary of State for External Affairs has failed to answer the first question my colleague directed to him. My colleague wanted to know why, in his letter dated June 2 to the President of the United States, he had not raised neither the issue of the softwood lumber, nor that of the lost jobs in Canada. Why, then, did not the Prime Minister seize this opportunity to defend the interests of Canadian workers instead of merely patching up, so to speak, his personal relations with the President of United States?

The Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member is right. I had forgotten the first part of the question directed to me by the Hon. Member for Winnipeg—Fort Garry, something for which I apologize. The answer is as follows: We are faced here with a quasi-judiciary system in the United States. Under the American legislation, it is impossible for the President of the United States to get involved in this process. That is why we have not made reprentations at the political level through the Prime Minister concerning a situation about which the President of the United States is not allowed to intervene.

• (1120)

[*English*]

TEXT OF PRIME MINISTER'S LETTER

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, of course we know that the Secretary of Commerce could have rejected the petition.

Mr. Gray (Windsor West): He had the discretion; he could have said no.

Mr. Johnston: Beyond that I would like to know two things. First, did the Secretary of State for External Affairs approve the text of the obsequious June 2 letter? Second, does the Minister agree with us that it was singularly inappropriate and more concerned with refurbishing the personal relationship between the Prime Minister and the President of the United States rather than protecting the interests of Canadians?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the letter was better written than some books I have read.

Some Hon. Members: Oh, oh!

Mr. Riis: Make a joke of it, Joe.

Mr. Rodriguez: Up yours, Joe.

Mr. Clark (Yellowhead): As I understood it, the particular question had to do with why the Prime Minister did not make a specific representation, a political representation, to a President who is prevented, precluded, by his country's law from intervening in this kind of case.

Mr. Broadbent: Do you approve of the letter?

Mr. Clark (Yellowhead): That action was taken because the President is precluded from intervening in this kind of case. The Government of Canada has followed, to the limit, all of the options that were open to us. We made very clear the concern of the Government of Canada. We made the legal case.

Mr. Johnston: Did you approve the letter though?

Mr. Clark (Yellowhead): We made the diplomatic representations. We went to the unusual lengths of having the Ambassador of Canada go into—

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

CONTENT OF PRIME MINISTER'S LETTER

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister has just given his whole argument away when he tried to contend a minute ago that it was a judicial process and therefore the Prime Minister should not intervene. He knows that up to 2 per cent of these decisions had been turned down before by the Secretary of Commerce. He knows that our own Ambassador has made an appeal within the last 48 hours. My question to the Minister is this. In this incredibly self-serving letter written by our Prime Minister to the President of the United States four days before the decision was made, why does the Prime Minister complain about personal injury to himself instead of going to bat for the 300,000 Canadian workers in this industry?

Some Hon. Members: Hear, hear!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am sure it is not deliberate, but the Hon. Member is misstating the facts with regard to the countervail process in the United States. It is true that a very small percentage—I think the Hon. Member said 2 per cent—have been set aside. They are set aside on legal grounds. It is a quasi-judicial proceeding. Canada made our legal case through the appropriate officers. We took the extra step of sending the Ambassador in, who is, as the Hon. Member will know, a very skilled international lawyer as well as being our Ambassador, to make that case again. That was the limit of what it was possible for us to do under the system.

We also took the opportunity, on several occasions and in general terms which are allowable under these procedures, and which would not backfire on Canada, to express our political concern. We have done what the system allowed us to do.

Oral Questions

• (1125)

PRIME MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, to use the Minister's own word, the "system" permits the Prime Minister of Canada in correspondence with the President of the United States to express Canadian concerns. It is then up to the President of the United States to take the appropriate steps.

I wish to return to the central concern which is why the Prime Minister did not act on behalf of Canadian workers. Would the Minister tell us why the Prime Minister, who wrote complaining about the unfortunate political impact a previous decision had on him, did not say in the letter: "Mr. Reagan, 300,000 Canadian workers can be affected by this decision. Will you take appropriate steps within your political system to protect those jobs?"

Mr. Speaker: Order, please. This is now too long.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, this is of course a repetition of questions that were asked yesterday.

Mr. Broadbent: But we have a decision today.

Mr. Clark (Yellowhead): The answer is the same now as it was yesterday. The answer is that the Government of Canada has used every appropriate means to make Canada's political concerns known, but we did not want to take an action that would have had the effect of being a political intervention in this quasi-judicial process, an intervention that might have backfired on Canada in a way that would have prejudiced the case of the workers in British Columbia. The Leader of the New Democratic Party may be interested in playing that kind of political game with the workers of British Columbia. We want to protect their interests, not put them at risk.

[*Translation*]

REQUEST FOR EXPLANATION FOR OMISSION OF PARTICULAR SECTOR FROM LETTER TO UNITED STATES PRESIDENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, surely the Minister can understand that if he wanted to, the Prime Minister of Canada could write a letter to the President in the interest of Canadians. He has every right to.

The Minister is certainly aware that in the province of Quebec, this industry which employs 21,000 workers is selling 60 per cent of its production to the United States. Why has he failed to mention this industry in his letter to the President?

[*English*]

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, one answer is that he was writing a letter, not an encyclopaedia.

[*Translation*]

But the other reply is to the effect that the Canadian Government has indicated to the United States on many occasions the political concern and interests involved here, as well as the interests of Canadians workers affected here.

The problem is that we are faced with a quasi-judiciary system in the United States. If the Government of Canada had taken a position which could be interpreted as an interference in this system, this could have resulted in major problems for the workers in Quebec, British Columbia, and the rest of Canada. That is a fact, and that is the reason why we acted as we did.

* * *

[*English*]

CANADIAN JOBS STRATEGY

SIGNING OF EMPLOYMENT TRAINING AGREEMENTS WITH PROVINCES

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is for the Minister of Employment and Immigration. For almost a year now the provinces have opposed her training proposals because they offer less money and they are too bureaucratic. Only three provinces have signed agreements. Considering the recent memo of her Deputy Minister, why is the Government now withholding job-creation funds using the unemployed as hostages to pressure the provinces to sign unacceptable training agreements? Is this an example of the new federalism put forward by the Government?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, training agreements have already been signed with the Province of Ontario, the Province of British Columbia, and the Province of Newfoundland. An agreement will be signed next week with the Province of Prince Edward Island. Negotiations are well under way with other provinces.

It is true, of course, that tough negotiating is going on because the provinces would like more power and more authority. I am working out negotiations with them so that I may have the fairest possible programs from the federal Government's point of view.

Mr. Allmand: Mr. Speaker, the Minister did not answer the question.

[*Translation*]

FUNDS FOR JOB CREATION—QUEBEC—GOVERNMENT POSITION

Hon. Warren Allman (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, what does the Minister make of opposition in Quebec, where Ministers Ryan and Paradis continue to oppose the federal policy on manpower training because of cutbacks totalling $54 million?

Does the Minister intend to deny Quebec access to job creation funds as she does in the case of New Brunswick?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, it is true that in the direct funding to provinces there will be less money. However, I can also assure the Hon. Member that through the Canadian Jobs Strategy training that will go to provinces and community colleges indirectly, the provinces will be able to acquire more moneys provided they make their systems relevant to the needs of people who want to get into the job market.

* * *

• (1130)

TRADE

SOFTWOOD LUMBER EXPORTS—CANADIAN POSITION

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is also directed to the Secretary of State for External Affairs. I was in Washington on Wednesday and our Ambassador, Allan Gotlieb, argued both the political and legal aspects of this case before Secretary of Commerce Baldrige. You cannot have it both ways. If our official representative of Canada—

Mr. Speaker: Order, please.

Mr. Fulton: The Minister, I am sorry.

Mr. Speaker: Thank you. Will the Hon. Member now put his question through the Chair, please?

Mr. Fulton: The Minister cannot have it both ways. He cannot tell the House that his Government cannot argue the political case when our own government representative has. Why has the Government not argued more effectively the political case, particularly in the Prime Minister's letter?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, what the Opposition is alleging is that there has been an indifference by the Government of Canada to the—

Some Hon. Members: Right on!

Mr. Broadbent: By the Prime Minister.

Mr. Clark (Yellowhead): —interests of Canadians affected by this case. The facts prove that wrong. There has been a number of representations made by the Minister of Finance, by myself, by the Ambassador, as the Hon. Member just admitted, and by a number of people—

Some Hon. Members: Where is the Prime Minister?

Mr. Speaker: Order, please. In fairness, Hon. Members who put questions should at least listen to the answers rather than simply shout at Ministers. The Minister may want to conclude his answer.

Mr. Clark (Yellowhead): What the Opposition is asking the Prime Minister to have done is to have intervened improperly in a quasi-judicial matter in the United States. That would have been wrong and that would have prejudiced the case of Canada. That is why we did not do it. We believe in following international law, and we believe in advancing the interests of the people of Canada, not putting them at risk.

POLITICAL CASE

Mr. Jim Fulton (Skeena): Mr. Speaker, I have a supplementary question. This is an outrageously hostile act by the U.S. administration, and I want to get some clarification from the Minister. It is clear—

Some Hon. Members: Question.

Mr. Speaker: Order, please.

Mr. Fulton: My question to the Minister is: Why, if it is appropriate under U.S. law for our Ambassador to argue the politics of this, did the head of state of Canada, the Prime Minister, not argue that, either in the June 2 letter or prior to today's announcement?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, let me clear up a couple of things. First, it is not an outrageously hostile act.

Some Hon. Members: Oh, oh!

Mr. Caccia: What is it, then?

Mr. Clark (Yellowhead): Second, the Prime Minister is not the head of state of the country. Third, there are many cases where political issues are raised by representatives of the Government of Canada. That is entirely appropriate. What opposition Members have been asking for, until they slightly changed their case today, is for the Prime Minister to intervene improperly in this case.

Some Hon. Members: Come off it!

Mr. Clark (Yellowhead): This Prime Minister is not going to do that.

* * *

DEPARTMENT OF EMPLOYMENT AND IMMIGRATION

MINISTERIAL RESPONSIBILITY

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. It concerns the conduct of her Department. Yesterday we were told that she did not receive a memo from her Deputy Minister for 55 days. I now have a secret letter from the Deputy Prime Minister to her, criticizing her for not writing her own letters or signing her own letters. In the letter the Deputy Prime Minister says: "You know as well as I do"—

Oral Questions

Mr. Speaker: Order, please. This is becoming a very long preamble. Is there a question, please?

Mr. Nunziata: "You know as well as I do that in politics perception"—

Mr. Speaker: Just a question, please.

Mr. Nunziata: I should like to ask the Minister a question. The reality and the perception in respect of her running her Department are that she has lost control, that she is not in charge, and that she does not know what is going on in her Department. Who is in charge of her Department? Who is running the show?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am very pleased to head a Department with 27,000 employees who are working for the benefit of other Canadians. I would say that that shows in the work they are doing and in the way in which jobs are being created in Canada.

[*Translation*]

REASON FOR SENDING LETTER

Mr. John Nunziata (York South—Weston): Mr. Speaker, my supplementary is directed to the Deputy Prime Minister. I want to ask him why he wrote this letter to his colleague. Why did he criticize his colleague in this letter?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I am sorry, Mr. Speaker, but my electronic device was as intermittent as the Hon. Member's question, and I did not hear the entire question.

Mr. Speaker: The Hon. Member may repeat the question.

[*Translation*]

Mr. John Nunziata (York South—Weston): I'll say it again, Mr. Speaker, slowly. I want to ask the Deputy Prime Minister: Why did he write this letter to his colleague? Why he criticize his colleague in this letter? Doesn't he trust him?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I have every confidence in the Minister of Employment and Immigration and, search as I might, I cannot discover any element of the remainder of that peripatetic question which might address itself to my ministerial responsibilities in any capacity.

* * *

TRADE

SOFTWOOD LUMBER EXPORTS—U.S. INDUSTRY'S PETITION FOR IMPOSITION OF COUNTERVAIL DUTY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, does the Secretary of State for External Affairs still stand by his description of the move against Canadian softwood lumber as double jeopardy? Does that not, therefore, justify political action being taken by the Prime Minister against this action before the decision was taken today?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I know the Hon. Member would want to be honest to the facts, and he would know that when I used the phrase "double jeopardy" I was citing one of the legal arguments. It is a legal argument which was put by Ambassador Gotlieb to Secretary Baldrige the other day.

With regard to the leadership which is required now, I think it has two elements. First, I think it requires an atmosphere of calm on the part of all parties. For example, it is not helpful to have the New Democratic Party characterizing this as "outrageously hostile", when it knows that it is the sort of thing which has occurred before in Canada-U.S. relations and is within the legal purview of the United States.

Second, I believe it is very important that we immediately bring together representatives of the provinces, the federal Government, the industry, and the labour unions, to ensure that we have the best possible means of defending the Canadian case. It is for that reason that I am convening a meeting in Vancouver of the provinces, the federal Government, industry, and labour, a week today, to ensure that Canada will be in a position to put forward a consistent, calm, strong case and win again as we won in 1983.

PRIME MINISTER'S LETTER TO UNITED STATES PRESIDENT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs. Just a week too late, as usual, with this Government. Could the Prime Minister not have put into this letter that argument about double jeopardy in respect of softwood lumber which he himself has made? Would that not have taken a much stronger case to the United States than the one which was taken?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Opposition is asking that the Prime Minister make the legal case because the Prime Minister would add political clout to the legal case. That is precisely the point. We are dealing with a legal matter. A political intervention would backfire on Canada and would cost Canadians jobs. We made the legal case. We made it several times. We made it in all the appropriate ways. We did not make it in an inappropriate way, because to make it in an inappropriate way would have run risks for Canada which were not necessary and could have put in jeopardy a case we expect to win, if we get the co-operation of Members of the House and of others in the community across the country.

CANADIAN JOBS STRATEGY

ASSISTANT DEPUTY MINISTER'S MEMORANDUM—ROLE OF CHIEF OF STAFF

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is also directed to the Minister of Employment and Immigration. It concerns the deathbed repentance press release of earlier this morning. In part it reads:

"By the time I saw the memorandum on April 14", said Bill Musgrove, Chief of Staff to the Minister, "I judged it to be irrelevant".

Is it the policy of the Government to have chiefs of staff interfere with communications between a Minister and her Deputy? Is it not time to put the policy of government by political commissar to an abrupt end right now?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I get some 55,000 individual letters and memos each year. We have staffs in place who are there to assist us in looking at which ones are particularly necessary to come to my attention and those which can be handled by others. I have faith in my staff that they can do the job they were hired to do, and that is what Mr. Musgrove, my chief of staff, was doing at that time.

• (1140)

Mr. Boudria: Mr. Speaker, I am well aware that the Minister receives much correspondence. We get some of it on our desks.

Some Hon. Members: Oh, oh!

[*Translation*]

ALLEGED PARTISANSHIP IN DEPARTMENT

Mr. Don Boudria (Glengarry—Prescott—Russell): Here is my supplementary, Mr. Speaker. I want to ask the Minister: When is she going to put an end to the partisan patronage politics we see in her Department? Or is she just imitating her colleague, the Minister of State (Youth), and competing for the incompetence prize?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, yesterday I was asked about a memorandum which had been directed to me by the Assistant Deputy Minister. I said then that I would be asking that official as to the intent of the letter. I demanded and I got an explanation from the Assistant Deputy Minister which I consider acceptable. He informed me that he intended no partisan interference, and that has been spelled out in the press release I issued today. I said in the House yesterday that I would not accept any advice if it was of a partisan nature coming from officials, and I stand by that.

Mr. Gauthier: You protesteth too much.

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CANADIAN ARMED FORCES

ANNOUNCEMENT OF PAY SCALES

Mr. W. R. Bud Jardine (Northumberland—Miramichi): Mr. Speaker, my question is for the Associate Minister of National Defence. Members of the Armed Forces receive a review of their pay and benefits package on an annual basis effective April 1 each year. Can the Minister advise when the announcement will be forthcoming this year, and could he confirm that when it is made it will be retroactive to April 1, 1986?

Hon. Harvie Andre (Associate Minister of National Defence): Certainly, Mr. Speaker, any pay raise when it is announced will be retroactive to April 1. Defence Department officials are currently in discussion with Treasury Board officials on the amount of increase because it is our feeling that defence employees, military people, have been lagging behind what they ought to have. We are in negotiations which I hope will be completed soon.

* * *

CANADIAN JOBS STRATEGY

ASSISTANT DEPUTY MINISTER'S MEMORANDUM—COMMUNITY FUTURES PROGRAM

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also for the Minister of Employment and Immigration. Does she accept the third paragraph in the press release sent out this morning, an explanation to yesterday's questions, that it is reasonable that the Associate Deputy Minister should believe it proper to speed up the implementation of the much needed Community Futures Program only if the province would agree to speedy negotiation of an entirely different program?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I mentioned yesterday that I would be discussing this matter with the Assistant Deputy Minister. Indeed, in the context in which he described it to me, I understand that there could be other interpretations put on it. He has given me his word that he did not intend any partisan interference to be drawn, and I have accepted that explanation.

Oral Questions

DEPARTMENTAL POLICY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I am not asking about the partisan nature, I have my own opinion on that. Is it appropriate when the need for a program is identified, and there are growing lay-offs occurring, to offer assistance only in that area if the province will agree to speedy negotiation of some other program unrelated, separate, and apart?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, approval for the planning stages of the Community Futures Program in the Acadian peninsula was announced in February of this year, long before that memo was ever written. Since that time, I may tell the Hon. Member that total funding going into the Acadian peninsula under the Canadian Jobs Strategy is some $1,339,000 and that 270 individuals are taking part in it. We are moving forward on those programs.

* * *

[*Translation*]

TRADE

INQUIRY WHY PRIME MINISTER DOES NOT DO MORE TO DEFEND THE INTERESTS OF QUEBECERS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Yesterday, in Quebec City, the Prime Minister announced that as a result of his Government's dramatic drop in the ratings, he would try and do a better job of selling his "*salade*" to Quebecers. Could the Minister explain why the Prime Minister, in the letter he sent to the President of the United States, did not do a better job of defending the interests of Quebec workers in the softwood and lumber industries? Why did he prefer to sell his "*salade*", his image, instead of selling the interests of Quebec workers?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I don't want to talk about "salads" with the Hon. Member, because he is far more experienced than I am in talking about these matters.

As far as the so-called content of his question is concerned, I think it is quite clear that thanks to the policies of this Government and our Prime Minister, we have seen unparalleled job creation, in Quebec and elsewhere, and in a manner far more effective than was the case under the Government that more or less enjoyed the support of the former Member.

Mr. Malépart: Mr. Speaker, as far as the word "*salade*" is concerned, I was merely quoting what his Prime Minister said yesterday in Quebec City.

DEGREE OF CONFIDENCE IN THE GOVERNMENT

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, will the Minister explain, now that we know how often this Government and this Prime Minister have been defeated since the beginning of the talks on free trade, how he expects Canadians to have confidence in a Prime Minister who claims to be an expert negotiator, when his record has been a disaster since the beginning of these talks?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, speaking of these talks, perhaps I may mention an area where problems have been particularly acute here in Canada, and I am referring to relations between the federal Government and the provinces. Under the previous Government, this was a total disaster. Under the Government of the Prime Minister, the Hon. Member for Manicouagan, we have had one success after another. This week, we managed to reach a consensus with all provincial premiers and all Canadian parties on continuing negotiations.

[*English*]

PRIME MINISTER'S LETTER TO UNITED STATES PRESIDENT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is also for the Secretary of State for External Affairs. Could he explain to the House and to the people of Canada what the purpose of the "Dear Ron" letter was that the Prime Minister sent to President Reagan earlier this week?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, assuming the letter were to be tabled and published, the Member could—

Mr. Riis: It is published.

Mr. Clark (Yellowhead): It has been published, excuse me. The purpose of communications between the Chief of Government of Canada and the Chief of Government of the United States is naturally two-fold: to advance specific issues and to maintain a relationship that has been very important to this country.

Some specific issues are raised in other fora. The question of the grave concern of Canada about the softwood industry was raised in other fora. Some questions are not appropriate to be raised in a letter from the Prime Minister to the President. For example, the Member's colleague suggested that the Prime Minister should make a legal case, not because he is a good lawyer, which he is, but because he is a political figure. The NDP is asking that a political case be made that would prejudice Canada—

Mr. Speaker: Order, please. This is a long answer. A supplementary question?

CONTENT OF LETTER

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my supplementary question is for the Secretary of State for External Affairs. Considering what the Minister just said that the communiqué is an opportunity for the Prime Minister of Canada to raise important issues with the President of the United States, would the Secretary of State for External Affairs not agree that perhaps the most important issue this week facing Canada is the softwood issue, and if he was writing a letter this week he should at least have referred to that topic in the letter?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, let us be very clear about what is being proposed by the New Democratic Party. The New Democratic Party is not saying that a legal case has failed to be made by Canada. The NDP knows that the legal case was made by Canada. The NDP is saying that that legal case should have been made by the Prime Minister, not because of his legal skills but because of his political skills—

Mr. Deans: Just because he is Prime Minister.

Mr. Clark (Yellowhead): —as the Member for Kamloops—Shuswap has just said. The Member is asking the Prime Minister of Canada to ask the President of the United States to do something which the President of the United States is prohibited by American law from doing. That would be improper. It would backfire on Canadians, and the first people to suffer would be the lumber workers of this country.

* * *

SCIENCE AND TECHNOLOGY

GOVERNMENT POLICY

Mr. Don Ravis (Saskatoon East): Mr. Speaker, my question is for the Minister of State for Science and Technology. In a press release issued by the Minister he stated:

> I want to put Canadian science and technology and Canadian research and development back on track.

How does the Minister intend to move toward a permanent framework for science and technology further to assist the country out of its current industrial crisis, and what is the time frame?

● (1150)

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, a number of initiatives have been taken by the federal Government, including two federal-provincial ministerial conferences and a number of round table discussions with the science community throughout the country. All of this will culminate in a national forum on science and technology this coming week in Winnipeg in which all the stakeholders will participate. I am hopeful that by the end of this year we will have something to lay before the House.

Mr. Berger: Supplementary, Mr. Speaker.

VIEWS OF RESEARCHERS

Mr. David Berger (Laurier): Mr. Speaker, would the Minister answer the concerns of researchers as expressed in an article in today's papers, and on many other occasions, who are skeptical of the Government's plan for matching grants? Indeed, some of them say that the Government will be blaming industry and universities for a scheme which was doomed from the beginning. How does he answer those criticisms?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, unlike the Hon. Member I happen to have great faith in the private sector. Everyone knows the private sector has to play a more prominent and significant role in putting the country in a position to build its future economic strength on research and development. I just happen to have more faith in the private sector than he does.

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NORTH ATLANTIC TREATY ORGANIZATION

CANADIAN COMMITMENT

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, during the last election campaign the Conservative Party promised a 6 per cent real increase in the national defence budget, but that has simply become another broken Tory promise. Can the Minister of National Defence tell us what our NATO allies' response was at the recent ministerial meeting in Brussels to the fact that he has not even come close to meeting the longtime NATO agreement of a 3 per cent real increase per year? According to the last Budget brought in by the Minister of Finance, he will fail to honour Canada's financial commitment to NATO for the total life of this Parliament.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The short answer to that question, Mr. Speaker, is that the force goals presented by Canada were accepted by all of our NATO allies.

POSITION OF ALLIED NATIONS

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, Canada's national defence budget grew by more than 3 per cent in every year of Liberal budgeting following the 1979 commitment. The Government has not met that yet and it does not intend to.

Mr. Mazankowski: What about before that?

Mr. Hopkins: Did our NATO allies request assurances that Canada will get back on track and adhere to the—

Mr. McDermid: What about from 1968 to 1979?

Mr. Hopkins: —3 per cent real growth commitment? What did he tell them other than the fact that the Minister of Finance's Budget projects this Government's total failure to come even close to meeting the 3 per cent target during the entire period of this Parliament? You have failed entirely to meet it.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Our NATO allies do not share the very gloomy view which the Hon. Member puts forward. As a matter of fact defence expenditures, with respect to this Government's activities, are the one area that is rapidly growing.

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CANADIAN JOBS STRATEGY

ASSISTANT DEPUTY MINISTER'S MEMORANDUM—COMMUNITY FUTURES PROGRAM

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Employment and Immigration and deals with her explanation of the memo from her Associate Deputy Minister. The Minister admitted in her statement today that the Community Futures Program was needed in the Acadian community of New Brunswick. How does she explain the twisted logic which suggests that program would only go into Acadian New Brunswick if the province would speed up its negotiations with her Department for the training program?

Hon. Flora MacDonald (Minister of Employment and Immigration): The convoluted logic comes from that Hon. Member, Mr. Speaker. I have already indicated that the agreement to go ahead with the planning stage of the Community Futures Program was signed in February of this year. It is already under way. The fact that in negotiations the provincial Government might state, as the Associate Deputy Minister said, that its priority interest was in more job creation in the Acadian peninsula, and the federal Government might state that the priority interest was in getting job training for the whole of the province, is not a conflict. We are going ahead with both these measures for the benefit of the people of New Brunswick. Indeed, we have already put $1.3 million into the Acadian peninsula this year because that area has 24 per cent unemployment, and we will not stop helping people there.

Mr. Speaker: Order, please.

JOB TRAINING AGREEMENTS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, the Minister has admitted she has training agreements with only three provinces. Will you not admit that what happened in this particular instance with New Brunswick is that you are playing poker with all the other provinces and holding up needed employment funds so you can get a training agreement with the provinces? Why are you holding the unemployed up to ransom?

Mr. Speaker: Order, please. The Hon. Member knows that questions go through the Chair.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, we are presently spending some $450 million in job training and employment programs. We are not holding them up. They are not frozen. They are going ahead.

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INCOME TAX

MEDICAL EXPENSE DEDUCTIONS—REQUEST THAT TAX FORM BE AMENDED

Mr. David Daubney (Ottawa West): Mr. Speaker, my question is directed to the Minister of National Revenue. Revenue Canada's shorter and less complicated tax form, the T1 Special, does not include an area for the deduction of medical expenses. Given the possibility that this might leave some people, particularly low-income seniors who tend to have high medical expenses, with the idea that the deduction is no longer available, would the Minister consider adding a line to the form to deal with this possible problem?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I appreciate the interest of the Hon. Member in improving the tax form. I will certainly take his representation very seriously. If it is feasible to change this particular type of tax form, we will look into it.

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ENVIRONMENT CANADA

STUDY OF DEPARTMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Deputy Prime Minister. At a time when Canadians are expecting more action from, and more responsibility to be exercised by, the Department of the Environment, why did the Deputy Prime Minister order the Desfosses study on ways to reduce or even dismantle the Department of the Environment? This initiative has had a devastating effect on the morale of the fine officials in the Department and has profoundly preoccupied the public across the country.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): What the hon. gentleman says is simply not true. There was a need for a follow-on study as a result of several other study teams coming forward with options affecting that Department. However, it is totally untrue to say that the follow-on study made any recommendations with respect to expenditure reductions. That is false. So are most of the other conclusions I have seen in the press and which obviously have been picked up by the Hon. Member and now asserted here as fact. They are simply not true.

MINISTER'S KNOWLEDGE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, we would not be speculating if the studies were made public. We can only go by what we can learn. However, the Deputy Prime Minister could tell the Opposition whether the study we are referring to, even if we are not defining it as precisely as he would like, was conducted with the full knowledge of the Minister of the Environment?

• (1200)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The fact that it was being conducted, Sir, was in the public domain last Friday. The hon. gentleman will recall that I tabled 21 such reports here in Parliament and I see no reason why the follow-on studies should not be tabled as well.

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TRADE

SOFTWOOD LUMBER EXPORTS—U.S. INDUSTRY'S PETITION—CANADIAN REPRESENTATIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to direct my question to the Secretary of State for External Affairs. A few moments ago he said it was totally inappropriate for the Prime Minister to raise the matter of the softwood decision that was made today in the U.S. with the President. In reply to a question in the House on the very day the Prime Minister was writing his letter the Secretary of State for External Affairs said, "Mr. Speaker, that question, among others, was raised by me in my meetings on Friday with Secretary Shultz in Halifax". If it is appropriate for the Minister to raise this question with the Secretary of State in the U.S. why could not our Prime Minister have done the same thing with the President of the United States?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it is time to call a stop to what the rules of the House require me to call inadvertent misrepresentation by the Leader of the New Democratic Party. What I raised with Secretary Shultz, and what was raised by a number of Canadian representatives, was our great political concern about the implications to Canada of this decision.

What the Member from Windsor was asking me to do earlier when he referred specifically to the double jeopardy argument was to have the Prime Minister of Canada make a legal intervention in his political capacity, thereby intervening politically.

What they were asking us to do is have the Prime Minister ask the President to do something which is forbidden under American law. Of course we were not going to do that, and those facts should be understood by the people of the country and not misrepresented by the Leader of the New Democratic Party.

PRIVILEGE

ALTERATION TO *HANSARD*—SPEAKER'S RULING

Mr. Speaker: On Wednesday, June 4, 1986, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) raised a question of privilege relating to the comments of the Right Hon. Secretary of State for External Affairs as recorded by the electronic *Hansard* and an apparent discrepancy as to how those comments are recorded in the printed *Hansard*. First, the Chair must say that, having now reviewed both the *Hansard* and the taped proceedings, I cannot find any matter of privilege in this case. This issue raised is more akin to a point of order. What was said by the Right Hon. Minister and what can be viewed and heard on the electronic *Hansard* is the following:

> —even to the point of having his assistant down now working with one of the leading opponents in the U.S. Congress of acid rain legislation, legislation that would be helpful to Canada.

What was reported in the printed *Hansard* at page 13902 is the following:

> —even to the point of having his assistant now working with one of the leading opponents in the U.S. Congress on acid rain legislation, legislation which would be helpful to Canada.

The obvious omission in *Hansard* is the word "down". The Hon. Member for Winnipeg—Fort Garry feels that this is an omission of substance. The Chief Editor of *Hansard* has reported to me that this was an error on the part of *Hansard* and that the usual *erratum* will be printed. Indeed, such an *erratum* would have been printed on June 5 but, because the Chair had taken the matter under advisement, the Chief Editor deferred the *erratum*, which will now be printed in the next issue.

The Chair must also make it clearly understood that there was no intervention by the Secretary of State for External Affairs and no alterations of the "blues" by him or members of his staff.

The larger issue surrounding the point of order that the Hon. Member has raised is the status of the electronic *Hansard*. Unfortunately, the House has never defined the status of the television tape. Speaker Jerome, while ruling on a similar point on November 28, 1978, clearly identified the dilemma:

> An examination of the record through these electronic recording devices is being resorted to by more and more Canadians all the time. Therefore, additional strain is being put on the reporting staff who have enjoyed this editorial licence in the past. They now find themselves under the constraint of matching their records exactly with the language used on the radio and television.

Speaker Jerome went on to say that such a task was not an easy one for the *Hansard* reporters and it will continue to be difficult until the House clarifies once and for all the official status of the electronic *Hansard*, and defines clearly what margin of inevitable discrepancy it will tolerate.

Therefore, it is my belief that there are enough cases on the record since 1976 to warrant an examination of this issue by the Standing Committee on Elections, Privileges and Procedure.

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BUSINESS OF THE HOUSE

COMMITTEES OF THE HOUSE—AUTHORITY TO TRAVEL

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been consultations between the Parties, and I think you will find a disposition at this point in time by unanimous consent to accept and pass unanimously without debate the following order. That is to say as follows:

That, notwithstanding any Standing or Special Order of this House,

(*a*) the Standing Committee on Research, Science and Technology be empowered to travel to Winnipeg from Sunday, June 8 to Tuesday, June 10, 1986 and that the appropriate staff accompany the committee; and

(*b*) the Standing Committee on Elections, Privileges and Procedure be empowered to travel to Washington, D. C. and Sacremento, California in the United States from Sunday, June 8 to Friday, June 13, 1986 and that the appropriate staff accompany the Committee.

Mr. Speaker: I take it there is unanimous consent for the introduction of those orders.

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Mr. Speaker: Carried and so ordered.

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT

SAFETY IN TRANSPORTATION—ECONOMIC REGULATIONS

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I rise today to make an important statement on transportation safety. I know Canadians are vitally interested in the safety of their transportation system so today I would like to outline my current initiatives and future directions in transportation safety. Since taking office I have made a strong commitment to improving transportation safety in Canada.

Achievement of the best possible level of safety in each mode is the most fundamental component of my legislative mandate. As I have said many times in this House, levels of safety are not being and will not be compromised in order to achieve any other transportation or government objective. Safe transportation is our most important product.

Consistent with this Government's commitment to eliminating obstacles to growth and to reducing Government intervention, one of our key transportation objectives is to revise the National Transportation Act so as to reform economic regulation in order to encourage innovation and enterprise.

Some have claimed that transportation safety may be at risk because of our economic regulatory reform initiatives. I want to assure you and all Hon. Members of the House that safety will not be compromised. My reform proposals deal only with economic regulation.

Our commitment is that we will neither propose nor permit any economic regulatory reform that might be detrimental to safety standards. Safety programs will continue to be strengthened to achieve improved levels of safety in each mode.

You are also aware of the Government's commitment to a comprehensive expenditure reduction program designed to eliminate duplication of services and to reduce administrative overhead. Resourcing for safety, however, has been increased, while other reductions have taken place. For example, over the last two years, 220 new person years have been added in the areas of transportation of dangerous goods, aviation safety and highway safety.

Canada's safety record is very good across all modes; air, marine, rail and highway. Canada has an excellent transportation safety record of which we can all be proud. In the air mode between 1981 and 1985, reported accidents declined by 37 per cent. Reported fatalities declined by 62 per cent. During this same period the number of registered aircraft increased by 10 per cent and the number of passengers flown increased by 2 per cent.

In the last four years Canada's national and regional airlines, which carry the bulk of our passengers, flew over 87 million passengers with minimal loss of life.

Looking at the marine mode, there has been as well a continued reduction in loss of life, despite having over 25,000 commercial and fishing vessels operating in Canada.

Between 1981 and 1985 fatalities on Canadian highways have been reduced by 25 per cent, while the number of accidents have dropped by close to 10 per cent. The number of registered Canadian vehicles increased by 8 per cent over the same period, and the number of licensed drivers rose by 18 per cent. Recent data suggests that Canadians are driving more, and consequently the risk of mishap is increasing. This reinforces the need to look for new opportunities for improvement.

Rail safety has also been improving over recent years. For instance, from 1981 to 1985 the number of accidents decreased by 25 per cent while the number of fatalities decreased by 17 per cent. With the recent tragedy in Hinton, where 23 people lost their lives, the actual and perceived safety of railways has been brought to the forefront. I have already taken steps, pending results of the current inquiry, to reduce the possibility of this type of accident occurring in the future.

Despite our excellent Canadian transportation safety record I believe there is still room for improvement. Therefore, our Government has taken a number of new initiatives to improve transportation safety in Canada.

With respect to air, passage of the amendments to the Aeronautics Act last summer was a fundamental step toward improving aviation safety. It gives Canada its most effective aviation safety legislation in 60 years. Extensive new technology is being introduced to modernize our air traffic control radar and aircraft landing control systems over the next ten years. The Air India disaster of last June and the recent attacks of international air terrorists have shown that we must use every means, both human and technological, to upgrade airport safety and security.

The anniversary of the Air India accident is June 23, and I am sure all Members of this House still feel the same sense of sadness and sorrow at the loss of those 329 passengers, most of them fellow Canadians.

With the attack in Narita on CP Air Flight 003 and other aircraft bombings, an age of innocence has gone forever. To address the threat of international terrorism we have taken a number of steps. We have strengthened considerably airport security and screening procedures. We have established a task force which now has reported to determine how best to strengthen training programs for airline security personnel. We have provided some additional $10 million to acquire and put into operation state-of-the-art screening equipment and technology in this fiscal year. We have increased the frequency of monitoring and testing airport security procedures to perfect crisis management techniques and responses. We have instituted, with other security agencies of the Government, security threat and risk analysis procedures to determine adequate levels of security protection in air, as well as in other transportation modes.

• (1210)

Today, I am announcing a further commitment of an additional $34 million this year and $26 million over the next two years to further improve physical security at airports, as well as training of personnel and public education.

In June, 1985 Canada took a leading role in encouraging the International Civil Aviation Organization to introduce a number of measures among member states to implement security measures which ensure control of transfer and transit passengers and which protect aircraft, baggage and goods against unauthorized access. All of these steps must be taken within the co-operative element of all member countries that subscribe to the International Civil Aviation Organization.

While security measures at Canadian airports already exceed these additional security specifications, and many improvements have been initiated in the past year, I will be further enhancing aviation policing and security programs.

With respect to marine transportation, to enhance marine safety the Government is now proposing a number of major safety initiatives as part of the amendments to the Canada Shipping Act. The Canada Shipping Act amendments will significantly improve the requirements for training and certification of Canadian seafarers. This area has long been recognized as a major contributing factor to accidents at sea. The Canada Shipping Act amendments also bring us in line with international marine safety conventions to improve commercial navigational practices.

Steps are also being taken to improve navigational safety and technology by providing higher standards for controlling the movement and handling of dangerous cargo; to formalize requirements for officers and crew to make proper use of up-to-date navigational charts and other related publications; to improve routing of ships through hazardous areas; and to enhance the effectiveness of vessel traffic control without adding to its cost.

In response to the recommendations of the Royal Commission on the *Ocean Ranger* marine disaster, my Department immediately introduced interim standards imposing enhanced safety requrements for mobile offshore drilling rigs and their support vessels. Design and equipment requirements have also been improved. As well, the training and qualifications of marine personnel employed on rigs have been prescribed to meet applicable recommendations of the *Ocean Ranger* Royal Commission. Eighty-five per cent of the Commission's 136 recommendations, which address a wide variety of offshore safety matters, have been implemented in whole or in part.

Let me turn to highway transportation. With motor vehicle deaths consistently accounting for more than 90 per cent of all transport-related fatalities, we must continue our efforts to improve road safety. In order to do so, we must improve driver awareness and attitudes towards safety.

To reinforce the need for care in driving, as well as to minimize injuries in accidents, we are continuing to promote the need for the increased use of seatbelts. To date, as a result of our efforts in working with the provinces, 58 per cent of Canadians now regularly "buckle up". This has produced a significant safety improvement upon which we can build.

Another area of improvement being pursued is a requirement for automatic daytime running lights on new vehicles sold in Canada, to become effective September, 1988.

In the area of trucking safety, we are working with provincial governments to draw up a national trucking safety code. This code will contain standards and practices governing the vehicle, the driver, hours of work, road security and company requirements for accident reporting and records keeping. Our goal is to establish a uniform safety standard right across the country.

Looking at rail safety issues, of the 123 rail fatalilties in 1985, 58, or 47 per cent, were at level crossings. To address this problem, a total of $25 million is currently earmarked for federal contributions toward the cost of new grade separations. This is to be matched by provincial participation. It is recognized that there is still much more to be done in this area and the current funding levels will be used to address the priority safety projects.

Where crossing improvements such as lights, gates and bells are concerned, the CTC currently has responsiblity. In this connection, the CTC has been spending about $10 million annually with additional contributions from the railways and municipalities, and has plans for improvements such as modern reflectorized arms for gate barriers, flood-lighting at high-risk crossings, and more powerful signal lights.

Another major safety initiative will be to modernize the legislative framework for the rail sector, replacing outdated rules and encouraging the introduction of modern safety practices and technology. Consultation has now begun with industry and labor in accelerating this initiative.

This will involve a complete review of the many safety provisions contained in the Railway Act. It will be important, for example, to update safety regulations focusing on performance standards, to permit the introduction of modern practices, and to encourage the use of state-of-the-art technology in the rail mode.

We also look forward to receiving the findings of the inquiry into the February 8 crash at Hinton, Alberta. Mr. Justice Foisy's objective is to determine steps which can be reasonably taken to reduce the risk of reoccurrence of such a tragic accident, and to provide recommendtions to improve over-all rail safety in Canada.

Let me deal with the transportation of dangerous goods. To improve the safe transportation of dangerous goods, we introduced the first regulations under the 1980 Transportation of Dangerous Goods Act. The federal regulations came into effect on July 1, 1985. By February, 1986 nine provinces and one territory had adopted for and put into place these regulations.

The objective of the federal program is to ensure that a uniform set of standards is in place across the country, applicable to all modes of transport.

Under the program, employees must be trained in respect of their responsibilities and the products which they may be handling or transporting. In addition, shippers of certain types of dangerous goods are required to present plans as to how they will provide immediate assistance at the site of any accident involving their products. Further components of this program are being developed to deal with issues such as the adequate design, manufacture and use of packagings, containers and tank vehicles.

In order to assure compliance with current regulations, the federal Government has estabished a new force of approximately 40 dangerous goods inspectors from coast to coast to work with provincial officials to enforce these regulations.

Recently, I established a special task force to examine the flow of dangerous goods by rail through the Toronto area. With a full report expected within two years, I have asked that the task force report as to whether it is feasible to re-route transportations services carrying dangerous goods and whether additional dangerous goods rail safety requirements are needed.

On May 22 I announced approval of the task force's recommendation to accept CP Rail's offer to voluntarily reduce the speed of all trains carrying dangerous goods on CP Rail's north Toronto-Galt subdivision—special dangerous goods freight trains from 56 kilometres per hour to 40 kilometres per hour, and other dangerous goods trains from 80 kilometres per hour to 56 kilometres per hour.

As well, I am presently discussing with the Province of British Columbia and local municipalities the feasibility of establishing a group to examine and make recommendations respecting the transportation of dangerous goods in and around the Vancouver-Lower Mainland area, and to and from Vancouver Island.

Of major significance in the area of transportation safety will be the separation of accident investigation in the rail and marine mode from the current regulatory bodies. This would remove any conflict of interest and ensure an independent examination of all system components, regulations, and equipment during an investigation. A proposal is now being considered for the separation of these functions, including the possibility of combining air, marine and rail accident investigation into a single, independent multi-modal accident investigation board.

In summary, the Canadian transportation system has an extremely good safety record. Accidents will happen, but I have under way a comprehensive set of initiatives to ensure that this record is maintained and enhanced.

Safety has been and continues to be the number one priority of my mandate as Transport Minister. I will not compromise when it comes to the safety of Canadians.

Some Hon. Members: Hear, hear!

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, first let me say to the Hon. Minister that I apologize for not being in the House for the major part of his statement. However, I did have an opportunity to read it beforehand. I am responding really because the Transport critic of our Party is not in the city today and has asked me to respond for him.

• (1220)

I want to fully endorse, underline and support the basic priorities for safety established by the Minister. There is no question that in the multitude of responsibilities of the Minister of Transport (Mr. Mazankowski) safety is undoubtedly first and foremost. Safety is the major preoccupation of Canadians. I think the Minister will agree that it is a matter of increasing concern and anxiety. A number of incidents both in this country and abroad have focused the interest of Canadians very much on their ability to travel.

I would further say that this concern held by many Canadians, and shared by others, perhaps poses one of the most dangerous threats to the whole notion of international and national commerce and the exchange of people and ideas. One of the great advantages of the modern world is its interdependency. That has been brought about primarily through our transportation modes which are now under threat. We have seen the first signs. Tourists are nervous about travelling to Europe and that anxiety is spreading to the point where people are increasingly anxious about the safety of themselves, their families and loved ones, whether they are on a highway, an aircraft, or whatever it may be.

Some of the measures which were put forward in the Minister's statement are very familiar. They were matters which were under active consideration and decisions by the previous Government, such as the modernization program for radar, the Aeronautics Act amendments, and so on. I am not saying that other than to put on the record that those are efforts we want to make.

However, I do want to draw attention, if I may, to a couple of the proposals made by the Minister and some concerns my own caucus has raised. First, with respect to air safety, one of the doubts often raised about deregulation of the economic system is what impact it may have upon the safety of the carriers. There has to be an equal and parallel effort made to ensure that as we go forward in reducing the regulatory handicaps which face the airline industry, as well as other transportation industries, there is no sacrifice to safety.

Recently there has been disturbing evidence produced in the United States regarding the impact of the deregulatory system upon safety. It has certainly been a matter put forward during the course of various hearings of the Commons committee across the country. The question is whether the carriers can be expected to properly meet the continually high standards set by the Department of Transport, and others, which puts a very strong onus on inspection and on the ability of the Government itself to improve and enhance its regulatory system on the safety side while at the same time deregulating on the economic side.

I want to emphasize to the Minister that before he presents to the House his proposed legislation, it is equal very important to present the kind of measures and steps he intends to take to deal with the problem of safety as a consequence of deregulation over the next four or five years. We would simply want to serve notice that that would be a very important requirement.

On the question of the transportation of dangerous goods, I cannot think of any area which plagues Ministers of Transport more than that particular issue. Ministers of Transport are faced with an awful dilemma. We know a modern industrialized society depends on the incredibly important movement of all kinds of products, chemicals and others, throughout this country in order to survive. We know the railways themselves, as primary movers of those products, have to do so within a proper economic range. Yet, we know the probabilities of serious accidents grow each day as more and more products come on line and the volume of traffic increases. I am pleased the Minister will establish a task force, but there have been other task forces in the past.

I can recall when I was Minister of Transport bringing in the heads of the major railways to tell them I wanted to see clear evidence as to why the speed of trains going through urban areas should not be reduced. I do not know if the Minister has received that kind of report from them as yet but I think it is clearly time for some action to be taken to reduce the speed. Ideally, I suppose, the only real answer to that problem is to ultimately remove that kind of traffic from heavily urbanized areas.

I think the Minister would be very interested in the proposal put forward recently by the Federation of Mayors and Municipalities, the big city mayors, for a major infrastructure program in our urban areas. Part of it would be major relocation of railway yards and lines to outside areas so they would not endanger an urban area. I would hope the Minister would be a major supporter of that program. It would need a large amount of federal assistance to go ahead and I know that money is a preoccupation of this Government, However, in my own judgment, the increasing danger of the movement of dangerous goods will not be eliminated until there is a major program of relocation and removal of railway lines and yards from the urban areas.

There have been mounds of regulations passed. I recall with some horror seeing the volumes on my desk after they were properly administered. That was effective in terms of what happens when there is an accident, that is, reporting, responding and identifying. But, in terms of the root causes of what kind of major tragedy could befall us, the regulations say very little. Therefore, I think it has to be tackled ultimately at the source, that is, simply the sheer probabilities of further tragedies taking place.

I would also like to emphasize something which has disquietened me, as it has the Minister, and that is the modernization of the railway system itself. We were both involved, as were other Hon. Members of the House, in the extensive debate on the Crow rate. Part of the discussion was about the ability to get money into the railways' hands in order to modernize. I have looked at their budgets since then and it seems to me that for other economic reasons there is a cutback in a number of those areas. I feel it is the responsibility of the Minister to sit down with the railways, one of which he is the chief shareholder—in fact, the only shareholder—and ask what methods of modernization incorporate the most up-to-date efficient and effective safety system. That is a very clear question. I do not pretend to be an expert, and I will not try to lecture the Minister on the techniques involved, but there has been enough expert commentary to suggest there are improved methods being used in other parts of the world in terms of signalling, transmission and communication. Those methods should be part of the modernization program, and not just in western Canada. We have very heavy volumes in the central Canada core, as the Minister well knows.

It would seem to me that it is a major investment question and goes back to an area in which the Government does have some control. We know that Air Canada is facing a major problem of capitalization. We know that CNR is facing the same problem. Until those capitalization problems are solved and an answer found, their ability to respond to safety problems which are caused by deregulation will be hindered and handicapped. Therefore, until the Government addresses the question clearly— and I would hope there would be an answer—as to how the Government will ensure a proper financial base for our major carriers, especially those in the public domain, some of the safety problems will not be addressed.

I could go at some length, but unfortunately it comes back to matters of money. It comes back to a question of who pays and from where will the money come. We welcome the $60 million for airport security. There is no doubt about that. However, we know the problem is much larger and must, over the next four or five years, be addressed. The longer we put off addressing the problem, the more likelihood of serious accidents taking place. I am not here to provide warning or to scaremonger. I am simply saying it is a matter of reality which I think all Hon. Members of the House should share, and it is our job to bring that reality and that warning to bear.

The Acting Speaker (Mr. Paproski): The Hon. Member for Hamilton Mountain (Mr. Deans).

An Hon. Member: Hear, hear!

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I thank my colleague for that round of applause.

• (1230)

I want to begin by saying that, like the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), I am pinch-hitting. I do not pretend for one moment to have the knowledge to be able to give the Minister the answers to all of the problems. However, I do want to say something to him through you, Mr. Speaker.

On this side of the House the Minister enjoys a great deal of respect for the effort which he puts in. I say that on behalf of my colleagues. I know that our transport critic would have wanted to say that in any event. No one doubts his sincerity when he comes forward to make a statement such as the one he made today. However, we do have some concerns that I will express.

I do not think there is anyone in the country who does not share the Minister's sincere desire to increase the standards of safety. At one time or other we have all experienced or come into contact with people who have experienced problems with safety in all aspects of transportation. Again, I do not doubt that the Minister is committed to improving the safety standards in transportation. However, I think it would be appropriate at some later date for the Minister to make another statement, perhaps outlining more clearly some of the new technology which is being used by the various carriers which operate within the transportation system. I think it would be helpful for all of us if we could get a firm grip on the degree to which carriers within the transportation system are in fact modernizing with an eye to a safer system and what constitutes that modernization effort.

In his statement the Minister assured us again, as he has done in the past, that safety will not be compromised as a result of economic deregulation. To the extent that one can be successful as a result of making such a statement, and by repeating it over and over again, the Minister is at least meeting with some degree of success in getting other people to take it up as the battle-cry. He may be aware of the situation which I am told existed in the Transport Committee when it was examining the document entitled "Freedom to Move" produced by and for the Minister. Apparently when either a member of the Opposition or a member of the public raised the potential dangers of economic deregulation in terms of safety, I am told it was not unusual for members of the government side to respond by saying: "The Minister assures us that there will be no detrimental impact on safety as a result of economic deregulation". That was said without any analysis, without any background being presented. It was said as an article of faith. Because the Minister says it then it must be so. I hope he is right. I think most Hon. Members hope that he is right. I cannot afford, if the Minister will allow, simply to take that as an article of faith. I cannot simply accept, because the Minister says that things will be improved from a safety point of view and will not be detrimentally affected by the economic effects of deregulation, that that is necessarily so. I make that point to the Minister in conjunction with my earlier request that he consider making another statement at another time, perhaps in the fall, with respect to the whole question.

I also wish to suggest to the Minister that when the committee of the House examines the new national transportation legislation, that he place a political emphasis on the need to ensure that the safety aspects of the changes which will result will be paramount in the minds of the government Members of the committee. They must understand that the Minister is requesting them to make that a priority in their considerations. They must require the carriers who may well appear before them to make representations to present their programs for improved safety as they make their arguments for or against the deregulation process which is being suggested. Of course, this is something the Minister can suggest to Government Members who sit on the committee. We will obviously do the same for our own Members. In our opinion it would be tantamount to neglect if that is not done. I think the Minister would want that done, just as we want it done. However, it might be overlooked, as I think it was overlooked in the considerations leading up to the "Freedom to Move" document, if the Minister does not make it clear that he wants it to be a priority. So I would ask him to do that.

I now wish to deal with the statisical information that was contained within the Minister's statement. The statistics with respect to deaths and injuries were sort of read into the record almost in the same way as an insurance salesman would explain a rate structure. It is good that the Minister can find some solace in declining accident rates and other matters which are contained in the statement. I do not think that we should develop a safety strategy around the statistics alone. It is very important that we recognize the reality of the current situation.

The Minister knows full well that there are in fact problems in all modes of transportation which can and do have an affect on safety. I submit that lay-offs in the rail industry by both major rail companies result in questions being asked about the standards of safety the remaining employees are able to maintain. Without going into great detail, the example I would give is that I have had it reported to me on a number of occasions, and I have no reason to doubt this, that as a result of the reduction in manpower there is not the kind of inspection taking place of bulk rail vehicles in the Sarnia area that is necessary. I am told that the inspections which should be undertaken of all the various aspects for safety purposes is not taking place now because there are fewer employees and therefore the movement is more frequent in proportion. I am told that the actual physical inspection requirements are just not being met. I submit that can and will result at some point in time in a major accident. It may not result in a derailment, and one hopes that it will not. However, at some point somewhere between Sarnia and Toronto there will be a major leak develop in a rail carrier. I ask the Minister to pay particular attention to this point.

I also suggest to the Minister that we in this House know of the problems respecting security staffing at airports. The Minister has paid recognition to that fact and has made additional moneys available. It boggles the mind, if I can put it that way, when one thinks about how we provide the security. We pay people the minimum wage and, yes, we provide additional training to them. However, we know that staff turnover runs at about 10 per cent a month. This means that at the end of the year the people who started at the beginning of the year are no longer there. If I might be allowed to say this, the process is really in the hands of amateurs. Not only is it in the hands of amateurs when it comes to the actual people on the job, no doubt doing the best they can with an adequate pay scale and adequate conditions, but it is a little unusual when one finds that a group of people who have no licence, no assets, no insurance and no bonding can apply and get a $2.5 million security contract for an airport. We wonder if that is the standard of safety we are prepared to accept.

• (1240)

As the Minister well knows, this has happened. A contract was let to people who were related to the industry through marriage, if I recall correctly. However, the company that submitted the tender proposal, as far as I am aware—and the Minister can respond to this—was merely a shell of a company. When the company got the contract, it was a shell operation, and clearly it became somewhat more than a shell after the contract was granted on May 6 of this year to Metropol Airport Security Ltd. I do worry that that might occur again.

I would suggest that in my judgment security at airports has to be professionalized if it is to be satisfactory. I suggest to the Minister that he make sure that that occurs. In this day and age, there is more likelihood of an incident at an airport than there has been at any time in history. I would submit that there is more likelihood of an incident at an airport than there is on the streets. We pay, train and provide for our own protection on the streets through police forces with members who are adequately and properly trained; yet at an airport we provide security people who, quite bluntly speaking, are simply passing through the system. I do not think that that is enough, and I think the Government probably shares that view. I would ask the Government to take a serious look at that matter.

I thought the Minister might have announced today further review of a decision taken with regard to lighthouses. We know that the Government has directed that lighthouses will now be operated on an unmanned basis without any personnel on site. In other words, lighthouses have been computerized. I suggest that the role of the lighthouse keeper is a far larger role than one of simply turning lights off and on, and I think the Minister agrees with that. If there is a need for computerization, as I do not doubt there might be, then computerize the lighthouses, but the job of lighthouse keeper goes far beyond simply making sure that between dusk and dawn the proper lighting is available.

Mr. Skelly: There needs to be a public inquiry.

Mr. Deans: As my colleague from B.C. has said, he would like to see some kind of a public inquiry into the appropriateness of the action that is being taken by the Government. I would suggest to the Minister that he pay at least some heed to that suggestion because it makes some sense. I would suggest that the function of a lighthouse keeper is one that is not only necessary because of identification but is also necessary in that it provides navigational aids and help with search and rescue operations. It is therefore too important to simply let it pass.

I will say very little more. I do wish to say that the layoffs at CN announced just last week will, I submit, cause a problem for safety. If CN is going to undertake layoffs, it should present a proposal to deal with the maintenance of safety standards with fewer personnel before the layoffs become effective. Quite clearly, I can understand the economic problems that are faced, but I am not satisfied that the economic problems should be solved with the possible result that safety is affected. I think it should be part of the Minister's demand that as CN and CP consider the possibility of downsizing their workforces, they present to us how that will affect safety and what actions they propose to take to offset whatever effects it will have. The Minister will recall, of course, as he points out—

Petitions

Mr. Speaker: Order, please. I must ask the Hon. Member to conclude.

Mr. Deans: I appreciate that, Mr. Speaker. I am in fact concluding.

I think the Minister knows that we share his concern. I think the points I have raised are debatable, and I am prepared to conceded that. I believe our interpretation is worth consideration and that our concern for the over-all safety of the transportation system is no less than the Minister's. We are willing to co-operate with him if, as I said earlier, he takes some steps to make sure that all aspects of the transportation system are reviewed, and that safety be the paramount consideration during that review.

* * *

PETITIONS

USE OF PENSION INCOME IN CALCULATION OF UI BENEFITS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the responsibility and duty of presenting a petition signed by many constituents of Kamloops, British Columbia, who are protesting the change to the Unemployment Insurance Act which saw pension income used as earned income for unemployment insurance purposes, and they call upon the House to reverse this iniquitous provision in the Unemployment Insurance Act.

DECOMMISSIONING OF LIGHTHOUSES

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, I have the honour and responsibility of presenting a petition on behalf of many individuals from the coast of British Columbia who are concerned about the automation of a number of lighthouses. They point out that lighthouse services are important for search and rescue, communications and weather reporting, and that they are extremely important for both aviation and marine transportation on the coast of British Columbia.

USE OF PENSION INCOME IN CALCULATION OF UI BENEFITS

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, I have a second petition that deals with the unemployment insurance problem experienced by many individuals. This particular petition is from teachers who have mentioned that early retirement has almost been eliminated as a possibility for many people because of the arbitrary changes in the unemployment insurance regulations.

I have a third petition that deals with the concerns of fishermen on the coast of British Columbia over arbitrary changes in the unemployment insurance regulations and their effects on those people in that industry.

My final petition is from members of the armed forces who are very upset with the changes in the unemployment insurance regulations and the effect on their lives as retired members who have served this country for many years.

* * *

• (1250)

COMBINES INVESTIGATION ACT

MEASURE TO AMEND

Mr. John R. Rodriguez (Nickel Belt) moved for leave to introduce Bill C-288, an Act to amend the Combines Investigation Act (promotional coupons and savings stamps).

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Rodriguez: Mr. Speaker, the purpose of this Bill is to prevent a person or corporation from offering coupons in respect of a food product as a method of promoting the sale of the food product. I believe that any reduction as a result of coupons should be a direct reduction in the price of the item, rather than to create a whole generation of coupon clippers.

Mr. Nunziata: Could I withdraw my name as seconder because I am a coupon clipper?

Mr. Speaker: Only with unanimous consent of the House.

Some Hon. Members: No.

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

* * *

COMBINES INVESTIGATION ACT

MEASURE TO AMEND

Mr. John R. Rodriguez (Nickel Belt) moved for leave to introduce Bill G-289, an Act to amend the Combines Investigation Act (loss-leadering).

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Rodriguez: Mr. Speaker, the purpose of this Bill is to prohibit retail sale of a food product in a food store at a price lower than the purchaser production cost incurred by the seller of the product.

In the Sudbury basin which I represent we have experienced loss-leadering being used by large chains to force out small entrepreneurs or small-businessmen. Once they are forced out, the price goes sky-high and they have a controlled market.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

M. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I suggest that all the other questions be allowed to stand.

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

[*English*]

Mr. Speaker: May I inform the House that because of the ministerial statement and responses, Government Orders will be extended by 42 minutes beginning at 1 p.m.

GOVERNMENT ORDERS

[*Translation*]

ARCHIVES OF CANADA ACT

MEASURE TO ENACT

Hon. Marcel Masse (Minister of Communications) moved that Bill C-95, an Act respecting the Archives of Canada and records of government institutions of Canada and to amend the Copyright Act, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, "of all our national treasures, the Archives are the most precious. They are the legacy of one generation to another, and the quality of care we give them testifies to the quality of our civilization". This was said more than 50 years ago, by a former Dominion Archivist, Arthur G. Doughty. I am reminded of these words now that I am about to introduce new legislation for the Archives of Canada. If a people is not aware of its past, it has no identity. It suffers from amnesia. It does not know its strengths , it does not know its weaknesses and cannot build on its experience. It cannot leap forward because it lacks the starting block of history. It cannot legitimize its institutions or identify their responsibilities, anymore than it can determine the rights of individuals and groups.

The original identity of our country, which we defend and strengthen, each in our own way, is partly reflected in our institutions and our present day way of life, but also in the roots of the present which we can find through the archives. These, according to Doughty, are the soul of a people, its

collective memory. They are essential to a people's understanding of itself, its past, its present vitality and its aspirations for the future.

It is because archives are so important to this country, for the Government and to our developing self-awareness, that I am introducing legislation that will make the Archives of Canada better able to respond to present and foreseeable needs. I would first like to recall the purpose, function and clientele of the Public Archives of Canada, and then indicate why the existing legislation is no longer adequate in today's context and why new legislation is required and, finally, I review the main characteristics of the Bill now before the House for second reading.

First of all, the purpose and function of the Public Archives. The Public Archives of Canada have been in existence since 1872. At the time they were already referred to as the Canadian Archives. Historical records of all kinds were collected in Canada, and records concerning Canada were copied in France and in England. In 1903, the Archives were assigned the task to preserve the Government's historic records. In 1912, the Public Archives of Canada Act made the institution autonomous and gave it a mandate for collecting records of historic interest, because in addition to the Government's records which had to be preserved indefinitely for legal reasons, for the protection of rights or for administrative purposes, there were also the records of the public and private sector, individuals, families, associations, and commercial, industrial and financial businesses, which were to be preserved in order to promote research and constitute what was already referred to as the "memory of the nation".

Today, with a budget of $42 million for the year 1986-87 and nearly 800 employees, the Public Archives provide, in essence, three major services. The collection and conservation of significant historical archives, both public and private; since 1945, the organization, management, and disposal or preservation of current records from various departments and Government agencies; and finally, although still on a modest scale, assistance to the Canadian archival community and cooperation on the international scene.

The first function, of an historical nature, remains the best known and the oldest one. Indeed, the mandate of the Public Archives is to select records from the Government of Canada that are of permanent interest, to document the history of the various departments and the Government itself and to build up the necessary recollection of these organizations, and also to assist in recreating this country's history. Once they are no longer needed for administrative purposes, those records having an ongoing value are transferred to the historical Archives. There they are stored whatever their format. The Archives also acquire private records of significance. They make them available, subject to legal requirements, not only to researchers but also to the general public, as through exhibitions and publications for example.

Archives of Canada

• (1300)

Finally, conservation is an essential process to the archives. With it records of every nature, on whatever support, can be preserved for long periods of time. In certain areas, public archives have developed world-scale, state-of-the-art techniques—bulk de-acidification of printed records, conservation of ancient photographs, research on possible applications of optical discs, etc.

To that traditional function of Public Archives in respect of historical archives was added in 1945 an increasing responsibility, delegated by Treasury Board and the Cabinet, for active and semi-active Government files. Between 1945 and 1966, various orders and Treasury Board decisions gave the Archives the responsibility for a number of advisory, control and service functions in order to achieve economical and efficient management of official files, and this is one of their responsibilites. By giving the Archivist the right to veto any destruction, the guarantee was secured that historical records would be protected and regularly turned over to the Archives, through the use of conservation schedules while records of a transitional value would only be kept during their period of usefulness.

In addition to its training, consulting and evaluation services, record management has developed a whole network of semi-active depositaries for departmental use—it controls seven centres in Ottawa, Halifax, Montreal, Toronto, Winnipeg, Edmonton and Vancouver, which involve a total 400,000 metres of shelving loaded with written records, plus 200,000 computer tapes and 325,000 reels of microfilm. Those depositaries received last year not less than 1,423,242 requests for files from various departments, which in most cases were met within 24 hours.

That second responsibility, although less conspicuous, is nevertheless vital: it looks after the classification and conservation of tomorrow's historical records, as well as the destruction of files without any permanent value, which represent over 95 per cent of the documents of all kinds produced by the Government of Canada. This function results in considerable savings for Canadian taxpayers, assessed at over $20 million for deloped year 1985-86, through rationalization of the management of Government documents. It is now provided with a well the system making it possible to find more quickly the desired information and ensuring to the Archives that documents of permanent value are transferred at the appropriate time.

Finally, the Public Archives, like all other archival repositeries throughout the world, are faced with a major problem: the identification, acquisition and preservation of archival documents recorded on a computerized base. According to still incomplete estimates, the various government departments would handle over between 2.5 million and 3 million computer tapes which contain at least ten times more data as compared with printed records. Unfortunately, because of the scope of the problem and the scarcity of resources, 2 or 3 per cent of these tapes at the most are submitted to record management and, eventually, in the case of those with a permanent value, are being transferred to the Archives of Canada. Unless solutions are found and implemented soon a type of "memory blackout" in the picture future history of our time, the disappearance of a great many data which more and more are stored only in computerized banks.

Because of their strategic position and their relative wealth of human, budgetary and material resources, the Public Archives have played a major role in the Canadian archivistic community during the last 30 years. This aspect of the role of the Public Archives should become even more significant in the future, for instance with the recent creation of the Canadian Archives Council following a federal-provincial agreement. This decentralized and flexible system will respect the autonomy of archivistic institutions while giving all Canadians access to their complete archivistic heritage. In addition, the Public Archives have instituted numerous international co-operative programs.

Why do we need new legislation? Mr. Speaker, people will probably ask me why I should introduce a new Archives Act at this time in view of the major achievements of the Public Archives and their central role both in Canada and abroad. The fact is that the present Archives Act was passed in 1912, at a time when typewriters, for instance, were just beginning to be in common use. No one could then have foreseen the world of computers and televised archives, nor the range of individual and collective rights which would be recognized in the following decades.

First, the Act of 1912 no longer corresponds to the present range of activities of the Canadian Public Archives, especially as regards the new types of archives support systems. Second, the Act is completely silent, which is to be expected, about the document management policies and practices developed since 1945 in response to the increase in size and complexity of the Canadian Government. Third, the Act does not take into account the public use of the collections—in fact, it does not even contain the word "access"—and could not have foreseen the very large increase in the number of users and their places of origin, as well as the decentralized needs of these users. Fourth, it does not deal with the documents of the many Government institutions created during the last 70 years. Fifth, it does not take into account concerns such as those imposed by the Access to Information and Privacy Acts. Sixth, it does not take into account the new storing and information transfer technology (records and tapes of all kinds) which, on the one hand, runs the risk of erasing historical information, but on the other, allows for a more effective and economical management of the archives. Seventh, it does not deal with the leadership role which must in fact be played by the Public Archives in terms of providing concerns professional, technical and financial support for the archivistic community, nor the requirement that it cooperate with the provincial archives. Eighth, it does not provide the Public Archives into the authority to play the major role they require on the international scene.

We have been aware of these deficiencies for a long time and many organizations have asked the Government to correct the situation by preparing a new Archives Act. Thus, adoption of a new Archives Act was recommended by the Glassco Commission in 1962, by the Symmons Commission on Canadian studies in 1975 and by the Federal Cultural Policy Review Commitee in 1982. In 1983, a document proposing a new Archives Act was prepared and sent to various departments and agencies. After many interministerial consultations, this document was amended to respond to the concerns and needs expressed at these meetings. Finally, at the request of Cabinet and following a proposal of the Minister of Communications, in December, 1984, the Department of Justice undertook preparation of a new Archives Act. This is the bill for which I am now moving second reading.

What are the major characteristics of this Bill? Mr. Speaker, allow me to describe them briefly. Under the new legislation, the Archives of Canada will be responsible for conserving private and public records of national significance and facilitating access thereto. They are to be the permanent repository of records of government institutions and of ministerial records. The Bill provides that they will play a leading role in the management of government records and encourage archival activities and the archival community.

Under the new statute, the Archivist will have two special powers. Except in certain cases, no record under the control of a government institution and no ministerial record shall be destroyed without the consent of the Archivist. It also provides that the records of government institutions and ministerial records that, in the opinion of the Archivist, are of historic or archival importance are to be transferred to the care and control of the Archivist.

The Bill also provides that the mandatory deposit with the Archives of Canada or certain audio-visual recordings does not constitute an infringement of the Copyright Act.

Finally, the Bill establishes the Archives of Canada as a branch of the public service under the direction of the Archivist of Canada. Under the legislation, the federal archivist is appointed to that position, and the records and staff of the Public Archives are transferred to the Archives of Canada.

We believe that these provisions will benefit the Government and all Canadians. The conservation and operation of permanent public archives and important private archives will be more efficient under the new statute. The concept of heritage access will be clarified. Finally, the legislation confirms the leadership of the Archives of Canada in the establishment of a Canadian archival system which, while respecting for provincial jurisdictions and the independence of private institutions, will be able to guarantee to all Canadians that the records which constitute their heritage are preserved.

Ever since Bill C-95 was tabled in the House of Commons last February 12, I have been delighted by the positive response of provincial representatives, associations of archivists, university circles, and interested parties from the general public. I am also very pleased to note the consensus of all groups concerning the fact that the Public Archives Act of 1912 is outdated and must be reviewed by Members of Parliament.

The Saskatchewan provincial archivist stated, and I quote:

• (1310)

[*English*]

In the past decade or so, most of the provinces have adopted archival legislation as an aspect of public accountability. Such a role for the Public Archives of Canada was only dimly foreseen in 1912 and the current federal regulations in this field should now be supported by a solid legislative base.

[*Translation*]

He even affirmed that the new Canadian legislation will be beneficial for the whole Canadian archival system.

As to the *Association des archivistes du Québec*, it insists on the need for the Canadian Government to implement a legislation that will be more in keeping with the modern needs of archival management. This is what they wrote:

"Considering the leadership role of the Public Archives of Canada, we cannot overemphasize the benefits of the earliest possible implementation of that legislation."

The Association of Manitoba Achivists has also sent a letter to the Prime Minister urging him to have the legislation passed as quickly as possible.

[*English*]

This legislation has long been overdue, even though of vital importance to the systematic preservation of historically significant—records—

[*Translation*]

Some teachers from the Department of History of Laval University also wrote in support of Bill C-95.

There is an urgent and important need to update and clarify a legislative framework which dates back to 1912. It was also of vital importance to streamline the mandate of the Archives of Canada.

Some of the people and associations who sent us letters of support to this Bill highlighted possible areas of improvements. For example, there were questions on the independance of the Government of Canada in a situation where foreign governments may seek to have documents involving them destroyed.

The Social Science Federation of Canada agrees with the need to review the 1912 Public Archives Act and suggests amendments to the Bill to make it:

[*English*]

—more attuned to the spirit of access to information and the needs of the users of archives.

[*Translation*]

The same approach is shared by Mr. Desmond Morton, a professor of Toronto University, who wrote:

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[*English*]

—small blemishes on an otherwise excellent bill, but why not press for perfection?

[*Translation*]

Mr. Speaker, I believe that the support received for this Bill is very satisfactory. I hope the House will very shortly refer Bill C-95 to committee, so that users of the services of the Public Archives of Canada—academics, journalists, genealogists, legal experts, film producers and archivists—will be able to show what parts could be improved, and a date can be set for adoption of this Bill.

Mr. Speaker, in concluding, I wish to invite my colleagues on both sides of the House to support this urgently needed legislation and thus serve the interests of the Government and the Canadian people.

First of all, new legislation is necessary to clarify the mandate of the Public Archives regarding the necessary destruction of an enormous mass of records (more than 95 per cent of the records produced by Government agencies) and the identification and subsequent transfer, conservation and accessibility of the remainder, judged to be of permanent value and constituting the "memory" of the Government and the Canadian people. It is also necessary to improve the Government's management procedures, to reduce administration costs throughout the departments and to preserve for future generations a legacy we believe it is essential to transmit to them, regarding our time and our past. It is also necessary to provide an economic means of storing the semi-active government records for a limited time, prior to their destruction or transfer to the historical archives.

I think we all agree it is important for the Government to have a central and permanent depository for records, so that we can follow the evolution and decision-making process of the various Government departments, and thus understand the past, our present problems and future challenges. Furthermore, the Government must respect the law and provide Canadians with information requested under the access to information and privacy legislation. The Archives offer all these services and do so economically by providing a central location for accessing these records.

Perhaps I may broaden my perspective to include all Canadians. Everywhere in Canada, people are now talking about cultural sovereignty, closer economic relations with the United States, and so forth. Actually, the new act will enable the Public Archives to play a still more decisive role in the understanding and development of our cultural identity. This country has been enriched by diverse contributions from every continent and every culture. Bilingualism, multiculturalism, the parliamentary system, public institutions, respect for various customs, the rights of native peoples, those and others are features that make us Canadians different from other nations.

The same is true of the extraordinarily complex network of communications this country has built up over two centuries, despite barriers that seemed insuperable. That saga, the word is not too strong, should fill every Canadian with excitement and pride.

With an increased access to their archives, Canadians will be able to better understand the richness of their past and of their present challenges. This is why today I am suggesting that we improve our collective "memory", widen our pespective of the Canadian experience, encourage the development of the Canadian Archives, with among other things a more appropriate legislation and a Canadian system of archives which alone will make this whole heritage available to Canadians. With this legislation, it is my hope that we will not only be consolidating our achievements, but also providing the infrastructures needed for preserving and making available those archives to researchers and the entire population as a unique cultural resource that is the true image of Canada.

• (1320)

[*English*]

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, at the outset I would like to congratulate the Minister of Communications (Mr. Masse) for a very warm, thoughtful and well presented perspective on the reasoning for the need for the new archives Bill. When you look at and read the old Bill from 1912, with its very few narrow paragraphs, you realizes the urgency and can respects his observations in this regard, notwithstanding the need for the open hearings of our committee so we can make the changes necessary due to the slight, but serious imperfections we find in this Bill.

Mr. Speaker, that being said I am pleased today to rise to speak to Bill C-95, an Act respecting the Archives of Canada and the records of government institutions of Canada and to amend the Copyright Act on second reading.

The Archives of Canada Act would replace the present Public Archives Act, which dates back to 1912. Since 1912 the Public Archieves of Canada has freely interpreted the single unrevised statement of its mandate or mission, that is, to collect and preserve historical material of every kind, nature and description as authority for its contemporary activities. These activities should now be more authoritatively defined in a complete revision of the Public Archives of Canada Act, which not only reflects the scope of its current archival collections and the methods of their preservation, but also other duties and activities in which the Public Archives now is involved.

The Public Archives is a vital heritage custodial institution similar in purpose to the National Museums of Canada. The importance of archives was admirably delineated in a brief to the Applebaum-Hébert committee by the Public Archives, and I quote from that brief:

If the archives of nation, a Government or an organization are not preserved, then the history of that nation, Government or organization will be forgotten, and the price which a people pay for the loss of their history is a misunderstanding of their roots, a confusion in their identity and the misrepresentation of the nature of their country.

Within the mission of the Archives I also want to underscore and underline how important it is to reflect the multicultural, multilingual background which is the tapestry and the design that forms the background of this beautiful landscape, and the historical record of our society. It is from these very societies that we must collect and preserve this historical documentation so people see themselves reflected through their roots in our own archives, which are the archives of all the peoples of Canada regardless of when they arrived on our shores.

[*Translation*]

Mr. Speaker, it is generally recognized that this statute, three quarter of a century old, should be updated. It is the opinion expressed in two recent reports produced for the Federal Government, namely that of the advisory group on the Canadian Archives, in 1980, and that of the Federal Cultural Policy, Review Committee,the so-called Applebaum-Hébert Committee, in 1981. In the opinion of the former group, an amended legislation would provide a sound legal base for the future expansion of the Public Archives of Canada. As for the Applebaum-Hébert Committee, it states that it would make it possible to coordinate the national planning, and to maximize the cost efficiency of our resources in this area.

The Bill, which incorporates a number of suggestions contained in these two reports, provides for a number of significant changes.

First, it replaces the designations "Public Archives" with "Archives of Canada" and "Federal Archivist" with "Archivist of Canada".

Second. It includes specifically in the definition of "Records" which the Archives may acquire the types of documentary material reflecting the technological changes which have occurred since 1912, including sound recording, video and computer tapes, films and microforms.

Third, it expands the mandate and functions of the Archives of Canada which, under the 1912 legislation, were limited to the simple acquisition and conservation of documents. Henceforth the official functions would also be to allow and facilitate access to the records, subject to the Access to Information Act provisions, to provide information, consultation and research services, to encourage the archival community, and to offer other services to both federal institutions and Canadians generally.

Fourth. Clause 5 of the Bill specifies restrictions to the access the archivist may have to records of government institutions and ministerial records, particularly pursuant to the Access to Information Act. This clause does create some difficulties and will have to be examined with a fine toothcomb, so to speak.

Fifth. It gives the Archivist access to sound and video recordings made public in Canada.

Sixth. It empowers the Minister responsible for the archives to establish an advisory board to advise the Archivist in carrying out his functions. The board is not mandated, it advises only, and I think it is important that it be given a mandate.

The Bill therefore confirms the changes that have occurred since 1912 with respect to the work done by the archives and the means at their disposal. It implements most of the suggestions made in the aforementioned reports and lays the official foundation for financial assistance from the archives to the Canadian archival community. There are still some concerns and I hope they will be dealt with very thoroughly when witnesses appear at the committee public hearings.

The present legislation does not take into account the considerable changes which have occurred since 1912 concerning—

[*English*]

History is a story created out of the evidence that has survived. People go to the archives in search of a wide variety of topics, people such as Members of Parliament who have to make a report in this House, teachers, lecturers, students, historians, the general public, scholars, other archival institutions, researchers in various media, government researchers and genealogists as well. Canadians are becoming increasingly interested in their genealogy. Perhaps this came about from the impact of the film *Roots* resulting in Canadians wanting to take a good look at where they came from.

Many probably wonder what the Archives really is. Many see it as just an institution that has a huge collection of papers. It is much more. It is charged with the acquisition, conservation and management of historical records, as well as the management of federal Government records. Its mandate includes the provision of administrative, financial, personal, exhibition and conservation services to the National Library of Canada. It is a vital link to our past. The Archives is an important cultural depository for our country, something our ancestors realized when creating this wonderful institution in 1872.

Let us just for a minute look at the value of census records. When an individual's life is touched every ten years the highs and lows of his life can be pinpointed. The few facts entered on a census schedule can bring an obscure name in a family bible back to life. For example, 1871 census documents show that in that year Jacob Levy, a 43 year old German Baptist, was living in a tiny Nova Scotia fishing village, working both the land and the sea. Sixteen years earlier his English wife, Susan, had her first child at age 13. Both were uneducated, but their toil provided for and fed six children, four boys and two girls. The younger four, age 7 to 13, attended school. No physical or mental infirmities were reported. We can trace this 10 years later to find that Jacob still lived in Tancook but his three oldest, two men and a woman now, had moved away. The two boys still at home considered themselves fishermen.

• (1330)

This basic story was derived from only three hours spent at the Archives. I personaly handled those record books, with

their hand-written ledgers, carefully recorded in a writing style that reminds me of the beautiful calligraphy that we study and try so hard to achieve in today's society. It was a moving experience and I suggest that if you have already not done so, Mr. Speaker, you should look at those musty files and take joy in the kind of precise nature and care with which our information was documented.

Through the Archives we are still uncovering vital pieces of our cultural and historical past. For example, everyone thought that our first Prime Minister, Sir John A. Macdonald, was born in Glasgow on January 11, 1815. This is what is stated at page 10 of *The Young Politician* by Donald Creighton. But that has been proven wrong. He was actually born on January 10. How do we know? Because a few years ago the Archives discovered Sir John A. Macdonald's birth certificate and it gave the date of birth as January 10. What difference does one day make? Absolutely none in reality. It is just the principle of the accuracy of the historical record. It is a footnote to history.

Many are aware of Sir John A.'s reputation as a drinking man. Many think that his favourite refreshment was brandy. That is not so. Particularly in his darkest hours, Macdonald preferred rum. How do the Archives know? It is simple. It has his old hotel bills which show that he ordered more rum than brandy. That is not world-shaking information, but it is an interesting detail that can be found in the documents when we produce the file on our heroes, not those of other countries.

Back in the colonial days, when the Bank of Canada was investigating French currency, it found that when the French could not print money quickly enough to keep up with demand, they cut the corners of playing cards and used them instead. I wonder if there will be a new Bill in the next Budget by the Minister of Finance (Mr. Wilson)—aces high or aces low?

An enormous amount of space is required to store more than a billion items, including 11 million photographs, maps and plans, and 365 million pages of federal Government documents that the Archives owns.

At present, the Public Archives' holdings are scattered among seven different buildings throughout the national capital region, in addition to the main building which it shares with the National Library on Wellington Street. Not only are these spaces insufficient, but the conditions within them, which I am sure the Minister knows, pose serious threats for the long-term preservation of the collections of historical record, information and knowledge about our cultural heritage. They are the background documents which define us as a distinct and proud nation. The stacks are overflowing in buildings which are not protected against humidity, theft, vandalism or water damage. As each day goes by, a lot of data, part of which is significant to our history, is being erased and is disappearing. It is not because the archivists do not care, it is because they do not have the resources to do their job properly. I hope the Minister provides the needed funds along with the needed change in law for the Archives.

Added to this is the fact that storage space is being shared with other organizations, which also poses control and security problems. Because holdings are spread among several locations, the records frequently have to be moved about. This repeated handling is another cause of damage, as are the changes in atmospheric conditions and contamination by insects. I sincerely hope that we can do something about this because the consequences of such a situation are disastrous.

During the last four years there have been no less than 45 emergencies. In some cases these were major floods causing irreparable damage and loss. In other cases it was a simple leak or recurring leaks that damaged the collections. Over the long term, the documents in the Archives are attacked by mildew, oxidization, dust, and unnecessary wear and tear.

Another threat is that of a major disaster like the fire that devastated the Archives of Concordia University a few years ago. The archival holdings were stored in a building that was also inadequately monitored and protected and which was shared with other services. Several years and millions of dollars were needed to restore those documents which were not lost. What happened so dramatically at Concordia University is happening here too at the Public Archives, but over a longer period of time. If it cannot be prevented, the result will be the same—the loss of our heritage about which we are so concerned. Therefore, it is not only important to have a new Bill, it is also vital to provide the kind of safe, humidity controlled environment, with a proper fire suppression system facility for the Public Archives.

Added to this is the fact that the job is continually changing. It is no longer a question of just simply saving and storing documents. The Public Archives has moved into the computer age. Incredibly, the computer records of the Government contain more than 10 times the data that is on paper. At present, there are no ways, except for pilot projects, to control and protect these records. They are continually being changed, destroyed and erased, and we do not know what is happening to the 2.5 million tapes and discs that exist in Government which could therefore result in the Government and public losing these electronic records, even though they have current as well as historic value.

In 50 years from now, if nothing is changed, we risk the possibility of the development of a big hole in Canadian history through loss and destruction. Canadians simply will not have the data to know how we lived in our present world. That is important, for that is what defines us.

The Public Archives stated its case very clearly to the Standing Committee on Justice and Legal Affairs. It stated:

> In democratic societies, the accepted practice has long been that the records of government be properly cared for, that the most important of these be permanently preserved as the Archives of the State and, with time, the public should have access to the Government archives.

Our Party is pleased that the Government is moving to update the legislation governing our Public Archives. Much of the Bill is acceptable and will enhance the role of this federal agency as the guardian of our heritage, ensuring that it continues to acquire and preserve public and private archival records of national significance.

The Government is seemingly of the opinion that this Bill is uncontroversial and should pass through the legislative process with little or no discussion. However, I have had representations from researchers and university scholars, as well as the Social Science Federation of Canada, indicating major defects which must be addressed. I heard the Minister refer to many groups from whom he heard, including the fact that he heard a few complaints.

I would like to thank Professor Reg Whitaker of the Department of Political Science of York University and read into the record his concerns as mentioned to me in his letter of March 10, 1986. He states:

Dear Ms. Finestone:

It has just come to my attention that Bill C-95, the Archives of Canada Act, which I believe would come before a committee (communications and culture) of which you are a member, contains some very serious implications for Access to Information. I further understand that the Minister responsible, the Hon. Marcel Masse, has indicated that he wishes this bill to be speeded through committee stage on the grounds of its allegedly uncontroversial nature.

In the hope that this will not happen, and that some of the implications of the Bill may at least be given discussion and publicity, I would like to draw to your attention the apparent problems. As a university scholar who has often used the records available in the Public Archives of Canada and who has had some fairly extensive experience in using the Access to Information Act, I find some alarming features in this bill.

Sections 5 and 6 deal with records of government institutions and ministerial records. The general intent of Section 5, that such records should not be destroyed without the consent of the Archives, is highly laudable and is, I believe, supported by scholars who use government records as sources for their work. However, 5(6) stipulates that this does not apply in respect to a record containing information that was received in confidence from the government of a foreign state or an international organization of states or an institution thereof where the government, organization or institution requires the destruction of the record.

● (1340)

I will continue with the letter, Mr. Speaker, at two o'clock.

Mr. Speaker: I thank the Hon. Member. It now being 1.42 o'clock, I do now leave the chair until two o'clock p.m.

At 1.42 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[*Translation*]

The Acting Speaker (Mr. Paproski): When the House adjourned at 1:42, the Hon. Member for Mount Royal (Mrs. Finestone) had the floor.

Mrs. Finestone: Mr. Speaker, I shall continue by reading a letter from Professor Reginald Whitaker, from the Policital Science Department, Arts Faculty, York University, who wrote to me about certain constraints of the Act which he finds serious and which he hope will be eliminated through amendments at the committee stage.

[*English*]

Mr. Whitaker states:

Section 6 stipulates the transfer to the care and control of the archivist of government records—with the following exception indicated in 6(4) . . . "any record that contains information related to the conduct of international affairs, the defence of Canada or any state allied or associated with Canada or the detection, prevention or suppression of subversive or hostile activities that was obtained in confidence from the government of a foreign state or an institution thereof, unless the government, organization, or institution consents to the transfer of the record to the Archivist."

The language of these exceptions is very sweeping, especially 6(4). In the case of both clauses, I would particularly note that the reference is to "any record that contains information—obtained in confidence". In other words, this refers not merely to communications from foreign governments or organizations, but internal Canadian government records containing information obtained from foreign sources. The categories of "international affairs", the "defence of Canada" or its allies, and internal security, are, I am sure you appreciate, very broad, or can certainly be made so by a government wishing to withhold information. Moreover, a government department or agency which wished to destroy certain records could ensure this by the simple expedient of recommending to a foreign Government that they require destruction or withhold transfer. In short, what begins as an apparent exercise in entrusting all Government records to the Archivist, ends in creating a loophole which could be misued to undermine the intent of the sections.

The Access to Information Act, which the Archives must itself apply to all government records requested by its users, already stipulates a series of exclusions, including the matter of consent of foreign governments to releasing communication originating from outside Canada. The effect of this bill would be to prevent the Archives ever receiving such documents, and much more besides. In the case of documents disposed of or destroyed, they will then of course be lost forever from the historical record of Canada, thus precluding their eventual release after the passage of years and the consent of foreign governments to the release of documents which may by that stage be of merely historical interest. I am sure you can appreciate the serious consequences from the point of view of scholarship and of the heritage of historical documentation which the Archives are supposed to protect.

I am sure that is not what the Minister intends, knowing his deep interest and appreciation for our culture and history. Mr. Whitaker continues:

There is yet one more exception which can be taken to this legislation. 6(4) exempts the categories of documents listed from the effect of 6(1)(*b*) and 6(2). The latter indicate that the Governor in Council may make regulations or directions, and prescribe terms and conditions, for the transfer of records to the control of the Archivist. This would appear to mean that in the case of records containing information received from a foreign source which desires destruction of the document, the Governor in Council is prohibited from intervention in the matter.

I do not think that is what the Government, the Cabinet or the Privy Council wants.

In short, an arrangement made between a Government department and a foreign Government would constitute the final word: the Government of Canada thus transfers discretionary power over the disposition of its own records, by statute, to its own bureaucrats and foreign Governments—

I think today was a fine indication of how dangerous that can be.

—and specifically indicates that it cannot intervene under any circumstances. The language here is somewhat confusing, but the implications should be examined at some length.

In closing, I would urge you to raise these concerns at committee stage.

It would be a very dangerous precedent if a bill containing such provisions were to slip through an unsuspecting Parliament under the guise of being uncontroversial. There are already enough loopholes and exclusions to the Access to Information Act; this will only make matters much worse yet for freedom of information in Canada, and could undermine the laudable goal of making the Archives the custodian of the historical record as related to the documents of the government of Canada.

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To add to the record, it is important to note that the chairperson of the Archives Committee of the Canadian Historical Association which represents some 1,600 professional historians and researchers across Canada is also concerned about certain provisions of this proposed Bill. They wish to see it modified and they are prepared to appear and make representations for the needed changes before our committee.

The Social Science Federation of Canada in correspondence with me indicates serious concern in that Bill C-95 limits the jurisdiction of the Archivist to those institutions listed in Schedule 1 of the Access to Information Act and in the Schedule to the Privacy Act. Consequently, records of royal commissions and national institutions such as Air Canada, the CNR and the CBC, would not be covered. Unless the Archivist is given jurisdiction over the records of these national agencies, there is the real possibility that invaluable records of Canada's cultural past may be dispersed or simply destroyed. Similarly, Clause 5(1) of the Bill subjects the jurisdiction of the Archivist to other statutory provisions such as privacy and access to information legislation.

The problems which these new provisions can create for researchers are demonstrated by the passage of the Young Offenders Act which required the destruction of all case files related to juvenile delinquents retroactive to 1908. Experiences of a similar nature came to the public attention with the destruction of immigration files which were needed during the Deschênes Commission hearings.

In our view, such wholesale destruction of records virtually precludes in-depth scholarly assessment of the new judicial initiatives embodied in the Bill and required for informed decisions on future public policy. Moreover, there already exists under the Privacy Act a provision whereby the head of an agency of the Government of Canada may release to a researcher personal information, provided that the researcher gives a written undertaking not to publish his or her results in such a way as to constitute an invasion of personal privacy.

• (1410)

We believe that such a system should be extended to all personal information collected by the Government of Canada and that all statutory provisions requiring the non-release or destruction of such records should be amended by the new Archives Bill so that the Archives will have the final authority to decide what records are to be preserved, always subject to the provisions of the Privacy Act concerning the release of personal information. What must be avoided is the complete destruction of important records until their value to policy analysts and researchers can be assessed through the Chief Archivist.

Bill C-95, the legislation being proposed as a mandate for the Archives of Canada, has several links to access to information and privacy legislation. It is worthy to note that the implementation of the access to information and privacy legislation has had a significant impact on records management in federal institutions. Though the value of sound records management has long been recogized by government institutions as an administrative necessity, and sometimes a nightmare, there has been a heightened awareness of this need in order to meet the requirements of this legislation.

Descriptions of all classes of information as well as decisions on access to them is difficult where records are not adequately organized within a corporate records classification system. Furthermore, each government institution is required to compile schedules or timetables which list their record holdings, the period of time the information must be retained for its administrative value and the ultimate disposal of each file, whether through destruction or transfer as an archival record to the Public Archives. Such records retention and disposal schedules must be approved by the Archivist. Much work remains to be done by government institutions in the scheduling of their information which is the sole method that ensures that information is maintained and disposed of with due consideration for its administrative, archival and historic value.

Nearly everything remains to be done in computerized records over which records management has not effectively been extended. I would ask the Minister to pay particular attention to this absence of administrative codification.

As part of a code of fair information practice, the Privacy Act in Sections 4 to 6 sets out a framework for the collection, retention and disposal of personal information. Subsequent regulations, directives and guidelines establish that government institutions shall schedule personal information for retention and disposal in accordance with specific principles recognizing that the interests of individuals are to be protected. For example, personal information that has been used by a government institution for a purpose affecting an individual must be retained by an institution for a minimum of two years.

References to records retention and disposal schedules in regulations pursuant to the Privacy Act were developed to protect the interests of individuals as well as the standard values of information for use by the institution and for future archival and historic use. By directive, schedules for retention and disposal of personal information must indicate, once personal information has been designated by the archivist as having archival or historical value, when the information shall be transferred to the control of the public Archives. When personal information has not been so designated, the schedule must indicate when the information will be destroyed. Government institutions are directed to follow the records schedules they develop including the transfer of records to the Archives.

Although compliance by federal agencies with records management policy is being monitored and assessed by the public Archives through evaluations of records management operations and regular reporting to Treasury Board on the state of records management in Canada, much work remains

to be done. The Privacy Act applies to a greater number of Government institutions than the traditional number covered by the Financial Administration Act. These additional 50-plus institutions were, and continue to be, unfamiliar with government records management practices and the roles and responsibilities of the public Archives.

With the passage of the Privacy Act legislation, the Archives has been actively advising government institutions on the scheduling of personal information. The process of the scheduling of information was in place before the proclamation of the Privacy Act.

I see you indicating that I have just a few more minutes left, Mr. Speaker. I would like to be able to deal with Ministerial records and with Article II. I would also like to be able to address the microfilm unit which has now been done away with. I think that was a grave error of judgment and I hope it will be reinstated. As well, I would like to bring to the Minister's attention my suggestion with regard to archival communities. There has been a very serious error in allocation of funds, an error that could potentially impact on the goal we all have in mind for the Archives.

Archives are the apex of the pyramid from which all historical information flows. The modern state is the custodian of enormous quantities of information, and the expanding scope of its utilization is one of the strongest forces shaping society and protecting our identity. The archives that result are a source of understanding, like mirrors reflecting our past. The greatest possible openness in Government and in the archives of Government will ensure that the history that is written will be an accurate reflection of Canada's past. It is appropriate to recall Lord Acton's oft-quoted admonition: "To keep one's archives banned against historians is tantamount to leaving one's history to one's enemies". It is said that the archives are the soul of a nation. Our archives constitute a priceless heritage. We must protect them while there is still time.

In conclusion, in light of the rapidly changing information age of our world, we welcome the Government's action to bring in Bill C-95 as part of the review and updating of Canadian cultural policy. We see the Archives as key to the conservation, maintenance, enhancement and appreciation of our distinct Canadian heritage. We hope the Government will agree to amending the tight and restrictive areas I noted in the Bill, concerns over which were expressed by the very constituencies who use this fine Government service. We look forward to participating in a co-operative undertaking to facilitate the necessary amendments during hearings in committee and to enable passage of a revised and more accessible Archives of Canada Act.

[*Translation*]

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, why are archives important for a society and, more specifically, why are Canada's archives important for Canadian society? In fact, the archives are the repository of the documentation used to write history. The archives are the basis on which we build self-knowledge, our political process, our economic and social life, in other words, sociology and the history of our society.

The present Archives Act was passed in 1912. Archivists, historians, sociologists, anthropologists and economists have been waiting for a reform and an updating of this Act for a long time. Since its passage in 1912, we have witnessed the arrival of computers and other electronic data preservation means. In addition, the quantity of documents to be preserved has increased enormously. The workload of the archives has become heavier. In the meantime, the curiosity of Canadians about their society and their desire for self-knowledge has not decreased.

[*English*]

We have before us a Bill which proposes the first significant law on the subject. Bill C-95, of course, addresses a matter that is extremely important to anyone who is concerned about the culture, history and sociology of our country. I will argue shortly that this proposed law is deficient in a number of areas and that it risks the suppression of some important historical documents.

• (1420)

In order to make my argument I will digress a little into the history of archives, into how important they have been, and into what function they serve. If we go back in eastern and western history to ancient Greece and ancient China, we see that historical records and archives have been in existence for a long time. Records go back to 1300 BC in China in some form, although mostly for ritual purposes. By the time of Confucius there was a change, and records were being used for ethical purposes—to award praise or blame. Writing the history of something then became a way of making rulers accountable for their actions. Of course this is extremely important in a time of tyranny. People themselves might not be able to react to the tyranny but the historical record would contain it. Therefore rulers had to be accountable and knew they would face the judgment of posterity.

It is not surprising that the preservation of records should become a state function, and that states would want to guard the ability to decide what would survive of their political history and other issues on which they might be judged. The keeping of records became a matter for severe penalties. For example, in a period of recession in China in the 3rd century BC, a decree was issued that all histories except those by imperial historians should be burned. People had to turn in their banned books on pain of death.

In the West we have an understanding of human nature which made it possible for people to develop the ideas that historical records could help us to decide what we should and should not be doing, that we could learn from the past, and that we could help make the future better. The notion that records of the past could be used to prevent mistakes from recurring is very well articulated by the time of Polybius. Accurate preservation and accurate recording became a matter of practical importance. It was not just an intellectual hobby; it was something which might even save society in time of great need.

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The very earliest historians were in fact really sociologists because they were doing what we would call contemporary analysis. They were very leery of using written records, and I think the reasons for this are quite relevant to the function and role of archives. Thucydides, for example, wanted to interview the participants in the Peloponnesian Wars because he did not trust records. He said that the people who took records took little trouble in the search for truth, that they accepted what came first to hand, and that chroniclers composed their tales not to speak the truth but to please the ear. Thus we have the writing of history confined to subjects in which participants could get behind the written records and check out the facts for themselves until we had reliable archives.

It is not until the 16th Century that archives became the most commonly used basis for the writing of history. Scholars like ibn-Khaldoun and Machiavelli did not use written records very much. Thucydides and Tacitus relied on contemporary sources in interviews, with very limited archival sources. However, once we get into the 16th Century, we see historians like Guicciardini collecting their own archives, using extensively these written records, and giving historians from different periods a chance to assess the record for themselves because they had an adequate base from which to do it.

We see the very distinguished scholar, Jean Bodin, from the 16th Century, who accepted both the Greek idea that history could be used to infer from the past into the future and the idea that people would be judged on their record and would therefore attend to it. According to him, the fact of historical records would incite some to virtue and frighten others from vice. The Archives of Canada might be playing that role as well. We do not have quite the same situation with a Government with a majority of 210 Members; perhaps it is not quite the same tyranny as has happened in other countries at other times. However, the same principle holds, and let us hope that we have an archives which can incite Ministers of the Crown to virtue and frighten them from vice.

Much of Bill C-95 is very sensible and very reasonable. It is non-partisan and reflects a good deal of solid work. Certainly it is very acceptable to archivists, scholars, and the general public that has occasion to use the Archives. The very important new functions which the archives perform are set out—conserving private and public records of national significance and facilitating access to them. The Archives are to be a permanent depository of records of government institutions and of ministerial records. They are to facilitate the management of records of government institutions and ministerial records. Also they are to encourage archival activities in the archival community. There is a great desire among scholars to have greater co-operation between the Archives of Canada and provincial archives. Indeed municipal archives are growing in many parts of the country. Co-operation among the different levels and different functions is already developing. We hope that it will develop even more strongly.

As well as their function in the acquisition, conservation, and management of historical records, they also provide assistance to other institutions such as the National Library of Canada by providing conservation services, administrative services, and exhibition services. Of course this is extremely important.

There are a number of heritage programs within the Archives of Canada which I should like to cite very briefly. The first is that of historical papers and records or manuscripts with 60 million documents and 23,000 reels of microfilm. Another is historical and genealogical documentation, with more than 100,000 works on Canada and its history. Another is a national map collection with one million cartographic and architectural items in the collection. As well there is a national photography collection with more than 8.5 million photographs from government and from private sources dating from the mid-19th Century to the present. There is a pictorial documentation section with over 100,000 works, including paintings, drawings, and printed images of people, events, places, and objects. There is also the national film, television, and sound archives with an extensive collection of Canadian private and public sector film and films of cultural or social value, amounting to more than 60,000 hours of recorded and historically important speeches and interviews. There are federal archives with a microfilm unit with more than 36,000 metres of selected records of federal Departments and agencies. Finally there are film records with approximately 1,500 files of selected electronic records produced by the federal Government, as well as those created by private agencies.

There is an enormous diversity of functions, and we see in the Bill recognition of the expansion of the requirements of archives as a result of the different media by which recordings are made. All these measures are certainly sensible and will receive my support.

I should like to refer to a couple of problem areas. I begin by referring to subclause 5(1) of the Bill which reads as follows:

> Except as otherwise provided under an Act of Parliament, no record under the control of a government institution and no ministerial record, whether or not it is surplus property of a government institution, shall be destroyed or disposed of without the consent of the Archivist.

This appears to give precisely what we want. The archivist will be the person who decides whether or not material ought to be preserved. Anyone who thinks that records should never be destroyed should be aware of the enormous volume of material. Decisions must be made on which items should be preserved and which ones will be and will not be of importance to our culture. It is the archivist who should be making such decisions.

However, once we get past subclause 5(1), we find some unfortunate loopholes. The preservation function will be interfered with if the Bill as presently drafted goes through.

• (1430)

Let's get on to Clause 5(5). It reads in part:

—the archivist shall have access to

(*a*) a record to which sub-section 69(1) of the Access to Information Act applies, only with the consent of the Clerk of the Privy Council—

This is one limitation as guided by the Access to Information Act. It is certainly not the worst. Let me read Clause 5(5)(*b*):

a record of a Government institution that contains information the disclosure of which is restricted by or pursuant to any provisions set out in Schedule II to the Access to Information Act, only with the consent of the head, within the meaning of that Act, of that government institution.

This is too sweeping a loophole. It is too broad. It is too vague and it is simply not acceptable. We start off with a very good purpose, that the archivist will be making these decisions, and then we see a whole lot of information simply removed from the purview of the archivist who will never even get to see it. Let me give you the specifics which are set out in Clause 5(6) which reads:

—does not apply in respect of a record containing information that was received in confidence from the government of a foreign state or an institution thereof or an international organization of states or an institution thereof where the government, organization or institution requires the destruction of the record.

This means in short that somebody else, not even the Government and not the archivist, will be making the decision as to whether or not the material can be destroyed.

We understand that when material comes from international bodies, they will want to have some control over it. This could include international organizations and information obtained even within Canada for which no undertaking has been given to keep it secret. To leave that out would be totally unacceptable. Some governments might want to keep information secret over a certain period of time but later they might be willing to have it released. The option to get permission for release of information, as a result of time changing a situation, in records that might have been destroyed will not be there. We all know that governments do change. Decisions that were made to suppress information may be unmade, and yet if Clause 5(6) goes through the option will not even be there to re-apply for the information because the material will have been destroyed.

There are some problems also in Clause 6. Let me read it:

6(1) The records of government institutions and ministerial records that, in the opinion of the Archivist, are of historical archival importance shall

(*a*) be transferred to the care and control of the Archivist in accordance with such schedules or other agreements for the transfer of records as may be agreed on between the Archivist and the government institution or person responsible for the records—

In short, this starts, as does the previous clause, in suggesting that the archivist is going to be making these decisions, that there is going to be this transfer of information. However, again, as with the preceding clause, you move down a little bit in the paragraph and you find a very sweeping loophole. In this case it comes in paragraph 4. We find this sub-clause which was supposed to be giving the material to the archivist:

—does not apply in respect of any record that contains information related to the conduct of international affairs, the defence of Canada or any state allied or associated with Canada or the detection, prevention or suppression of subversive or hostile activities that was obtained in confidence from the government of a foreign state or an institution thereof or an international organization of states or an institution thereof, unless the Government, organization or institution consents to the transfer of the record to the Archivist.

This is clearly giving to foreign bodies the opportunity to make a decision that should properly be made in Canada by the archivist. Again, the wording is much too sweeping. It includes far too many things that might be very legitimate and important matters to have in our records.

I want to raise a couple of concerns in other areas as well. I will be very brief, but I do want to flag one other trouble spot that I hope will be addressed positively in committee, namely, the disposal of ministerial records. Canadian legislation has been quite backward in this respect. It is not as good as French, American, British, and I dare say the legislation of many other countries, in requiring Ministers to leave their records behind. Ministerial records are part of the political history of the country. It is quite proper that the Canadian public through the archives should have access to this material. It is quite important for scholars, as they reflect and go through the making of decisions that affect all of our lives, to have access to material.

Under the current wording of this preservation of ministerial records there are loopholes. Political records seems to be there in a very broad definition. One wonders how one could escape having political records of a Minister in the archives. So many things Ministers do are political or have a political component. It certainly leaves the area open to abuse. Too many things could be defined as political and then exempted from preservation in the Archives. It might be legitimate for some personal records to be kept separate. But we are aware of some boondoggles.

Ministers and other important personages manage to give their records to the Archives and then get an income tax deduction for the gift. That is something we do not want to see. If the records are ones that were made in the course of public business, they should never be considered the personal property and the prerogative of the Minister. This happens with other people as well who give such material to the Archives. Records of this type should be considered public property all along. That is an area we would want to see corrected.

The last area that I want to raise as a problem is in the nature of personal records. It seems that there will be a very blanket exemption of personal records, yet this includes matters that even quite properly could be used for research purposes in due course. I refer to one important example already given, records of juvenile delinquents. Records would not be available even for scholarly purposes even 50 years after the fact. Scholars have developed ways of handling these questions of having access to personal data by simply not permitting any personal references in their scholarly works. The material is quantified but access is permitted so we can understand and research social and economic problems. All

kinds of things may be advanced by having access to this kind of material. The privacy of the people can be protected. This is so in other countries and in other jurisdictions. We would not want to see a blanket exemption that is really not necessary for the preservation of privacy. It would though be a very important impediment to keeping good records and making it possible for social history to be written and understood.

We received a number of representations from people who work in the area of archives who told us they are very keen to have this new legislation passed. The Social Science Federation of Canada, however, has raised some serious concerns. The Federation asks for amendments "to make this new Act more attuned to the spirit of Access to Information and the needs of the users of the Archives of Canada". It made reference very specifically to the problems I raised with regard to Clauses 5 and 6 that these were blanket exemptions.

The Association of B.C. Archivists raised concerns about the lack of the resources of the Archives to fulfil its mandate. That is not a matter that can be addressed in a Bill. The Association said it would like to see the Bill passed.

The Canadian Historical Association which represents 1,600 professional historians asks for speedy consideration of the Bill. Changes are long overdue. That Association raises some concerns about some amendments.

• (1440)

A number of individual historians have written expressing concerns, particularly about the possible destruction of historical records. One very distinguished political historian, Reginald Whittaker, said that what begins as an apparent exercise in entrusting all government records to its archivist, ends in creating a loophole which could be misused to undermine the intent of the sections. That indicates just how seriously this loophole is considered by the scholarly community which uses archives. They are really experts in this area and we should be listening to them.

I began my remarks with some consideration of the use of archives in ancient times and I would like to conclude with a few remarks about the present and possible future ages. The concern that records, in fact, record the truth remains. The great novelist, George Orwell, made Winston Smith, his hero in *1984*, an archivist. Winston Smith worked for Big Brother destroying inconvenient truths and substituting other, more convenient data. He was a hero, however, because he kept records of the truth at home. He wanted to preserve it.

What we need now is an act which will preserve our historical records and ensure, with adequate amendments, that the records are not destroyed or exempted improperly from the control of the Archives. I urge the Government to respond promptly and positively to the concerns raised by the scholars. If it does, I can assure the House of my support for this Bill.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, it is important to underline some of the points made by my colleague in this debate. As perhaps one of the few Members of this House who has made use of the Archives here in Ottawa, and found them to be a tremendously valuable source for the economic research in which I was engaged, I find it very encouraging that the Government is bringing this Bill before us for discussion. The fact that the Archives have been governed by legislation passed almost 70 years ago perhaps indicates a lack of concern for the importance of the historical base of our country. I would like to see us counteract that by at least giving enough attention to the subject today on second reading so that we have a serious debate on the strengths and weaknesses of the Bill.

The Bill certainly has strengths. For the most part, it provides us with a new and streamlined structure for the Archives which I think will work well. Its weaknesses, however, are those which have, unfortunately, come to characterize this Government in a number of areas. The weaknesses have to do with access to information. In the matter of the free trade debate we have seen a constant struggle to try and hold back information from the public. We have seen government departments attempt to manage the news in the early part of the Government's mandate before it realized that that would be self-destructive.

While this Bill puts in place some potential problems, I think they can be corrected at committee stage so I do not want to get too passionate about them. Yet there are some serious gaps. This was pointed out to our caucus by concerned academics. They are the people, after all, who work with archives even though they are not, in the broader sense, the ones who benefit from the existence of archives.

I would like to now refer to some comments of the Social Science Federation of Canada. Social scientists of course include historians, economic historians, sociologists, political scientists and economists. All of those people must make use of the Archives as sources. Even physicists—

Mr. Tupper: Read paragraph two.

Mr. Langdon: Of what?

Mr. Tupper: Your document.

Mr. Langdon: My document is a letter from the Social Science Federation of Canada. Is that what you are referring to? The letter is the clearly stated view of the Federation, after looking carefully at the Bill, that it contains serious challenges to the spirit of access to information, as well as profound implications for academic scholarship. Yet the Government is apparently of the opinion that the Bill is uncontroversial and should pass through the legislative process with little or no discussion. That we question.

The Federation goes on to attempt to analyse the Bill and make a number of key points which have already been made by my colleague. The first is that the jurisdiction of the archivist will be limited to those institutions listed in Schedule I of the Access to Information Act and the schedule of the Privacy Act. We have recently had occasion to deal with the

Access to Information Act and we had to come to the realization that it is not a very powerful Act, to put it mildly. The Act sets up an information commissioner who can take the Government to court, in a rather lengthy process, to try and get information. However, it does not do what people like the former Member for Peace River, Gerald Baldwin, hoped it would do when it was passed. The implication is that records of royal commissions, and national institutions such as Air Canada, CNR and the CBC would not be covered.

• (1450)

For those of us who attempt to deal on a contemporary basis with some of these institutions, such as Members of Parliament, I think access to this information is quite important, as it is for historians and economic historians who are trying to understand the roots of some of these institutions. The roots of the CBC, for instance, is a fascinating subject. They flow from a great public campaign across this country to create an alternative to what was seen to be a dominant American radio system which was very much shaping our culture.

I think for the general history of our country, not just for the specific interests of people who want to look at the history of the CBC, it is quite important that the roots of that institution and its continuing progress over time will be something that can be investigated through full records as established in the Archives of Canada.

One can make the same case, I think, with respect to Air Canada and the CNR. The CNR, after all, has been a crucial connecting mechanism throughout our country, and goodness knows where would we be if it was not possible in the future for the chief archivists to see to it that the records of the CNR, and this host of other Crown corporations that we can barely count, are able to be brought into the Archives for the work of historians in the future.

When we consider the question or Royal commissions, of course, we are dealing with even more central institutions in the history of this country. Some of the most important policy making which has taken place in Canada has taken place through Royal commissions, whether we go back to the Gordon Royal Commission of the 1950s with its efforts to first identify the problem of foreign ownership, or the Rowell-Sirois Royal Commission of the 1930s, early 1940s in which many of the problems of federalism within our country were sorted out. Royal commissions have been crucial parts of our intellectual and political history. To say that we should not permit archivists to collect the information related, for instance, to the MacDonald Royal Commission, will make it very difficult for people 60 or 70 years from now to understand the free trade debate that is presently taking place in this country.

In addition to these questions of the jurisdiction of the archivists themselves, the Social Science Federation raises, as my colleague has, a number of specific clauses with respect to the Bill. These clauses can be dealt with in committee. We have had some indication from the Minister that he is going to look with some favour on attempts to rewrite some of these clauses that are considered to be too restrictive, to emphasize secrecy too much, and hopefully the result will be an opening up of some of these points.

We have to take quite seriously the conclusion of a group like the Social Science Federation when it says:

> In our view such wholesale destruction of records virtually precludes indepth scholarly assessment of the new judicial initiatives embodied in the Act and required for informed decisions on future policy.

They are referring, in this case, to attempts to analyse the changes to our legislation with respect to young offenders, something which we would not be able to look at carefully in the future and try to understand, if this Bill passed in its present form.

Continuing, if I could, with the Social Science Federation's quite strong critique, they are also very upset about some of the exceptions which cannot, under specific clauses, be collected by the Archives. They indicate:

> These exceptions are couched in a language that is extremely broad and sweeping.

They continue,

> The Access to Information Act, which the Archives must itself apply to all records in the possession of the Government of Canada, already stipulates a series of exclusions—

These are extra exclusions over and above those that are included within the present access to information legislation.

It is not just Social Science Federations, the broad umbrella bodies which have contacted us with their concerns, but also individual scholars who have said to us that the gaps which are created in the collection of material for archives will be quite damaging to future scholarship in this country. I am not going to repeat some of the detailed testimony which has been put on the record already by my colleague, but the academic researchers who have made this criticism include people like Reg Whitaker at York University who has written, I say for the sake of some of the Conservative back-benchers, one of the most critical and devastating studies of the Liberal Party of Canada, thanks to his capacity to be able to make use of the Archives effectively and dig out the sort of information which demonstrated the kind of pressures which that Party was subject to because of financial contributions and other forms of influence from business groups throughout this country.

We are talking about complaints by people who have very serious reputations in this country and have helped all of us to understand better the political and economic history which faces us as a country. I think that their warnings should not be simply dismissed.

I hope that as we move from second reading debate we will have the chance in committee to correct many of these deficiencies which would in their present form leave the Archives without the capacity to collect a great deal of very important information which both enriches our history and helps us as Members of Parliament to understand the questions we have to deal with legislatively. For instance, I think of some of the material that I worked through in our Archives dealing with the early history of the trade union movement and the way its growth was very closely related to the development of certain larger-scale corporations in this country.

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• (1500)

Some of that information which was available to us who were working in this area was obtained from private corporations, Crown corporations, information from foreign government souces and indeed information from the security forces. In the early days, of course, the trade union movement was considered a source of subversion in this country and was very carefully monitored by the RCMP. That monitoring is exactly the kind of thing which could easily be eliminated from the Archives of the future by the kind of gaps that exist in this legislation.

I hope we can give this Bill the kind of scrutiny it deserves so that the legislative committee can correct some of the gaps which these important social science groups and working historians have pointed out to us.

Mr. Edwards: Mr. Speaker, I want to express my personal appreciation for the quality of debate today. We are having an excellent examination of this subject this afternoon.

I want to set the record straight on one matter. It has never been the Government's intention to move this Bill through the House with little or no discussion, as the suggestion was made. The only purpose, if there is general consent, is to expedite the Bill through the House so that the most thorough discussion can take place in the committee. Of course, we are prepared, as I assume the legislative committee would be prepared, to give total and thorough examination to the very valid questions that have been raised by Members opposite.

Mr. Langdon: Mr. Speaker, I was not suggesting that there was an effort to put the legislation through with little discussion. I was simply quoting the concerns of the Social Science Federation with respect to that concern. That is why I hope there would be a broader debate of the kind we are having this afternoon.

Mr. Tupper: Mr. Speaker, I too want to compliment everyone who has spoken on this Bill, including the Minister who introduced it and those in the Opposition who have spoken.

I am one who has had the privilege over the years to have used the Archives. Members of my family have indeed used it more extensively than I.

You may feel a similar sentiment to mine, Mr. Speaker, about the disappearance of the term "Dominion Archives" and "Dominion Archivist". I think it is a bit of a dichotomy, when we are dealing with an institution today that is responsible for the preservation of our history, to have such a noble term dropped from its name. However, I know that countries and nations of people must move onward.

I welcome this Bill. The legislation sets out the terms of reference for the Archivist and really brings the Public Archives into the 1980s by updating legislation that was introduced some 70 years ago.

I could speak at length about the merits of the Archives and the good work it was doing. My colleague, the Hon. Member for Essex—Windsor (Mr. Langdon), spoke at some length about the Social Science Federation of Canada and some of its concerns about the Bill. He was correct in bringing those concerns forward and I commend him for doing so.

The Social Science Federation of Canada is composed of some 23 learned societies, one of which is the Canadian Historical Society. I want to quote from a document from the Social Science Federation of Canada dated May, 1986. The second paragraph on page 1 reads:

> The SSFC is delighted that the government of Canada has recently tabled Bill C-95, an Act respecting the Archives of Canada, as this will provide a long-overdue replacement for the Public Archives Act of 1912. This new legislation will place the Archives of Canada, an institution so critical to the preservation of the records of Canada's past, on a much sounder basis. Equally important is the fact that the new Act would replace chapter 460 of the current Administrative Policy Manual and give the Archivist of Canada and his staff statutory control over the preservation and destruction of all records of the Government of Canada.
>
> Not only should this ensure that material which ought to be preserved is saved from the shredder, but by extending the definition of Government records to include "ministerial records" the Act should plug one of the major loopholes by which important materials passed in the private domain and out of the control of the Archives.
>
> While the proposed Act seems to represent a desirable change, and is one which we wish to see enacted with all due speed—

I simply wanted to read that into the record, in addition to what my colleague, the Hon. Member for Essex—Windsor, related to the House with respect to the presentation of their concerns.

The Acting Speaker (Mr. Paproski): Does the Hon. Member for Essex—Windsor wish to comment?

Mr. Langdon: Mr. Speaker, I have no disagreement with what has been said, except to make the point that the key feature which has been part of the communication we received from the federation is its statement that the Bill contains major defects which it would like to bring to our attention. I believe the federation's intent is to make certain that the positive aspects which have been noted by my colleague are carried through while, at the same time, the defects are corrected and that hopefully we will be able to set that as an objective for the legislative committee stage of the Bill.

The Acting Speaker (Mr. Paproski): The Hon. Member for Edmonton East rises on a question or comment?

Mr. Lesick: Debate, Mr. Speaker.

The Acting Speaker (Mr. Paproski): We are still on questions or comments. Are there any further questions or comments? Debate.

Mr. William G. Lesick (Edmonton East): Mr. Speaker, it is a pleasure and honour for me to speak to Bill C-95, an Act respecting the Archives of Canada and records of government institutions of Canada and to amend the Copyright Act. It is time that we cleared the dust and removed the cobwebs from the legislation of 1912 by replacing it with this Bill which is long overdue. I am very proud that our Government has seen fit to take this step.

This afternoon, the Minister of Communications (Mr. Masse) spoke eloquently on this Bill. It was certainly worthwhile to have the opportunity to discuss this legislation earlier in the committee and then speak to it today. Certainly, changes are necessary. But what I would like to speak about primarily is what this Bill means to Canadians. I believe this Bill reaches out to Canadians because Canadians in general have been far ahead of our archives. Since 1967, 100 years after Confederation, the people of Canada have looked to their past and glorified in what they found. Since that time there has been a virtual blossoming and bursting out of a desire on the part of Canadians to know our past. Who are we? Where have we come from? What have others done before us to bring us to where we are today?

• (1510)

Multiculturalism blossomed some 20 years ago or less. People wanted to know about their past, where they came from. People from different nations brought with them their legacies which are now part of Canadianism. If it were not for our archives, we would not know about our past. Therefore, it is important for us as Canadians not to hide the past, but to remove the dust, learn about the past and understand where we are today. People of many different racial origins who make up our Canada are gathering all the information they possibly can and putting it into museums, both small and large. There is a proliferation of museums all across the country, and that is to the credit of Canadians. We have a museum in Edmonton East of early Canadians of Ukrainian origin. It is an absolute delight to see young people gazing at what their grandparents and great-grandparents wore, and seeing what they looked like. There are pictures, clothes and everthing else found in a museum of that nature.

It is important that we preserve and understand our origins. Our museums are virtually a living history. I wonder how many of us have slept in a homestead. I have done so many, many times. It is a home made of logs with a mud ceiling, possibly a foot thick, and whitewashed mud walls. That is where our forefathers slept when they first arrived in Canada. How many young people know about homesteads? We talk of archives and all the governmental archival materials which are necessary to be stored and kept for posterity. But then there are the other archives of the people of this country, and that is what I wish to address. In Edmonton there is a Pharmacy Archives Committee which has been active for some 25 years. I have had the pleasure of being part of it for the last 24 years. We have videotaped senior pharmacists in their 70s, 80s and early 90s, because today they are living historical figures. Since we started the videotaping of senior pharmacists some five years ago a number of them have passed away but we have the picture, sound, and story preserved and kept for posterity. We gave a copy of these videotapes, for instance, to the Glenville Foundation in Calgary for its records. We passed them on to the Alberta Museum, to the Pharmacy Museum and to the University of Alberta so everyone, everywhere, can see what our early people were like.

It is very important that this Bill will now catch up with the people who have gone ahead. The previous Bill did not provide for new archives and record management policies which have been developed since 1945 in response to the growing size and complexity of the federal Government. It did not provide for a Canada-wide leadership role by the Public Archives in the areas of professional, technical and financial assistance to the archival community. It did not provide authority for the important international role played by the Public Archives. There are many other areas which were not addressed in the present responsibility of the Archivist. However, Clause 4(2)(*k*) of the new legislation states:

> Co-operate with and undertake activities in concert with organizations interested in archival matters or the management of records by means such as exchanges and joint projects;

And Clause 4(2)(*l*) states:

> Provide professional, technical and financial support in aid of archival activities and the archival community;

What is so important about the Bill is that it will combine the archives here in Ottawa and in the seven offices throughout the country, including Edmonton, together with what the people of our country have done, in order to bring history to the fore, to enable us to understand what has happened in the past, to understand the present and, therefore, to plan for the future. This proliferation throughout the country, together with the new Bill, I believe will provide a tremendous impetus to work on archival materials throughout the country.

We are going to have to study this Bill and it will be discussed thoroughly in the legislative committee. Hon. Members opposite have spoken out eloquently in favour of this Bill, but have pointed out some areas of concern. That is what the debate is all about and, of course, we do respect that. However, the Government has put this Bill before Parliament to bring up to date the Archives of Canada Act. The revisions will allow the archives of Canada to work in concert with other countries and to exchange archival material so we can better understand what we have in our country. I would also like to quote Arthur G. Doughty who said: "The archives are the soul of their people".

Mrs. Finestone: Mr. Speaker, I would like the opinion of my hon. colleague. I wonder if he could tell us if the Bill clearly defines what the Archives is mandated to collect? The Hon. Member started out making certain observations about the importance of the maintenance of our multicultural history, and I could not agree more. I so stated in my own speech. However, does the Hon. Member believe that the Bill outlines strongly enough what is acceptable and what is unacceptable? What must the Archivist consider in order to accept or reject materials being offered?

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• (1520)

Mr. Lesick: Mr. Speaker, I thank the Hon. Member for her question since it is a relevant one. It is the duty of people to collect all materials that they possibly can in concert with the archivists and officials at the seven offices in the country. In this way they can determine what is important. There are also provincial archives and provincial historical societies which look over materials to see what is relevant and what is not. I suggest that most important is the fact that there is a collection. We are making an effort to understand where we come from and how we managed 50, 60, 100 years ago and more.

What is relevant? Whatever is good is relevant. Archivists can tell us, but it is something which has to go back to the people since if it is relevant to the people, it is more important.

Mr. David Berger (Laurier): Mr. Speaker, it is also my pleasure to participate in the debate this afternoon. The Public Archives is not something on which we place too much importance when we are here in the House of Commons. When we are here we are more concerned about getting things done today and tomorrow. There is perhaps the odd Member of Parliament who is concerned about preserving the record of his or her actions for future generations.

There are a number of interesting questions which come up when one starts to think about the Archives and the importance it has in our history. A year or two ago I was invited to the opening of an exhibition of a private collection which had been donated by a Canadian citizen to the Public Archives. As I recall, it was the collection of Mr. Jacob Lowe. It is a collection of Judaic art which Mr. Lowe had collected throughout his lifetime in his travels throughout Europe and the rest of the world. After the holocaust he rummaged around in antique shops and in destroyed synagogues buying objects from art collectors and private individuals. He put together a collection which is really remarkable. It is a unique collection in the world. There is probably no other private collection which parallels or comes anywhere close to the collection put together by this one individual. He decided to donate his collection to the Archives. His donation was accepted and has now become part of the historical record concerning the heritage of our country. In reflecting upon this Bill I was reminded of the exhibition and the collection of Mr. Lowe.

The question which came to my mind was with respect to the criteria used by the Archives in deciding whether or not to accept the collection of a private individual for inclusion in the Public Archives. Undoubtedly, there are all kinds of people who would like to see their records placed in the national Archives. I am sure that what the Archives accepts is probably only a small percentage of what is offerred. Undoubtedly there are historical standards, probably even international ones. Undoubtedly there are conferences held to determine what constitutes a matter or an item for inclusion in the Archives. Nonetheless, perhaps it is a question which we could ask during the consideration of this Bill in the legislative committee. It would seem appropriate to include several of these considerations or criteria in the Bill to establish the Archives of Canada. Perhaps there is even something in the Schedule. I have looked through the Bill and I have not been able to find anything in that regard at this point.

I understand that when a private collection is given to the Archives there may be some tax considerations which the individual making the contribution may receive in terms of a tax benefit from the Government. Perhaps those aspects are covered in the Income Tax Act. Again, perhaps it would be appropriate to ask questions of this nature during the deliberations of the Bill in committee.

We know that the Bill will replace the present Public Archives Act which dates back to 1912. We know that the legislation before us follows the recommendations made by at least two recent reports, one by a consultative group on Canadian archives, the Social Sciences and Humanities Research Council, and the other by the Applebaum-Hébert Federal Cultural Policy Review Committee. The Public Archives of Canada is to become the Archives of Canada.

Looking through the Bill we see that it is much more detailed than the present legislation. In addition to acquiring records, the object and functions of the Archives as outlined in Clause 4 of the Bill set out more modern concerns such as providing access to records, providing information, consultation, research and other services related to the Archives. Also as part of the objects of the Archives we find a clause dealing with the ability or the power that is given to the Archives to make information known about the Archives by such means as publications, exhibitions and the lending of records. Much of this legislation will simply implement many of the things that the Archives is doing today but which were obviously not foreseen in 1912 when the original legislation was passed.

We in this Party have concerns, some of which were expressed by my colleague, the Hon. Member for Mount Royal (Mrs. Finestone), earlier this afternoon. I would also like to address myself to some of these concerns. I was happy to hear the Parliamentary Secretary state earlier that the Government and Government Members are disposed to having a careful study of this legislation in committee with public hearings. Certainly Members of Parliament are not familiar with all of the arcane aspects of every Bill that comes before the House. We have to rely on people from the private sector or even Government experts in this matter. Certainly the experts should be given the opportunity to come before a parliamentary committee to express their views.

• (1530)

We have a particular concern with Clause 5 which deals with the records of Government institutions and ministerial records.

[*Translation*]

Earlier I heard the Minister of Communications (Mr. Masse) say that the Bill prohibits "the destruction of government and ministerial records, except in certain cases".

Well, as far as the first few words go we agree with him that "the Bill prohibits the destruction of government and ministerial records", but we are concerned about the last four words: "except in certain cases".

It just so happens that we are wondering in what "certain cases" government and ministerial records might be destroyed.

[*English*]

In English, we sometimes refer to a clause like this as a Mack truck clause. It is the kind of a clause which has an exception that is so wide one that could drive a Mack truck through it. You, Mr. Speaker, probably more than I, know how big a Mack truck is.

Mr. Lewis: I wouldn't touch that one.

[*Translation*]

Mr. Berger: Mr. Speaker, in fact we find that priority is given to any federal statute containing an exception which might clash with the general principle set forth in Clause 5 of the Bill. Frankly I think it should be the other way around, that this Bill on the Archives of Canada should have precedence over any federal law, excluding of course the Access to Information Act and the Privacy Act.

It seems to me it would be quite normal to insist that this legislation, the Archives of Canada Act, should have precedence, and that all other federal statutes be subject to this Bill or the Archives of Canada Act, not the other way around.

However, it is obvious in section 5, where it says "except as otherwise provided under an Act of Parliament", that the opposite is true. Any Act of Parliament—

Mr. Boudria: Except as provided anywhere else.

Mr. Berger: Exactly. "Except as provided anywhere else", as pointed out by the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria, just about anything else can prevail over the Archives of Canada Bill.

It seems to me that the Government should perhaps reverse its priorities in considering this Bill, or give us an explanation for the way this Bill is written.

A bit further on in section 5, we find reference to the records of "a Government institution" and to "ministerial records" which come under the jurisdiction of the Act.

To find what this means, Mr. Speaker, we have to refer to the definition section, which is clause 2 of this Bill. There, we find that a "Government institution" means a Government institution listed in schedule I to the *Access to Information Act* or the schedule to the *Privacy Act*. We therefore have to refer to these Acts to find out if an institution is in fact a Government institution.

[*English*]

As I understand it, and as I think has been mentioned in debate this afternoon, records of royal commissions are not included in the schedules of the access to information and privacy legislation. Let us think about some of the royal commissions we have known in the past year or so. The Macdonald Commission would seem to be an exception to this law. The Archives would not have the authority to get the records of the Macdonald Commission.

Mrs. Finestone: What about the Caplan-Sauvageau Commission?

Mr. Berger: My colleague, the Liberal critic for communications, has said that the Caplan-Sauvageau records would not be made available to the National Archives. All of the work and records of the Deschênes Commission, which is dealing with the very important matter of war criminals and is causing so much concern these days, may not be made available to the Archives of Canada because royal commissions are not listed in either of these schedules which define government institutions.

It was mentioned earlier today that Crown corporations like Air Canada, Canadian National and the Canadian Broadcasting Corporation would not fall under the definition of Government institutions either. As well, Mr. Speaker, I would refer you to the definition of a ministerial record. We know that there has been some contention over what constitutes a ministerial record or a cabinet document. The Auditor General has been carrying on a running battle with two successive Governments and with three Prime Ministers over the question of what constitutes a cabinet document and whether or not the Auditor General should be entitled to have access to such cabinet documents. In spite of the ringing declarations made by the present Prime Minister (Mr. Mulroney) during the last election campaign who said that the Auditor General should have the right to see every single cabinet document and that he was going to open up the records of Government to the Auditor General, we have seen that those words have been harder to put into practice than they were to say on the campaign trail.

According to the Bill, a ministerial record is a record of a cabinet Minister that pertains to that office, but it refers to an exception which may prove to be much broader than the rule. It says that a ministerial record is a record of a cabinet Minister other than a record that is of a personal or political nature.

Mr. Boudria: Like Flora's letter.

Mr. Berger: That is right, Flora's letter that we have been talking about in the House over the past couple of days, the memo from her Deputy Minister, would be considered a record of a political nature and may not therefore be considered a ministerial record.

These concerns and others have been brought to us by representatives of the Social Science Federation of Canada who, I understand, would like to appear before the legislative committee that deals with this Bill.

Archives of Canada

There are a number of other concerns that have been expressed relating to information that has been received from a foreign state or an international organization of states which may be destroyed where required by the foreign Government or organization concerned. This is a defect in the legislation at which we should like to look in the legislative committee. In general we feel that the Archives should have the final authority to decide upon what records should be preserved, subject to the provisions of the Privacy Act concerning the release of personal information.

• (1540)

Any exception to the rule should be carefully and clearly defined and circumscribed so that we ensure that important records relating to the political and historical life of Canada are indeed preserved, not shredded at the whim or will of some unknown and uncaring or perhaps caring individual. However, this is the general principle we feel should prevail. We look forward to studying the Bill in the legislative committee.

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired, but he will be able to respond to questions and comments, if there are any.

Mr. Edwards: Mr. Speaker, we have had and continue to have an excellent exposition of the issues this afternoon. It is probably a Friday afternoon which could stand out perhaps not in terms of an immediate resolution of the issue but certainly as a thorough exposition of the issues.

I have a number of brief comments and a question for the Hon. Member for Laurier (Mr. Berger). Could he describe what kinds of documents he would prefer to see preserved? I think we are getting to the edge of the argument here by dealing with areas such as documents related to alliances with foreign Governments. We are also getting into the area of ministerial documents. I think the Hon. Member correctly pointed out that personal and political documents should be excluded. In any event, I am certain that at some point when he concludes his long and rewarding parliamentary career he might want to have certain items removed from circulation and not necessarily preserved for posterity. I should like to have his views on that point.

Before obtaining those views, I should like to point out that we have a great need for the preservation of a tremendous volume of records. For example, as the Minister pointed out earlier, we have the unfortunate situation where many computerized records are not now provided for in terms of preservation. We have new and distinct characteristics which identify us as Canadians which must be codified and preserved, such as our unique national traditions of bilingualism and multiculturalism, our unique parliamentary system and our public institutions. Of course these are parts of our collective memory, and it is one reason it is essential to have the value which is inherent in this statute as part of our legislative mandate.

I would be most appreciative if the Hon. Member could describe the kinds of documents he would prefer to see preserved. Would he want to have any personal and political documents excluded? Would he concede that there are some security considerations particularly when the laws of foreign Governments and our international treaty obligations might otherwise prevent the publication of such documents?

Mr. Berger: Mr. Speaker, I would like simply to take note of the Hon. Member's observations. I understand that there are other Hon. Members who want to intervene in the debate this afternoon. I also understand that we will have an opportunity to discuss those questions in committee.

Mr. Edwards: Mr. Speaker, I appreciate the fact that the Hon. Member wants to enrich the activities of the committee as much as possible, but I ask him not to deprive us today of his wisdom, of his sagacity, and of his personal opinion. I will refine my question to a very pointed one. Would he not concede that there are circumstances wherein a parliamentarian upon retirement would want to be sure that certain personal and political communciations were not part of the official record to be disclosed at some later date? Correspondence could be very personal and could be very political, as has been conceded. I ask that one, very pointed question.

Mr. Berger: Mr. Speaker, undoubtedly there are occasions when that would happen. We also have rules governing secrecy which require that records be kept for a certain period of years prior to public disclosure. On occasion I think the use of 30 years has been the practice.

I could only point to the draft Bill before us this afternoon. It refers to records of a personal or political nature. What does "political" mean? It could take on everything, in that everything with which we deal is political. The exceptions could be so wide that it could encompass almost everything. It is necessary to have more precise definitions when we are drafting Bills. I would certainly be interested in obtaining a definition or an explanation of the term "political nature" when we reach committee stage.

The Hon. Member mentioned alliances with foreign Governments. I should like to refer to subclause 5(6) of the Bill which indicates that records cannot be kept by the Public Archives when information was received in confidence from the Government of a foreign state. What does that mean? All it means is that the President of the United States, the International Trade Commission, or whatever—and we can think of the current foreign trade negotiations—can stamp "confidential" on memos and request that they be destroyed, and none of the documents would ever go into the Public Archives. I think we will have to obtain an explanation of what all this means in committee. Otherwise, the exceptions will be so broad that pretty well everything will be excluded from the jurisdiction of the Archives of Canada.

Ms. McDonald: Mr. Speaker, the question about what kinds of documents will be excluded requires some very careful definition. One area which I did not go into in my own remarks but about which I am concerned is the royal commission exclusion, to which other Hon. Members have referred. Of course it may involve very sensitive documents, but they are absolutely vital to the formulation of public policy.

I was disappointed to see the Parliamentary Secretary start to defend the notion that there are many documents which would have to be secret and confidential and would not properly be in the Archives. I am sorry to see that happening already. There are exemptions already, but I wonder how extensive those exemptions should be.

For example, we know that the RCMP keeps as confidential files on the Winnipeg general strike of 1919, a very long time ago. It is difficult to imagine that there are current security matters which could be jeopardized from files dating back to that period of time. Certainly we have agencies which are exccessive in how they define what material has to be kept away from the public and from the Archives.

I also think it is improper to raise the question about the files of Members of Parliament. We are talking about ministerial records, the records of Ministers of the Crown who are doing public business. The current definitions of "personal" and "political" papers being exempt are improper. One could imagine a narrow definition of "personal" being acceptable. However, other countries have addressed the problem more successfully than we have. Of course this wide open exemption for political records would be entirely unacceptable.

• (1550)

Mr. Nickerson: Mr. Speaker, at one time this nation used to be known as the Dominion of Canada. It has now become customary to remove that term "Dominion" wherever it is to be found. I do not know why this has been done, but I have observed that the impetus comes largely from the Province of Quebec. Be that as it may, Sir, I would like to add my comments to those of the Hon. Member for Nepean—Carleton (Mr. Tupper). It would seem right to me that for historical purposes, if nothing else, the term "Dominion" should be retained somewhere. It makes sense to retain it for the Dominion Archivist. It makes sense not to change that name if for no other reason than that it has that right historic, archaic and anachronistic ring to it.

Mr. Berger: Mr. Speaker, I rise on a point of order. I understand the question and comment period was put into our rules to facilitate debate between Members on both sides of the House and to allow Members from another Party a comment on remarks made by a speaker during his or her 20-minute time period. The Hon. Member has referred to comments made half an hour ago by another Member, and I do not think that falls within the spirit of our rules.

The Acting Speaker (Mr. Paproski): That is a point of debate. I will hear the Hon. Member for Western Arctic (Mr. Nickerson).

Mr. Nickerson: Mr. Speaker, I rise on the same point of order, on that very matter that was referred to by the Hon. Member for Laurier (Mr. Berger). He referred to the change of name in his presentation to this very House.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate.

Mr. David Daubney (Ottawa West): Mr. Speaker, I am pleased to take part in this debate on Bill C-95. The national Archives are an important and vital part of any sovereign state's nationhood. I am pleased to see the following codified in Clause 4 of this Bill:

> the objects and functions of the archives of Canada to preserve private and public records of national significance and facilitate access thereto.

As a Member of Parliament with a degree in history from Queen's University, a fine institution whose own archives are an excellent example of many of the private archival institutions found throughout this country, and as a former user of those facilities as well as the Public Archives of Canada and as a Member whose interest in Canadian history continues, I am extremely pleased to support this Bill on second reading today.

I congratulate the Minister of Communications (Mr. Masse) for introducing the Bill and for his excellent speech. The Bill is not perfect but it is a great step forward from the *status quo*. A number of suggested improvements have already been articulated this afternoon, and I am sure in the clause by clause proceedings in the legislative committee on this Bill some improvements to the legislation can be made.

I would like to comment on the interjection made by the Hon. Member for Western Arctic (Mr. Nickerson) on the word "Dominion". I must share with you, Mr. Speaker, and again I am speaking largely as one who has some sense of Canadian history, that I too feel some regret at the disappearance of the word "Dominion" from so many of our institutions in Canada. We have another example today in Clause 3 which establishes the Archives of Canada which is to be under the direction of the Archivist of Canada. I am disappointed that in this vehicle for keeping our historic records the Bill will have the effect of doing away with the full title of Dominion Archivist. As one of the more impressive members of the Senate of Canada, certainly on the Liberal side, former Senator Eugene Forsey has pointed out on a number of occasions that the word "Dominion" is very much a Canadian word.

Mr. Boudria: It is in Psalm 72 of the The Bible.

Mr. Daubney: As well as a biblical word, as pointed out by the Member opposite. It is a fine Canadian word and I think it is a shame that it is slowly and gradually, somewhat insidiously disappearing from our vocabulary.

I have had the pleasure of attending, as a local Member of Parliament, the National Gallery and the Public Archives not just as a student of history but recently to meet several of the hard working local archivists, many of whom are constituents

of mine. All the people working at the Public Archives are dedicated, hard working Canadians who deserve our credit and support and who, I might say, are working in very cramped and inadequate quarters at the present time. I have written to the Minister of Communications and to the Dominion Archivist about the need for new facilities for the Public Archives. I have also raised this issue before Treasury Board officials in committees of this House. I know the Minister is aware of the accommodation problems of the Public Archives of Canada. I know he intends to do something about these problems and will be having a new building erected in the near future.

There is also a problem in the off-site storage of documents and records. It is a very severe problem that will continue even after the new building is erected. I had occasion recently to visit the main off-site facility which is in operation at the present time in the downtown area of the City of Ottawa. This facility is in the basement of the old Journal Towers which was occupied by The Ottawa *Journal*, that late lamented newspaper that we in the nation's capital could always count on to give a fair, unbiased and objective view of public affairs. The Ottawa *Journal* is very much missed by reasonable Canadians in the nation's capital. In the press rooms on the third sub-basement level are stored many of our nation's priceless treasures, the documents of many Canadian statesmen and many Canadian private citizens of great repute.

I was shocked by what I saw there a few weeks ago when I visited that facility. I saw papers of people like Sir Charles Tupper, a former Prime Minister whose term in office was only exceeded in its brevity by that of the present Leader of the Opposition (Mr. Turner), in facilities that are totally inadequate for storage. There are pipes on the ceilings which leak periodically and at unpredictable times. I saw the papers of a former Leader of the Opposition, the Hon. George Drew, a predecessor of mine in the riding of Ottawa West, a former Premier of Ontario and High Commissioner to the United Kingdom, where sewage from the overhead pipes had leaked onto the boxes containing his papers. I brought this deplorable situation to the attention of the Dominion Archivist and the Minister. The Dominion Archivist is well aware of the problem and has sent me dozens of photographs documenting other things. I urge the Minister of Communications to use his influence with his colleagues in Treasury Board to provide the necessary funding now, not just for a new building for the Public Archives of Canada but for the immediate securing of new and appropriate off-site storage facilities here in Ottawa for the storage of these priceless artifacts.

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

Mr. Boudria: Mr. Speaker, I have a very brief comment and a question.

The Acting Speaker (Mr. Paproski): Order, please. It being four o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1600)

PRIVATE MEMBERS' BUSINESS—MOTIONS FOR PAPERS

[*English*]

INDIAN AFFAIRS

CORRESPONDENCE BETWEEN WESTBANK BAND AND DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Mr. Lorne Greenaway (Cariboo—Chilcotin) moved:

That an humble Address be presented to Her Excellency praying that she will cause to be laid before this House copies of all correspondence, notes, minutes of meetings, telephone calls, studies and other communications during the years 1980, 1981 and 1982 between (*a*) the Regional Director General for British Columbia of the Department of Indian Affairs and Northern Development or any of his officials and Mr. Noll Derriksan or Toussowasket Enterprises Limited or any official or employee of Toussowasket Enterprises (*b*) Mr. Noll Derriksan or Toussowasket Enterprises or any official or employee of Toussowasket Enterprises Limited and the Indian Economic Development Fund (*c*) the Regional Director General for British Columbia of the Department of Indian Affairs and Northern Development or any of his officials and the Westbank Development Company or any official or employee of the Westbank Development Company (*d*) the Regional Director General for British Columbia of the Department of Indian Affairs and Northern Development or his officials and Mr. Ron Derriksan or the Westbank Indian Bank regarding Mr. Noll Derriksan, Toussowasket Enterprises Limited or any official or employee of Toussowasket Enterprises Limited or the Mount Boucherie Trailer Park or any financial arrangements associated with the above (*e*) the Regional Director General for British Columbia of the Department of Indian Affairs and Northern Development and the Headquarters Economic Development Branch of the Department of Indian Affairs and Northern Development regarding Mr. Noll Derriksan, Toussowasket Enterprises Limited or any official or employee of Toussowasket Enterprises Limited, the Mount Boucherie Trailer Park, Mr. Ron Derriksan, the Westbank Indian Band or the Westbank Development Company.

The Acting Speaker (Mr. Paproski): The Hon. Member for Cariboo-Chilcotin (Mr. Greenaway).

Mr. Nunziata: I rise on a point of order, Mr. Speaker. It has been brought to my attention that the Hon. Member moving this motion is named as a defendant in a civil suit. The Member can correct me if I am mistaken, but as I understand it the action was filed approximately one month ago in a court of law. In view of that fact, I submit it is inappropriate for this House at this time to deal with this matter based on the *sub judice* rule. It would, in my respectful submission, also be inappropriate generally to discuss this matter for a number of other reasons.

I am advised as well that some very serious allegations of criminal activity have been suggested by the Hon. Member at a committee meeting on—

The Acting Speaker (Mr. Paproski): Order, please. I do not think this has anything to do with what we are going to be discussing here today. The *sub judice* rule does not apply in this particular case. I hope the Hon. Member will not debate this any further and that we can carry on. I will have to rule him out of order.

Mr. Nunziata: I have a separate point of order, Mr. Speaker. It is regrettable but if that is your ruling, I will respect it. Given that the case is before the courts, I think it is improper for this House to deal with it.

The second point I would like to raise is that I am advised as well that this matter is presently being investigated by the Royal Canadian Mounted Police.

Some Hon. Members: So?

Mr. Nunziata: In a committee meeting there were allegations by the Hon. Member of attempted murder. He suggested corrupt practices by—

The Acting Speaker (Mr. Paproski): Order, please. The Hon. member is bringing up something that has nothing to do with the debate today. Therefore, I recognize the Hon. Member for Cariboo—Chilcotin (Mr. Greenaway).

Mr. Greenaway: Mr. Speaker, first of all I must apologize. If I had known you were going to be in the Chair I would have made my motion much shorter. On the other hand, perhaps I would have put it in the other official language because you are becoming so practised in that language.

I should tell my hon. friend across the way that the supposed legal case has to do with parliamentary immunity. There have been three letters from the Law Clerk of this House stating very clearly that I do have parliamentary immunity, and it would then of course move to privilege. I do not think you, Sir, want to stop anyone from stating what they feel is the truth in this House of Commons.

Having said that, I would like to start my remarks by saying that in—

The Acting Speaker (Mr. Paproski): I hope the Hon. Member will address his remarks through the Chair and therefore carry on with the debate.

Mr. Greenaway: I do apologize. In 1982, as a member of the Standing Committee on Indian Affairs, I became aware of a very serious case of impropriety involving the B.C. Regional Office of the Department of Indian Affairs and the Westbank Indian Bank near Kelowna. My friend, the Hon. Member for Okanagan—Similkameen (Mr. King), was the first Member to become aware of the complaints involved here. He was approached by tenants and owner-lessees of several mobile home parks on the Westbank Reserve. The owners claimed the chief and band council were taking their authority from a 1977 agreement approved by the DIA, of which the owners knew nothing. It also became apparent that the chief of the band, Ronald Derriksan and his brother, Noll, were involved in some very questionable transactions and were receiving large amounts of money through the B.C. Regional Office, even though both men were known to be very wealthy. We wanted more information to determine if the Department was acting in an irresponsible manner and if, indeed, brothers Ron and Noll Derriksan were, in the words of the Hon. Member for Prince George—Peace River (Mr. Oberle), favourite sons of B.C. Regional Director General Fred Walchli and becoming rich at the expense of other Indian bands and Canadian taxpayers.

As a result, I took the natural step of placing a question on the *Order Paper*, a notice of motion for the production of papers requesting correspondence and documentation between the Westbank Band and the Department.

Mr. Nunziata: Point of privilege, Mr. Speaker.

The Acting Speaker (Mr. Paproski): On a point of order, the Hon. Member for York South—Weston (Mr. Nunziata).

Mr. Nunziata: It is a point of privilege, Mr. Speaker. Indeed, we in this House have parliamentary immunity in order to facilitate debate. However, at this point the Hon. Member is alleging criminal activity. I dare the Hon. Member to go outside this House—

Some Hon. Members: Oh, oh!

Mr. Nunziata: —rather than hiding behind the cloak of parliamentary immunity. There are limits.

Mr. Oberle: Look who is calling the kettle black!

The Acting Speaker (Mr. Paproski): Order, please. I find no privilege there.

Mr. Greenaway: Mr. Speaker, I would ask the Hon. Member to hear me out.

The Acting Speaker (Mr. Paproski): Order, please. Members are taxing the Chair. Take it easy. This is Friday, we still have a few more minutes to go, and I would appreciate it if Hon. Members behaved like Hon. Members, please.

Mr. Greenaway: Mr. Speaker, I would just ask the Hon. Member to hear a little more and then he can make his judgment.

The question I placed on the *Order Paper* languished there for two years. It never received a response of any kind and I was put off by the Minister several times. During that time there were at least two major reviews done of the Westbank Band: A review of financial transactions and relationships between the band and the B.C. Regional Office, called the Hobbs Report; and a review of band by-laws, the 1977 agreement, and the activities of the band council, by a Vancouver law firm called Lawson Lundel.

Let me add that it was not just Conservative MPs who felt that this affair needed greater investigation. The fifth report of the Standing Committee on Indian Affairs, in 1982, unanimously requested "an independent inquiry, specifically with regard to all activities carried out by the B.C. Regional Office in conjunction with Indian band members and officials of the Westbank Indian Band."

As I said, I received nothing from the previous Liberal Minister or his Department, and the information I have has been compiled through my own efforts and those of my colleagues.

Indian Affairs

• (1610)

Shortly after the election of September, 1984, I placed the same motion on the *Order Paper*. There was no response until, I should add, very recently when I received several reports, all of which had already been obtained, some from opposition Members.

The Westbank affair is before the House once more and I sincerely hope the facts I and other Members bring forward today will convince the Minister of Indian Affairs and Northern Development (Mr. Crombie), and this Government, to seek a full inquiry under the Public Inquiries Act.

There are many aspects of this affair which bear investigation, but I will relate just a few. My hon. friend from Okanagan-Similkameen will also speak on this issue, particularly on the injuries suffered by mobile home park owners and tenants.

One of the most outrageous aspects of this matter involves Toussowasket Enterprises, one of the questionable deals to which I earlier referred.

Here is the history. In June, 1973, Chief Noll Derriksan, by band council resolution, gave himself possession of a lot on Indian Reserve No. 9, the future site of his mobile home park. The BCR was signed by Derriksan, who was also band administrator, and his mother, Margaret, who was a band councillor. Derriksan then incorporated a company called Toussowasket Enterprises, which undertook to lease the land from the locatee, who was, of course, Noll Derriksan.

In August, 1973, Noll Derriksan also gave himself a lot on Indian Reserve No. 10. While it was noted in two departmental reports that the band was reallocating land to its members after an unsuccessful leasing plan, it would seem that there is a clear conflict of interest here. Derriksan, as chief, was allocating choice land to himself.

This was confirmed by Mr. J. D. Leask, former Director General of Reserves and Trusts, who said in testimony before the Standing Committee on Indian Affairs on December 1, 1982:

> It is most certainly prohibited for the chief to sit in a council meeting, for example, and to vote or to be involved in a motion which allocates land, which may be allocated to him or to someone he has an interest in.

Let me add that this conflict of interest is minor compared to the many which follow.

Noll Derriksan then applied to the Department for a loan under the Indian Economic Development Fund for $72,000 in May, 1975. In March of 1976, the loan was approved for a larger amount of $197,000. There are several points here worth noting. Number one, the earlier loan application was approved at headquarters in Ottawa by Acting Director D. G. Meredith. Mr. Meredith later went into business for himself as a consultant, and one of his most important clients was to be Chief Ronald Derriksan. It is also noteworthy that the increase of $125,000 from 1975 to 1976 was made despite the view expressed in the Hobbs Report that:

> Available documentation is inadequate to determine if this increase is justified.

Noll Derriksan's net worth in 1975 was more than $1 million. In 1976 the Federal Business Development Bank approved a loan to Toussowasket for $170,000, taking as security a first mortgage on the property and Derriksan's personal guarantee. The Department of Indian Affairs took a second mortgage as security. It was found out later that Derriksan never formally surrendered his property, making the arrangement highly suspect because Indian lands must be surrendered prior to the registration of mortgages.

A departmental memo dated January 31, 1977 calls the project a retirement fund for the locatee, Noll Derriksan. In 1977, incidentally, Noll Derriksan's net worth was calculated to be in excess of $2 million. A departmental document prepared by Economic Development Officer Flora Benoit concludes the following:

> This project has not provided any Indian employment, nor is it of much social or economic benefit to Indians, other than to its owner, Noll Derriksan.

In July, 1977, Noll Derriksan applied for additional funds for cost overruns in the construction of his mobile home park. Stewart Wong, an accounting consultant to the Department, prepared a report which was quoted in testimony before the standing committee on May 25, 1982. The report states the following:

> It is obvious that the subject does not feel obligated to fulfil his agreement with the Department, not even a token payment has been received from Derriksan since dispersement of the original loan.

The Acting Speaker (Mr. Paproski): I regret but the Hon. Member's time has expired. Is there unanimous consent to allow the Hon. Member more time?

Some Hon. Members: No.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister for International Relations): Mr. Speaker, it is my pleasure to respond today on behalf of the Minister of Indian Affairs and Northern Development (Mr. Crombie) to the motion presented by the Hon. Member for Cariboo—Chilcotin (Mr. Greenaway).

I can inform the Hon. Member and the House that the Minister of Indian Affairs and Northern Development has said he will table the papers as requested in the motion. I have been told that over two full files of papers have been examined to date, and it has been established that there are over 400 pages dealing specifically with the Hon. Member's request and that these have been carefully screened in accordance with the Access to Information and Privacy Legislation. Translation of the papers is now under way, and they will be tabled in the House as soon as feasible under the Standing Orders of the House of Commons. It is hoped the papers can be tabled before the summer recess.

Mr. Speaker, perhaps I may give the Hon. Member the assurance that we will do everything we can to meet his request as soon as possible.

[*English*]

Mr. John Nunziata (York South—Weston): I do not know what shenanigans are going on here this afternoon, Mr. Speaker. We have a Member bringing a motion for the production of documents, a Conservative Member of Parliament, who speaks for ten minutes and alleges criminal activity and corruption against a member of the public and an Indian band, the Westbank Band in British Columbia, and then right after the Member speaks the Parliamentary Secretary to the Minister stands up and says that he is going to produce the documents in the normal course.

It is obvious to all those who are watching that the Conservative Party is trying to use Private Member's hour in order to allow the Private Member to make statements, to attack another Canadian who is presumed innocent until proven guilty, to put those statements on the record, when that Member will not make the statements outside the House, when that particular Member knows that he is named as a defendant in a lawsuit and perhaps is trying to use this opportunity to influence a court of law. He is trying to put on the record allegations that are quite properly put before the court of law.

The Member knew, and the Government knew, that there have been several federal Government reports on this particular matter. I would like to point out and stress that the Liberal Party does not object to the production of the documents or an investigation into this matter. Very serious allegations have been made, and we believe it is important and incumbent upon officials to conduct a thorough investigation in view of the allegations that have been made.

Now, the Member who moved the motion knew that this matter is presently before the RCMP. The Royal Canadian Mounted Police have been asked to investigate. They are conducting an investigation, and having full knowledge of that fact, the Conservative Party today has conspired to allow this Member to abuse his parliamentary immunity, his privileges, in order to malign individuals.

It was also quite clear and obvious that the Indian Affairs Ministers had said last week or the week before, that the three reports in question were before the RCMP. It was also indicated that the Justice Minister (Mr. Crosbie) was considering holding a public inquiry into this matter. If that is the case, and this Government is already intending to hold the public inquiry pursuant to the Public Inquiries Act, why then are we going through this process here today? The documents should either go to the RCMP, the police, or to the person or judge who is conducting the inquiry. Why does the Conservative Government find it necessary to stand up, using the shield of parliamentary immunity, to allege very serious wrongdoings against individuals?

• (1620)

Mr. Greenaway: Mr. Speaker, I rise on a point of order. I can answer that question very quickly. We cannot get the RCMP to do it because they cannot get a warrant.

Mr. Guilbault (Saint-Jacques): That is not a point of order.

The Acting Speaker (Mr. Paproski): Order, please. I cannot hear the Hon. Member. The Hon. Member for Cariboo—Chilcotin (Mr. Greenaway) has the floor. I would like to hear his point of order.

Mr. Greenaway: Mr. Speaker, the reason the RCMP cannot move is that they need a judicial inquiry so that they can supboena evidence and hear witnesses. That is the problem.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I rise on a point of order. I would just like you to recognize that what the Hon. Member is trying to do is simply to interrupt my colleague and bring new arguments into the debate. It is no point of order.

Mr. Greenaway: What is new about that?

The Acting Speaker (Mr. Paproski): Perhaps I might explain to the Hon. Member for Saint-Jacques (Mr. Guilbault) that I was reading a document to prepare myself for the Hon. Member for York South—Weston (Mr. Nunziata). I tried to hear whether it was a point of order. It was not a point of order, neither was that raised by the Hon. Member. Therefore, we are on debate and I would like to recognize the Hon. Member for York South—Weston.

Mr. Nunziata: Mr. Speaker, the Member made some very serious allegations on April 15, at the committee. First, he alleged that Mr. Paul Tellier, who was Deputy Minister of Indian Affairs and Northern Development from 1979 to 1982, and is now a Clerk of the Privy Council, was responsible for criminal activity and for covering up the mismanagement of Government funds. The Member also alleged attempted murder.

I want to quote from that particular committee meeting. The Member, using his parliamentary immunity, stated:

> Gentlemen, I have recently come into possession of a part of a secret internal document, which I have here this morning if you wish to see it, on transactions of the Westbank Band and the role played by DIAND. It is a sad tale of mismanagement of government funds, corruption, fraud, attempted murder, extortion and worst of all, a coverup by departmental officials up to the level of deputy minister.

I find that the height of irresponsibility, when a Member of this House—

Mr. Lewis: You are in a position to know it.

Mr. Nunziata: —an experienced Member of the House—

The Acting Speaker (Mr. Paproski): Order, please. I want the Hon. Member to know that he should not bring into the House a reading from a committee hearing. That should not be done. I will let him proceed because he is a new Member, but he has been here almost two years and he should begin to know that that is not done. I will let him continue in the time he has left.

Indian Affairs

Mr. Nunziata: Mr. Speaker, similar allegations have been reported in the media. The point I am making is that there are allegations of wrongdoing against the Clerk of the Privy Council, who was a Deputy Minister at the time, against certain Canadians, and against the Westbank Indian Band. It seems to me that if the Hon. Member has evidence to substantiate any allegations he might have, it is incumbent upon him, indeed it is his duty as a Canadian and a Member of Parliament, to provide whatever evidence he has to the police and have the police, the RCMP in this case, investigate.

For the Member to stand up in committee and stand up in the House of Commons and make allegations in the middle of a lawsuit, when he is named as the defendant, is an outrageous abuse of his privileges in this House and it brings the whole House of Commons into disrepute.

The Government has been in office for two years. His colleague, a Minister of the Crown, has had this in his Department. The Minister of Indian Affairs and Northern Development (Mr. Crombie), the Solicitor General (Mr. Beatty), the Minister of Justice and indeed the Prime Minister of Canada (Mr. Mulroney) know that these allegations are made by a member of their own caucus, but they are not providing that information to the Royal Canadian Mounted Police or appointing a judicial inquiry. I suggest that it is an obstruction of justice. The matter should have gone to the RCMP as soon as it was brought to the Hon. Member's attention.

I regret that the Conservative Party has found it necessary to do what it has done here this afternoon, rather than act accordingly and adhere to some very basic principles of decency and justice.

Mr. Greenaway: What did John Turner do when he was Minister?

The Acting Speaker (Mr. Paproski): Is the House ready for the question? The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria).

Mr. Lewis: Rat Pack number two.

Mr. Greenaway: Rat number two. Where is Copps? All the others are there.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I hear some noise from across the way as I begin to make a few remarks on this topic. As much as I try to ignore that, as I know you would want me to do, Mr. Speaker, I cannot help but think about all those remarks that Conservative Members—

Mr. Oberle: Mr. Speaker, I rise on a point of order. Is it not customary for the Chair to recognize members from different Parties?

Mr. Nunziata: You never stood up.

Mr. Oberle: I noticed my colleague behind me standing up for debate. I thought that he would have been recognized.

The Acting Speaker (Mr. Paproski): I will recognize him after the Hon. Member for Glengarry—Prescott—Russell. There are only 10 minute speeches allowed. I regret that I did not see the Hon. Member rise, but I will recognize him next.

Mr. Boudria: Thank you, Mr. Speaker. May I first congratulate you for that excellent ruling on that point of order. I cannot help but remind myself of those very eloquent replies which the Solicitor General (Mr. Beatty) gave to opposition Members of the House on occasion after they had made allegations which were perhaps one hundredth as severe as those we have heard this afternoon.

I recall asking questions that did not involve judging a case, asking the Solicitor General to adjudicate on matters before the court, but simply asking him whether, for instance, a search warrant had been issued for an office of a Member of Parliament. I did not even ask whether that had been exercised because I know it falls under the authority of the Speaker. Yet, even asking those questions, the Solicitor General replied that if I had allegations of criminal activity to report, I should do so to the police.

Recently I reported to the House an allegation made in a Montreal newspaper concerning certain tendering practices of a Government Department. I was merely asking the Government to investigate this, but I was told again that if I knew of certain criminal activities it was my duty to report them to the RCMP. Those comments were made by Conservative cabinet Ministers in reply to published allegations in the newspaper that we were merely asking them to investigate. We were not making those allegations.

I can only assume that the Member who is making these allegations today must have been aware of how the Solicitor General, the chief law officer of the Crown in this country, expects Members of Parliament to raise similar issues. If he is aware of that, does he simply have confidence in his own colleagues or does he have a total lack of respect for our institutions? I do not know which of the two it is.

• (1630)

There are two issues before us today. There is the issue, of course, of whether or not the documents, as the Hon. Member has asked, should be tabled in this House. That is obviously what the whole motion is about. But I contend that that is not what the speech of the Hon. Member was about. One could stand here all day and ask the Government to table a document. So the Hon. Member from Cariboo—Chilcotin (Mr. Greenaway) rises in his place in order to ask that certain documents be tabled not just of anyone but of one of his own colleagues. All he had to do was to turn sideways and speak to his colleague, the Parliamentary Secretary, from a few feet away, and ask him whether or not he intended to table the documents. The charade was allowed to go on in this House, as my distinguished colleague, the Hon. Member for York South—Weston (Mr. Nunziata), pointed out, whereby an Hon. Member who knew, or at least should have known, that the documents in question were going to be tabled anyway, used the pretext of presenting this motion in the House to make accusations. We have to collectively assume at this point that all these accusations are wrong because the laws of this land do not permit us to think otherwise. I do not pretend to be learned in the law.

An Hon. Member: You are not.

Mr. Boudria: I am not a lawyer. I have been told by learned parliamentarians not to apologize for not being a lawyer.

Mr. Nunziata: Now, now. Don't go too far.

Mr. Boudria: But that is not the point. Most Canadians know, as I do, that we are all presumed innocent until proven otherwise. I am sure all the people named today in the House have that same presumption of innocence. To use the pretext of having presented a motion for the production of documents, documents the Hon. Member knew or should have known were going to be tabled anyway, to make these accusations, in my view, is wrong.

I could think of other words to describe it, but in keeping with our parliamentary traditions, I shall not. However, I will continue to think them anyway, knowing that if I were to make any remark which would be more severe, you, Mr. Speaker, being the diligent Speaker you are, would not tolerate it.

[*Translation*]

Mr. Speaker, the fact remains that our privileges as Members should be used in a responsible manner by each and everyone of us. There are a number of Members who on occasion have been accused of using their privileges for certain ends, and the Hon. Member opposite, the Parliamentary Secretary to the Minister who just tabled—

Mr. Hudon: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The Parliamentary Secretary to the Minister for External Relations (Mr. Hudon).

Mr. Hudon: Mr. Speaker, the Hon. Member opposite has incredible nerve and ought to mention the 10 times or so he used the same privileges to make all kinds of accusations he was afraid to make in the lobby of the House.

[*English*]

The Acting Speaker (Mr. Paproski): This is debate. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) has the floor.

Mr. Boudria: Thank you, Mr. Speaker.

Mr. Nunziata: On the same point of order.

The Acting Speaker (Mr. Paproski): I just ruled that it was not a point of order.

Mr. Nunziata: On another point of order.

Some Hon Members: Sit down.

The Acting Speaker (Mr. Paproski): The Hon. Member for York South-Weston (Mr. Nunziata) on another point of order.

Mr. Nunziata: In stating his point of order, the Hon. Parliamentary Secretary imputed motive to my colleague—

The Acting Speaker (Mr. Paproski): Just a moment. I just ruled that that was not a point of order. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) has the floor.

[*Translation*]

Mr. Boudria: Very briefly, Mr. Speaker, in the few seconds I have left I should like to tell the Parliamentary Secretary, badly informed as he usually is, that he should not say I raised the question of privilege about ten times, for you, Mr. Speaker, know full well that I rose twice on a question of privilege since I was elected in 1984. Only twice: once this week, and the first time about a year ago. But I will not say anything more about this because the Parliamentary Secretary probably does not know any better. But the fact remains, Mr. Speaker, that if he does not know anything about these matters he should at least know what is going on in his own department, and before the debate began on the motion this afternoon he should have warned his colleague that these documents would be tabled, thus avoiding accusations which should never have been made and heard in the House. I urge other Members to give their views on the motion under consideration this afternoon.

[*English*]

Mr. Fred King (Okanagan—Similkameen): Mr. Speaker, it is a sad day, indeed, for the democratic process in Canada when a debate such as this must be undertaken. It should be totally unnecessary, considering the known background of the underlying issues, the amount of time and effort which has been put into seeking a resolution to the base causes of the problems and considering the fact that there is in effect a freedom of information law. Nevertheless, we are here and we are raising the matter before Parliament because we simply do not accept that we as parliamentarians should allow ourselves to be shut out of the information to which we legitimately claim and have demanded access for more than four or five years. Nor do we believe that a bureaucratic system should be able to thwart the efforts of elected Members of Parliament to bring about a measure of justice and relief to a group of persons whose wellbeing is being put in jeopardy by the failure of the system to fulfil its obligations to citizens with whom it has entered into a binding contract.

This is not a crisis which has just arisen. It was first brought to my attention more than five years ago. I have put the matter before two Ministers, representing two Governments, formed by two different political Parties. I have raised the matter almost every week for five years. During that time, the Ministers have changed, the Government has changed, even the philosophies of Government have changed. What has basically remained unchanged is the bureaucratic structure in the offices of the Department of Indian Affairs in Hull and Vancouver. That structure is the one common element which stands over the years as an impediment in the way of producing essential remedies.

At a meeting of the Standing Committee of the House of Commons on Indian Affairs and Northern Development on December 1, 1982, the problems associated with the Westbank Indian Band were the main topic. The witness on that day was a senior official of the Department of Indian Affairs and Northern Development, Mr. Joe Leask. I ask you to note, Mr. Speaker, that the exchange which I am about to quote took place three and a half years ago. If I were to ask the people in my constituency, the people most involved and most obviously concerned, what has changed as a result of our combined efforts over that 42 month period, the answer, I am sure, would be: "Nothing has changed, absolutely nothing". Therein lies my frustration and the frustration of those people whom I represent in Ottawa, whose lifetime investments in money and effort are put in jeopardy by the failure of successive Ministers, acting, I am sure, upon the advice of departmental officials, to honour the terms of property lease contracts on the Westbank Indian Reserve. These leases provide the basis on which its individual businesses exist. Yet the breaking of such guarantees as "the peaceful enjoyment of the occupancy" are not just casually accepted by persons acting on behalf of the Crown, but in numerous cases are actually aided and abetted by departmental action or inaction.

Is it any wonder that people cry foul and suspect cover-up, conspiracy, collusion and worse. It is this circumstance which caused my outburst at the standing committee meeting on December 1, 1982, and which was recorded in *Hansard* as follows:

• (1640)

What really bothers me about the whole situation is that—it appears to me that the whole object of the department is to cover everyone's backside. The main reason there are delays is that there are skeletons in the closets; the last people who want them out are the people sitting around this table representing the department. That is the impression I get after harping on this for more than a year.

There is really no intent to bring things out into the open. Is there any place where the ordinary qualities of decency and honesty and integrity, upon which democracy must be secure—is there any of that in the department?

That statement was made more than four years ago; but the same facts pertain today. We are still being discouraged at every turn in our attempts to get information and to bring about change.

Not just MPs are frustrated. There is a dissident group of Westbank Band members representing more than 50 per cent of the band membership who have registered their complaints with the Minister and with departmental officials. They plead with me as their Member of Parliament to assist them in obtaining access to certain information which they believe it to be their right to obtain in support of their demand that the chief and council be removed from office. I have to tell them that we as MPs have no better success in getting information than they do themselves.

The question must be put, why? Why after five years of effort do the same problems exist? Why has nothing substantial been done to correct the situations which various inquiries have identified as immoral, illegal and which have been described in other equally damaging terms? That is what we are contending with and that is what we are trying to correct. While we have been carrying the message to Ottawa that things are out of hand in Westbank, that unworthy actions are being taken by band council in the name of the Crown, that individuals are being intimidated and defrauded of assets worth millions of dollars, again in the name of the Crown, what reaction do we receive from those responsible in Ottawa in the Department of Indian Affairs and Northern Development? The then Minister, the Hon. John Munro, in July of 1982 said this in the House of Commons:

—no one has provided the Department with information to back up the charges—not once have the Hon. Members turned over any names to which they are directing their allegations. They have not turned over any document of any kind substantiating any type of misconduct—

At about the same time Fred Wachli, Regional Director, B.C. Region of the federal Department of Indian Affairs and Northern Development, had this to say to the newspapers:

—a lot of allegations have been made about the band which have us baffled—from a review of our records there is no truth to them—

That is the attitude and position taken within the system.

I would like to note a few of the allegations which were in the hands of the Minister of the day and in the hands of the Department. The first is from a mobile home park owner. It is a sworn statement provided by a lawyer for a group which is suffering. This is what he said:

The band—has practised a pattern of intimidation throughout by demanding, for example, that a Lease Holder enter into a new Lease under threats of administrative abuses such as higher rents or refusing to consent to sell a leasehold interest. These actions have been reported repeatedly to the Department of Indian Affairs officials and they have not intervened in these abuses whatsoever.

The Band has published and distributed misleading documents to the detriment of the earning capacity of the leaseholders. The Department of Indian Affairs has taken no action—

The Department of Indian Affairs officials and the Minister have denied the existence of information which they have previously been given—

The Department of Indian Affairs acting on unconfirmed and unjustified information cancelled a lease in which the sum of $366,000.00 had been invested on the basis of false information and made no attempt whatsoever to confirm or deny the facts before doing so.

The following is from a prospective leasee on the Westbank Indian Band Reserve:

Chief Ronald Derriksan in dealing with a proposed development with myself made false statements to entice myself into a development . . . Chief Ronald Derriksan required a deposit of $15,000.00 before permitting engineering studies of the site . . . The Chief agrees to terms and conditions of the lease but when lease is presented it fails to describe the agreement. When the developer refuses to sign the lease the Chief refuses to return the funds.

The following is from another prospective leasee who stated:

Chief Ronald Derriksan demanded and received a $5,000.00 deposit from myself and T.W. Foodstuffs Ltd. who were partners in a proposed motel site . . . When the lease was presented it did not contain the agreed terms. Funds were not returned and therefore the project was cancelled.

There about 10 such instances.

In conclusion, I would like to read the recommendation was made by Mr. John Tennant of the law firm Lawson, Lundell which conducted extensive research into the situation of the Westbank Indian Band. He said:

—we recommend that a public inquiry and/or departmental investigation be authorized by the Governor in Council and/or the Minister. The person making the inquiry or investigation should have full power to summon witnesses, to require evidence on oath and the production of documents.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): I regret to inform the Hon. Member that his time has expired. The Hon. Member for York West (Mr. Marchi).

Mr. Sergio Marchi (York West): Mr. Speaker, I guess I feel obligated to participate this afternoon in this debate. I qualify my remark with the word "obligation" simply because I think the House, with the representations from two government Members, has certainly lowered itself to a really sleazy, bootleg type of practice. What we have before us is really an academic exercise. A Member of Parliament from Cariboo has stood in his place and requested through his motion that correspondence and documents concerning the Westbank Indian Band in B.C. be released. The Parliamentary Secretary to the Minister of Indian Affairs and Northern Development stood up and agreed to his request.

As an individual Member of Parliament I have no objection to requesting and having released any type of documentation. After all, on behalf of all Canadians, that should be the normal course to follow. However, if the Hon. Member chose to pursue this through the House then one would at least expect that, if there was a sense of genuine decency on the other side, the debate would end there.

The point is also academic because I believe there was an agreement in advance of the debate that those papers and documents would be released. Therefore, I must ask the question, why was the debate necessary regarding allegations, criminal activity, fraud and assassination attempts? I think the asking of such questions brings the House to a level which makes it look ridiculous in light of the new civility promised by the Prime Minister (Mr. Mulroney) and in light of the reforms which received the unanimous agreement of the House.

It is unbelievable and incorrect for a Member of this House—in this case two members of the Conservative Party—to make criminal allegations about individual Canadians on the pretext of soliciting documentation. That should not be tolerated. It is unacceptable. I say that because we are witnessing today in this Chamber a double standard. When members of the Government Party stand up and speak concerning irregularities, conflict of interest or information that should be shared with the public, what we see is a number of trained seals who cheer the Deputy Prime Minister (Mr. Nielsen) or the Prime Minister in their attempts to block and diffuse. But they have more morality when it comes to controlling their own tongues and their own aspirations when they concern individual Canadians. They are quick to use this one hour of parliamentary time, under the pretext of acquiring documents, to deal with something that is already undergoing a judicial process. Members are quick to take the place of the RCMP and to pretend to be a jury. We should not take up the time of Private Members' hour with that when there are a number of important issues affecting the entire country with which we may deal.

• (1650)

It is no wonder that two of my colleagues and I have had the courage to rise to set the record straight. We do not argue with proceeding with this matter in the proper way. It has already been suggested that if the RCMP are investigating the matter, the Hon. Member and others have played their roles. They have flagged the issue and it has gone through the proper channels. If the Minister of Justice (Mr. Crosbie) is considering initiating a public inquiry, the Hon. Member and his colleagues have done their jobs.

Hon. Members know that their cabinet colleagues are undertaking the proper investigations, and I question the sincerity and motives of individual Members who have risen to speak. I question their allegations that those on this side of the House simply want to block information. That is the furthest thing from the truth. We want to let the information rise, but we want to let it rise through the proper course of the law. We do not accept the shoddy, sleazy tactics we saw today during the course of Private Members' hour. We do not condone those tactics.

If Hon. Members are prepared to use this place as a court of law and are prepared to be jurors, where were they during the last two years when opposition Members raised much more serious allegations of Government improprieties? They simply cannot have it both ways. It is unfair and undignified for a Member of Parliament from that side of the House to make allegations about individual Canadians when other Canadians are already looking into the situation in the proper light. It is simply inexcusable that this forum be used in such a shoddy, sleazy way. It is intolerable that this should happen when the Prime Minister and other Hon. Members, with the support of all Parties, have introduced a reform into the House of Commons. Of course, Canadians who are seeing this mockery will laugh.

Indian Affairs

I am not opposing the actions of Members of Parliament from the Government side simply for the sake of opposition. I am getting pretty sick and tired of a situation which causes individual Canadians to ask themselves and me about the level of debate in the House of Commons. They have suggested that all Members of Parliament have taken on the characteristics that are attributed to some Members of Parliament who spoke in this afternoon's debate. We help neither the institution nor our colleagues when Members of Parliament are pretending to be jurors. They are asking for documents that it has been agreed would be supplied and then they are taking a back-handed slash at individuals while a Member of Parliament is involved in a lawsuit.

Once again, I wish to flag the double standard that seems to be coming from two Members of the Government side. It is simply intolerable. We would not have objected to having the documents tabled. That exercise would have taken less than five minutes, and the Hon. Member could have sat down after that. However, he proceeded to make allegations of criminal activity and to slander individual Canadians before a court of law has been able to make a judgment. That is intolerable and that is why we chose to rise in our places to try to set the record straight.

We wish to tell Canadians that we in the Liberal Party have no hang-ups over freeing information. We do have our problems with individual Members of Parliament who, rather than having the courage to face those Canadians with their allegations, use their immunity to debate the allegations when other Canadians do not have the same recourse. It does not show integrity and it does not show courage. Canadians will measure that individual accordingly.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on the motion of the Hon. Member for Cariboo—Chilcotin (Mr. Greenaway). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion (Mr. Greenaway) agreed to.

The Acting Speaker (Mr. Paproski): Because the Government House Leader has announced the Business of Supply for Monday and Tuesday next, I have instructed the Table, as the Chair has done on all the previous occasions, to drop the two items of Private Members' Business scheduled for those days to the bottom of the list of the order of precedence on the Order Paper.

This House stands adjourned until Monday at 11 a.m. pursuant to Standing Order 3(1).

The House adjourned at 4.58 p.m.

HOUSE OF COMMONS

Monday, June 9, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table in both official languages the response of the Government to the following 14 petitions: 331-469, 331-479, 331-565 to 331-574 inclusive, 331-583 and 331-586.

* * *

[*English*]

QUESTION ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 558.

[*Text*]

FEDERAL ASSISTANCE TO SINGLE INDUSTRY COMMUNITIES

Question No. 558—**Mr. Parry:**

1. Were criteria established for federal assistance and tax relief for workers affected by plant closures in single industry communities and, if so (*a*) on what date (*b*) what are they (*c*) how were they implemented?

2. Were workers in Ear Falls, Ontario, denied such a tax relief and, if so, will the government table (*a*) the documentation leading up to the decision (*b*) departmental opinions in favour and against this decision and, if not, for what reason?

Hon. Barbara McDougall (Minister of State (Finance)): The criteria for tax relief on severance payments were established prior to the November, 1984 Economic Statement. They are: (*i*) the permanent closure of the primary employer in a single industry remote location; (*ii*) significant job loss in the area; (iii) a high regional unemployment rate; (*iv*) significant distance from any buoyant labour market; and (*v*) a broadly based settlement package.

As the criteria make clear, the measure providing tax assistance on severance payments is intended only for those exceptional situations where the cessation of operations of the principal employer effectively results in a town closure for lack of a viable economic base. This is clearly not the case with Ear Falls. The Minister of Finance has met with the Hon. Member for Kenora—Rainy River to discuss this issue and has given him a copy of the criteria.

All applications for tax relief on severance payments are evaluated using these criteria. The Griffith situation was also assessed. Tax relief was denied because it does not fall within the intent of the measure.

The Minister of Finance has discussed the Ear Falls case with the Hon. Member and has indicated that he is prepared to carefully consider any additional points the Hon. Member wishes to raise. This is clearly indicative of the Government's interest and responsiveness in this matter.

[*English*]

Mr. Speaker: The question as enumerated by the Parliamentary Secretary has been answered.

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

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

Some Hon. Members: Agreed.

* * *

QUESTION PASSED AS ORDER FOR RETURN

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if Question No. 522 could be made an Order for Return, the return would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that Question No. 522 be deemed to have been made an Order for Return?

Some Hon. Members: Agreed.

[*Text*]

GRANTS TO MAKE BUILDINGS ACCESSIBLE FOR DISABLED PERSONS

Question No. 522—**Mrs. Browes:**

1. Since 1980, what amount did the Government spend, either directly or through grants to companies, for modifications to make private and public buildings accessible for disabled persons?

2. Since the inception of the job strategy program, what amount was spent or allocated through grants to make private and public buildings accessible to disabled persons?

Return tabled.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—FORESTRY PRODUCTS—REQUEST FOR GOVERNMENT ACTION TO PROTECT CANADIAN INDUSTRIES.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry) moved:

That this House condemns the lack of care and concern for workers in the cedar shakes and shingles industry and in the softwood lumber industry shown by the Prime Minister in his letter to President Reagan, in which he clearly put his personal interests ahead of those of working Canadians and calls upon the Government to take immediate action (1) to assist workers in the lumber industry and in the shakes and shingles industry by invoking the Employment Support Act; (2) by assisting in every way the softwood lumber industry in making the Canadian case before the United States International Trade Comission; (3) to ensure that proper time is given to make this case by, if necessary, obtaining extensions to the hearing time; (4) and by initiating proper and effective action under the rules of GATT to ensure that this matter is satisfactorily considered by the international trading system.

He said: Mr. Speaker, I would like to begin by welcoming all my colleagues to another opening Monday morning session. I think it is appropriate that we start the week with a debate that concerns some very central questions that are at the hearts and minds of many Canadians.

One of the important advantages of being a Member of Parliament is the opportunity to leave Ottawa on Thursday or Friday to go back to one's constituency. That is the moment of truth, as they say, because that is when you find out what Canadians in your own region and across the country are thinking. I think it is incumbent upon us to come back here, as we do at the beginning of the week, and try to reflect upon the feelings and concerns of the people on current issues.

I have a report to make this morning. Having spent a couple of days back in my riding meeting with an interesting and wide variety of people, all the way from the learned academic, that my friend from Essex—Windsor and I had the opportunity to address, to a series of weddings, bar mitzvahs and various other forms of social engagements, there is one thing that comes through very clearly on the minds of Canadians about the present Government's position on trade, and that is total, complete confusion. They do not know what this Government is trying to do, what it is trying to say, its goals, where we are going or why we are going there. They are told something totally different every 24 hours and the Prime Minister (Mr. Mulroney) is the embodiment of that confusion. He is the source of that wide ranging muddying of the waters. The Prime Minister's incredibly optimistic objectives about creating jobs and entering a new era of co-operation can only be characterized now by total and complete disillusionment with those goals. One need only to ask the workers in British Columbia who are being laid off in the cedar shake and shingle industry this morning, or members of the lumber industry across the country who are facing a most incredibly devastating blow, if they thought it was such a wonderful idea.

• (1110)

Consider the consternation in the minds of Canadians when they read this morning of the price they had to pay in order for the Prime Minister to have his ego massaged, as he so eloquently stated in his letter to the President. The price we had to pay in order to get those free trade talks launched was a commitment by the President of the United States to put the fix in on the softwood lumber industry. In an interview this morning a senior adviser to the Senate Finance Committee said that whatever happens before the International Trade Commission, and whatever quasi-judicial process takes place, the President of the United States had to commit to the Senators on that committee that he would do something about Canadian softwood lumber.

This whole process is a farce if the deal has already been made behind closed doors. That clean launch was in fact a dirty launch because it carried with it the threat to thousands of jobs in this country. How can Canadians have any sense of confidence about one of the most important and vital issues facing them when the Government will not tell them what is happening, because it obviously does not know itself?

Let us consider the statement made by the Prime Minister as reported in the weekend press. He was speaking to his partisans in Toronto during his so-called opening campaign speech in defence of his free trade talks. However, what did he defend? He defended the Auto Pact and said: "I am going to go out and sign a whole series of Auto Pacts." If that is what he wants, we can agree and stop the debate right now. That was a good deal but it had nothing to do with free trade. It was a managed trade agreement arrived at through a carefully negotiated settlement on an important sector concerning the two countries. It gave safeguards and guarantees to both sides about jobs, research and the industry.

The Prime Minister says that he wants to sign a series of Auto Pacts, including a hydro pact for Quebec and, a fishing pact for the Atlantic Provinces. He said: "I want the benefit of the oil pact to be applied to all these other sectors." We said that three years ago. The Government has said that the Liberal proposals in the past made no sense, but we said that we were prepared to negotiate sectoral arrangements.

An Hon. Member: Why didn't you?

Mr. Axworthy: We started to negotiate them but you came along and changed the rules. It was your Party that developed the grand design with the "the big picture" as the Prime Minister says, of comprehensive total free trade. Now he wants to sign agreements on a series of sectoral arrangements.

How can Canadians be expected to understand what the Government is attempting when the Prime Minister himself obviously does not understand what he is trying to do? It is

difficult for anyone, whether they are Government Members, Members of the Opposition, the media or the general public, to make sense of the Prime Minister's position when he does a summersault on a 24-hour cycle and changes his mind from day to day. We do not have a statesman for a Prime Minister, we have a gymnast who spends his time doing double fall-back summersaults every 24 hours. Furthermore, he is doing this on a vital issue and we are paying the price. That is why we have introduced this resolution. When this motion comes to a vote, we hope that we will have the support of Members on both sides of the House for a plan of action to deal with the trade issue.

On Friday, the Secretary of State for External Affairs (Mr. Clark), in the unctuous tone that only he can use, berated my colleague, the Hon. Member for Saint-Henri—Westmount (Mr. Johnston) and said that "this Government believes in action". Our resolution contains a prescription for dealing with this issue. Members opposite can vote in support of that prescription and therefore decide today what action they want to take. They can disregard the brave sounding words because we have put forward what we believe are a number of constructive proposals that would establish a more coherent approach to the existing trade problems. If Government Members vote against this resolution we will know that they are not really interested in action and that once again Canadians are simply being treated like a large field of mushrooms—being kept in the dark and having a lot of manure thrown on them. This resolution is an opportunity for those Members to show if they are prepared to reveal the whites and blues of their eyes.

During the past three weeks we have been arguing in the House that we want the Employment Support Act to be invoked right now and not at some time in the future, as the Secretary of State for External Affairs was musing about on the weekend. The fact is that workers are being laid off at this moment. Fortunately, a previous Government had the foresight to pass the Employment Support Act which is specifically designed to provide for assistance to those industries that are injured by unfair trade actions or import levies by other countries. What can be a more dramatic illustration of that than the American imposition of the tariff on shakes and shingles and a threatened imposition of a new tariff on the lumber industry?

It takes time to set the machinery of the Employment Support Act in motion. The Government must establish an employment support board. Precedent tells us that the Government has taken almost a year to get its advisory committees together. Therefore, the Government should begin appointing that board now so that there can be someone in place to accept applications from the industry in order that they can stay in business.

We know that this mechanism is effective. In 1971, when the Americans invoked a surcharge on import duties, the Employment Support Act was passed and some $19 million was allocated. That meant that those industries affected by that surcharge could stay in business because that allocation of funds made up the difference between the import surcharge and the cost of doing business. The shakes and shingles industry could stay in business today if that Employment Support Act had been invoked three weeks ago, the board established and a budget allocated, as we had asked. That industry could still be shipping its products this morning, but the Government is still delaying such a measure.

That is why this resolution is so important. It will put the full weight of the House behind the Government to invoke that Employment Support Act. We could also show the Americans that we mean business on the softwood lumber issue. By considering invoking the Employment Support Act with respect to the lumber industry as well as the shakes and shingle industry, we would very clearly tell the Americans that we will not be blackmailed out of business, intimidated or pushed aside. We will be saying that we are prepared to support our industry even though they may threaten the use of unfair and unequitable trade reactions.

I do not think there should be any argument in the House about the importance of using the Employment Support Act now and being able to announce tomorrow that the board has been established, a budget has been set and the industry can begin putting together its plans to use that employment support assistance. If the Secretary of State for External Affairs is really dedicated to what he says, then he should brook no delay. I do not think there is any argument in the House about the importance of considering how we can help our industry to fight the process that is taking place in the United States.

• (1120)

Last week in an interview given to *Canada A.M.*, Miss Paula Stern from the International Trade Commission said, and I want Hon. Members to pay attention, that it expects to be voting in the week of June 23, which is less than three weeks away, on a preliminary finding on injury in the softwood lumber industry. That is a timeframe of incredible concentration. It will take an overwhelming representation to put the argument and case before the ITC which starts its hearings tomorrow.

As we suggested in the House last Friday, it would seem to make some real sense to ask for extensions so our industry can properly prepare its case and that proper persuasion and bargaining with the United States administration could take place. The Secretary of State for External Affairs (Mr. Clark) seems to discount that idea. Once again, he is countenancing inaction, the strategy of do-nothing, wait and see, hold back. That is what happened to the shakes and shingles issue. No action was taken, nothing was done and "zap", to use the Prime Minister's famous expression, 4,000 workers were affected.

By this resolution we want the House to go on record as clearly indicating that in that process we want to be treated fairly. We want a fair hearing and the opportunity to present our case in its most effective terms. We do not want to be rushed, pushed or harried into doing something we are not ready to do. So I hope Hon. Members will support that part of the resolution.

I would like to spend a moment talking about what I think is perhaps the most important part of the resolution, and that is the need to invoke as quickly as possible the protections we have under the international trading rules. This Party has taken a very clear position on trade. We have said that the most important way to offset the increased protectionism in the United States and other countries is to rely upon international trading rules. We think the Government has made a vitally flawed strategic mistake in its over-emphasis and obsession with bilateral talks because it has ignored the kind of rules written into the international trading system.

The genius of Canadian trading strategy since the Second World War is that we realize in trying to deal with the very large country beside us that it is an unequal balance, it is asymmetrical, and the best way to protect ourselves is to have other countries of similar size and interests writing laws and rules and applying standards which would control the muscle of the big powers. This Government consciously abandoned that choice. It gives lip service to it, but if one examines statements made by the chief trade negotiator, the Minister for International Trade (Mr. Kelleher), such as, "GATT does not really work very well any more, it takes too long, we cannot trust it", and other things, one can see that the Government has placed the reliance and importance of the international trading system off from the central focus of our strategy. It is now secondary. It is now an after-thought.

The fact is that both the shakes and shingles case and the softwood lumber case prove the incredible value of GATT itself. First, because shakes and shingles were left off the GATT list, the Americans had the right, as we found out, to impose unilaterally the kind of tariff it did. Second, the best protection we have against the U.S. action is to invoke the rules of GATT because we have already fully paid our dues to the Americans and others at the last GATT round for free access of our lumber. We brought down our tariffs on over two-thirds of our manufactured articles. We paid our bills. We have already signed a contract. It is the Americans who are threatening to break that contract and who are charging new subsidies, new damages.

That is not only a threat to the Canadian softwood lumber industry, it is a threat to GATT itself. Once again the United States is showing a disregard for the rules which were established by believing they can shortcircuit those rules. That is why the bilateral thing is a danger. It opens up the invitation to shortcircuit GATT. It opens up the invitation to deal one on one, to do things bilaterally or unilaterally. We have opened up a Pandora's box in this case. We can close that box by once again reasserting our belief in, our commitment to, and our usage of the GATT rules, and we should be doing it now.

The Secretary of State for External Affairs said: "Perhaps in the future, down the road, down the hatch", but that will be too late. We found out in the shakes and shingles issue that if we wait too long the door is closed and there is no way of recourse, no way of coming back. So it would seem to me that one of the most important and vital decisions this House can take is to clearly place our commitment on that GATT process and ask for a convocation of the GATT Council, of the contracting parties, to bring our complaint forward so we can start the early preliminary discussions of consultation. If the time comes somewhere down the road when we receive a ruling from the Department of Commerce and the ITC that not only is there injury but they are now claiming subsidy, then we had better have GATT ready with a dispute mechanism in place, because if we wait for four or five months it will be too late, it will be all over.

We should be at the GATT Council today asking for its participation. That would once again show that Canada, which has taken the lead for decades in reforming, enhancing and strengthening the GATT system, strengthening the international trading system, and using its rules, is once again onside. There are a lot of countries out there who are now saying that Canada is scurrying for cover by going into the Canada-U.S. negotiation, that we are looking for a way out. There is a message being circulated that if Canada, traditionally one of the great defenders of the international trading system, is now looking for some sanctuary in a regional continental system, then perhaps we had better start looking for cover. As a result, we will have an erosion of the entire system. We have a chance to correct that. We have a chance to turn it through protection of our own interests, which is clearly called for in this circumstance.

We should be using the GATT system, making it work for us, clearly saying that those threats of the United States calling our activities on lumber a subsidy, is a clear contradiction of those rules. We would also be doing something very important in strengthening the over-all system, putting that once again front and centre in our trade strategy. We should put the reinforcement and strengthening of the international system as a number one priority, as the most important part of our trade strategy.

That does not mean we do not continue to negotiate with the Americans. Of course, we do. We should have been negotiating with them months ago on shakes and shingles. We should have been using our influence in those areas. But because of the the grand design, because of charge of the life brigade the Prime Minister has been advocating, the full steam ahead, damn the torpedoes attitude, we are going to be cut to ribbons. We must get away from the life brigade attitude. We must extricate ourselves from that fool-hardy risk taking about which the Prime Minister likes to talk. No one likes to take fool-hardy risks. We should be prepared to take chances, but should do so with intelligence, with smarts and from experience. We should not rush off charging against the barricades when we do not have the proper tools behind us.

As a Liberal Party and as a Liberal caucus, we know we have the tools, we have used them in the past and we can use them in the future. Our best chance of fighting off U.S. protectionism, of enhancing our market access, of encouraging a brand new era of trade, is to do what Canadian have always done, and that is to use the international trading system to our benefit and to the benefit of other people in this world.

Mr. Hockin: Mr. Speaker, I have a brief question for the Minister from Winnipeg—Fort Garry.

Mr. Darling: Minister?

Mr. Turner (Ottawa—Carleton): Former.

Mr. Hockin: The former Minister. The former Minister has lived through sectoral discussions with the United States and I want him to share with the House what kind of success the previous Government had in those discussions with the United States? Why does he feel that kind of strategy would be more effective today than a comprehensive strategy? Does he have a long litany of success stories in the latter years of his Government to tell us about?

My second question has to do with the GATT arrangements. Why does the Hon. Member not believe in operating against the American protectionism on two tracks instead of one? Why is it not wise for us to deal directly with the offender in this case, the Americans, through a comprehensive trading agreement, and in that way to roll back protectionism, plus the GATT negotiation track? Why just one track? The Hon. Member would like to have us on the GATT track alone and not have anything to do with the bilateral track in terms of a structured long-term negotiated framework.

• (1130)

Those are my two questions, Mr. Speaker. I would be grateful if the Hon. Member would answer them.

Mr. Axworthy: Mr. Speaker, I thank the Hon. Member for the questions and also for the promotion. I would be quite happy to take his question as the future Minister from Winnipeg—Fort Garry; I am glad to answer it in those tones.

Some Hon. Members: Hear, hear!

Mr. Axworthy: Mr. Speaker, the Prime Minister (Mr. Mulroney) said that we will fight the next election on his trade policy. If the Prime Minister wants to take a suicide run, then that is his business. We are all in favour of it. Ask him to call it now, we are ready and waiting. If that is what he wants to do, then let us go. There is no argument about that.

I would now like to deal with the Hon. Member's questions. First, with respect to the issue of sectoral arrangements, there has been a kind of presumption that before September of 1984 there was no history in Canada. The presumption has been that somehow everything started brand new in September of 1984. The fact of the matter is that we have been negotiating and dicussing trade with the Americans on a wide variety of fronts for years. We have negotiated all types of agreements.

One of the last measures I took when I was the Minister of Transport was to negotiate successfully a major agreement on international civil aviation with the Americans. That negotiation opened up new airline routes between countries. We got along. We worked things out. We had differences of opinion; but a deal was made and struck. The problem is that as soon as one raises the matter to the level of a grand blueprint, as soon as it is put forward as an over-arching sort of Armageddon, the fact is the Americans know they have us in a corner.

The Prime Minister himself came close to the truth when he said on Friday or Saturday in Toronto that he wants to negotiate a series of sectoral arrangements and that the Auto-Pact should be the model. We put that forward in our trade policy issued in late 1983. We had started negotiations in that respect. It was the Government of the Hon. Member which changed that. If it had continued on that track, the Hon. Member and his Party might have been much further ahead than they are now. But when they arrived in September of 1984 those discussions and talks which had already been started were erased, wiped away. This was the case because they had the great new design.

We never said that there should not be talks and discussions. This is something which can be done at different levels. It can be done at the level of a major agreement, such as a sectoral trade arrangement like the Auto-Pact. It can be done to negotiate a series of irritants. It can be done to work out various accords and understandings. There is a wide range of instruments which can be pursued in dealing with bilateral trade issues.

The important point that we have raised is that those bilateral discussions, whether they are with the United States, Japan or with the European Common Market, should be carried out in the context of a major commitment on multilateral international trade. What has happened is that the Government has made a very clear break away from the official policy of a Government that had been followed for years, and a very major break away from continuity of trade strategy in Canada. The Government said: "We believe the singularly most important trade initiative is a Canada-U.S. agreement". So the Government turned it on its head. It made it the primary motivation of trade strategy. It made it a primary focus of our trade operation. If it had simply said: "Let's negotiate with the Americans, but inside the parameters and framework of broader international strategy", it would have been much better off.

The Hon. Member asks what is the difference. He asks why we cannot do the two at the same time. First, there is the question of resources. The Hon. Member has been chairman of a committee of which I feel honoured to have been a part. It was an excellent committee which studied international relations. The testimony of many groups that appeared before the committee was to the effect that both cannot be done equally well at the same time. We have been told that it is impossible to devote the same type of resources, energy, commitment and focus on one major initiative versus another. If one reads the daily press and looks at all the headlines we must ask what the Government is talking about. It is talking about Canada-U.S. That is the major play in town. That is the drama that is being played out on the Canadian stage.

I would also make the following case, which is a technical one but still important. One of the real problems with the bilateral agreement is that it carries with it the potential for being discriminatory against other countries. This Government has never made it clear, even though it has been asked, when it makes an agreement or signs a deal with the Americans whether it will be based on the most favoured nation principle of GATT. In other words, is it non-discriminatory? Is it available and accessible to all other countries? The Government has never been prepared to make such a commitment. That is what creates serious bad vibrations among the other countries of the world.

Mr. Speaker: Order, please. Questions and answers are supposed to be short and sharp. The Hon. Member for Cariboo—Chilcotin (Mr. Greenaway).

Mr. Greenaway: Mr. Speaker, I would like to ask the Hon. Member if he can explain to us why shakes and shingles were not bound into the GATT agreement. I think that is something which probably happened during the previous administration. Perhaps there is a reason for it, although I am not aware of it and I would like to know what it is.

Mr. Axworthy: Mr. Speaker, that is a question which I have asked myself. I have had discussions with some of the negotiators who were involved at the Tokyo round of agreements. I have had to ask why it was left off. I think the reason was that it went back so far. Perhaps the Minister for International Trade might elucidate in this respect. However, there had been a free flow of activity going back some 30 or 40 years. I honestly say that it was a mistake not to do it. I do not know if it was our Government which did it. If we slipped up then, fine, let us say so. However, it does make my point that we should have all of these articles clearly within the GATT system since that is the way in which we can obtain the best protection. That is why, in a sense, the shake and shingle industry is a case in point that we should carefully examine.

I can only suggest to the Minister that I have tried to trace the history of this matter. I have talked to people who were on the negotiating team and I have not received a satisfactory answer yet. It is one which I think would be worth pursuing.

Mr. Speaker: Further questions. If there are no further questions or comments, then debate.

Mr. Caccia: Mr. Speaker, I have a question.

Mr. Speaker: I am sorry, but the Hon. Member rose after I called debate. I said questions.

Mr. Caccia: Mr. Speaker, I have a question.

Mr. Speaker: With respect, the Hon. Member rose after I called debate. On debate, the Hon. Member for Essex—Windsor (Mr. Langdon).

Mr. Caccia: I rose on a question, Mr. Speaker.

Mr. Speaker: The Chair called questions and comments twice and then called for debate. I am sorry. I am sure the Hon. Member will have a chance to participate later. The Hon. Member for Essex—Windsor.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I look forward very much this morning to a debate that I think can be one of the most important debates we have had in the House of Commons on this issue. Over recent weeks there has been a series of exchanges dealing with the issue. However, I think we are at the stage now, because of statements by the Prime Minister (Mr. Mulroney) and the Secretary of State for External Affairs (Mr. Clark) this weekend, at which some new possibilities have been opened up. I very much hope that the exchange which takes place around this quite useful motion will help to make some progress in what has been a very difficult debate thus far.

I wish to concentrate my remarks on what the Government's strategy has been. I wish to offer some challenges to that strategy. However, I want to start out by suggesting that the motion before us is straightforward and one we can support. However the approach being taken by that Party perhaps places too much emphasis at this time on GATT and multilateral negotiations as the solution to a more immediate crisis than the GATT system is able to handle. GATT is very much the framework within which our broad trade policies should be pursued as a strategy over the years, but at this point, with the crisis faced by the lumber sector, the capacity of GATT to move quickly and to play an effective role in this problem is relatively limited.

● (1140)

Having said that, let me concentrate on what the Government itself has done with respect to trade policy. Frankly, since election day there has been a confusing, tangled web of shifting strategies and, even more important, contadictory statements on the part of the Government. This has left many Canadians with a sense of great unease and concern over the lack of leadership and direction exercised in this area.

If I may say so, Mr. Speaker, this whole thing has been like a dance of the seven veils. There has been at least seven clear positions taken by the Government, positions which were gradually stripped away leaving us at this point in time—and I say this quite genuinely—without any clear sense of direction. We do not know where these people are trying to take us.

The great strategy at the beginning of the debate was to keep the issue in as low a profile as possible. The Government felt that if it kept a low profile on this issue, it could possibly run this thing through, somehow escaping the notice and opposition of the Canadian people, and simply put it into effect. Clearly that particular approach has been thrown to the winds. That was the first veil to go.

In the early part of this year, the Prime Minister took a campaign of insults against the Opposition across the country. Now he is beginning to go across the country saying that his neck is on the line and he is prepared to fight the next election on this issue. We have seen quite a reversal in approaches.

Second, the basic argument which the Government attempted to sell to Canadians at the beginning of the discussions was that Canada would escape from countervail proceedings, if not permanently then at least while this set of negotiations was going on. Last summer I can remember witness after witness coming before the special committee that looked into free trade saying that at least we would be freed of countervail actions during the negotiations. In fact, that veil has been thrown to the winds as well. We found that rather than being freed of countervail actions, we have become even more the focus of countervail actions, countervail actions on steel, fish and now lumber.

Third, the Government told Canadians that the whole issue of free trade is about getting lower tariffs for Canadians. So far, what have the consequences been? I would ask Hon. Members to ask themselves how our tariff situation today compares with that of a year ago. The United States now has much higher tariffs on shakes and shingles, fish and specialty steel parts. Here in Canada, we put into place higher tariffs on books, computer parts, teabags and even Christmas trees. Again there has been a massive contradiction between the strategy which, it was promised, would reduce tariffs and the reality which is that tariffs have increased.

The fourth veil of this great strategy was that free trade talks would help the regions. Again, the regions have been hurt most desperately by the changes that have taken place. Central Canada has not been hit nearly as hard as the fishing industry in the West and the steel industry and wheat producers on the Prairies. The wheat producers are now faced with U.S. actions to subsidize exports of wheat.

The dance continued with the words of the Prime Minister. I am convinced that until I finish my days on earth, the day will stick indelibly in my mind when the Prime Minister rose, with a toughness we have not heard since John Diefenbaker, to attack the United States for a lack of notice for something that was unacceptable and appalling in its impact on Canada. Ten days later, however, the Prime Minister wrote: "Dear Ron, what I was really concerned about was my personal reputation and my political reputation. After all, our personal reputations will survive these minor occurrences".

If the dance had finished at that stage, it would have been exciting enough for all of us who were watching, but it is going on. Every day, the dance seems to take a new reversal and a new veil is thrown to the wind. Instead of the Government being after this, it is now after that.

For instance, the Secretary of State for External Affairs, when I first raised the question of using the Employment Support Act to support workers in the lumber sector in British Columbia on March 26, said to us that that would be terrible and would be seen as using threats against the United States. He said he did not believe in that kind of thing. Last night, on CTV's *Question Period*, the Secretary of State for External Affairs said precisely what we asked him to say six weeks ago. He said that the Employment Support Act would in fact be used.

Finally, I have to talk about the emperor in the dance of the seven veils. I have to talk about the Prime Minister who has, up to now, talked about getting fast-track freer trade talks going with the United States. Suddenly this weekend he threw that veil to the winds and said that is not what we want, what we want is something just like the Auto Pact, right down to its safeguards. He said we want a hydro pact for Quebec, a fisheries pact for Atlantic Canada, a mining pact and a steel pact. It was such a total reversal in position that I think the term "U turn" coined for Margaret Thatcher in Britain will have to be turned into "corkscrew turn" for our Prime Minister.

• (1150)

The Government has pursued these policies with total ineptitude. I fear we could talk about that ineptitude with particular sarcasm in respect of the shakes and shingles case and the softwood lumber case. Last week we saw the Prime Minister refusing to pick up the telephone to phone the President of the United States about softwood lumber, and we heard the weak excuses of the Secretary of State for External Affairs on Friday about that failure. However, somehow out of this has come, ironically, something we as a House might not have expected. It is something which in fact, if one believes what the Prime Minister and the Secretary of State for External Affairs were saying over the past weekend, gives some prospect of progress ahead of us.

Our Party has taken a consistent position throughout the entire debate. We have said that we favour trade concern and trade expansion with the United States through safeguards associated with sector based deals just as in the Auto Pact. We have also said that we favour a trade dispute mechanism which would attempt to work with both sides to try to give us some kind of future in which we could work out disputes before they become crises. We have said that the Employment Support Act should and could be used to help our people when necessary. We have said that there cannot be the comprehensive, free trade, fast-track exercise which they are trying to go through in the United States.

Today we issue a challenge to the Government. We challenge it to live up to the rhetoric of the past weekend and to put its trade policy in the very rhetorical terms which were used over the weekend. Our first challenge to the Government would be to come to the House of Commons and make it absolutely clear that the mandate which it is seeking to talk with the United States is related to a series of sectoral deals with safeguards associated with each of the deals just as in the

Auto Pact. Our second challenge to the Government is that it accept the recommendations of the special committee of last summer and set up with the United States a trade dispute settlement mechanism, not one which will try to be super national and replace what the Americans will never give up, but something which will work to help both sides get together to work out problems. Third, we challenge the Government, as the Secretary of State for External Affairs put it, to put into effect the Employment Support Act, and we will support it on that. Fourth, we challenge the Government to restart the lumber talks and make them the centre-piece of an attempt to get for the lumber sector the first of those sectoral deals. This would give us some sense of security in that market in the future. However, it should be done by concentrating on problems like that of lumber, instead of trying to spread oneself entirely across the map through a free trade thrust. The last challenge would be to show a seriousness about the new approach to which the rhetoric this past weekend referred. At this stage the challenge has to be to abandon Simon Reisman and his approach to comprehensive freer trade and the team which has been assembled to try to seek that comprehensive freer trade.

If the Government accepts that challenge there is a very real possibility of a consensus in Canada in respect of our trade relations with the United States. If that challenge is not accepted, then what was said this weekend shows us yet again that it is one of those empty veils or one of those subterfuges to perplex Canadians rather than to lead them.

I put those challenges to the Minister. I put those challenges to the Government. It is possible to move ahead with some unity in the country on this issue. However, it will take a firm recognition on the part of the Government that in this case it has accepted a new direction instead of the direction in which it started last September.

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I should like to start by making a point. Leaving aside the political rhetoric of the first paragraph of the motion before the House, the Government of Canada would find it hard to oppose the sentiments contained in the resolution. The Opposition has just reinvented the wheel, but it is our wheel.

Let us look at the substance of the motion. The first point calls upon the Government to assist workers in the lumber industry and in the shakes and shingles industry by invoking the Employment Support Act. The Government is already examining that option. However, in the case of softwood lumber, there is no injury to the industry as yet. All that has happened is that the United States Department of Commerce has agreed to examine the petition filed by the U.S. lumber lobby.

The Opposition acknowledges this in the second point which indicates that the Government should assist in every way the softwood lumber industry in making the Canadian case before the United States International Trade Commission. The Government intends to assist the softwood lumber industry in every appropriate way. Indeed, we have made extensive plans for that assistance.

The third point of the motion is to ensure that proper time is given to make the case by, if necessary, obtaining extensions of hearing time. Again, it is government policy to give the industry all possible help. On the matter of time, however, the limits are set by U.S. law and they are not subject to outside intervention.

• (1200)

The Opposition's last proposal, Mr. Speaker, is that the Government initiate "proper and effective action under the rules of GATT to ensure that this matter is satisfactorily considered by the international trading system." Again, we intend to take such action at the appropriate time and in the manner best suited to obtain the support of the GATT. Indeed, the Canadian position has already been set out clearly on May 22 in the GATT Council as is permitted under its rules of procedure. I would point out that we are extremely well positioned to take action under the GATT.

As members of all Parties in this House are aware, this Government has been playing not only an active role but a leading role in the GATT. Since we came into office, Canada has been a principal player in getting the next round of multilateral trade negotiations started. We have also been asked to play a leadership role on behalf of Third World countries in that round. We have a great reserve of international sympathy and support.

In short, we have already put into action the measures proposed by the Opposition in so far as those measures are within our power to put into action. Indeed, we have gone far beyond them. We are now fighting battles on two quite different fronts: cedar shakes and shingles and softwood lumber. It might be useful here to review exactly what has taken place.

On May 22 the United States Government moved, without prior notice, to protect American producers of cedar shakes and shingles by imposing a 35 per cent duty on imported shakes and shingles. This action was taken in full knowledge that Canadian producers were competing fairly, without subsidy, and that a major factor in the decline of the American industry was a shortage of American cedar logs.

The Canadian Government found this action unjustified and unacceptable. We have made a determined effort to regain full access to the U.S. market and we will continue to do so. We will continue to do so even though the U.S. administration has said that it is not prepared to remove the tariff, that it is not prepared to provide compensation to Canadian producers and that it is not prepared to take any measures that would help Canadian producers maintain reasonable access to the U.S. market.

In the face of this attitude, the Canadian Government determined that an appropriate and measured response was required, and my colleague, the Minister of Finance (Mr. Wilson), announced those measures effective this past Friday, June 6.

In addition to those measures, the Government announced it would closely monitor the impact of the American duties on Canadian shakes and shingles exports. We are meeting with industry representatives on an ongoing basis to assess the impact and to determine what measures might be necessary and appropriate to assist the industry.

The second action against Canada's forest products industry was taken on Friday when the U.S. Department of Commerce announced that it would accept a countervailing duty petition against our softwood lumber. This action was not unexpected, but it is highly regrettable. As my colleague, the Secretary of State for External Affairs (Mr. Clark), told the House on Friday, we had urged the administration not to accept the petition which was filed by a group of U.S. lumber producers because it was simply going over the same old ground, bringing up the same issues that had been raised in a similar action only three years ago, an action that was determined in Canada's favour on essentially the same facts under the same U.S. law.

But there are significant differences between the shingles and shakes issue and the softwood lumber issue. Unlike the tariff imposed by the administration on shingles and shakes, the countervailing duty action is not a discretionary decision by the President. It is a quasi judicial process in which the administration has little discretion regarding the acceptance of a properly documented petition and virtually no discretion thereafter, except with the agreement of the affected industries on both sides.

The decision to consider the countervailing duty petition against our softwood lumber must also be kept in perspective. It is not a sanction. It is not a judgment. It does not even reflect the merits of the case. In recent years the U.S. Commerce Department has carried out seven countervail investigations on Canadian exports, since 1982, and only three of them have resulted in the application of actual countervailing duties. Morever, there will be no immediate impact on our softwood lumber exports. Even in the worst case scenario a countervailing duty is unlikely to be levied before December, although a bonding requirement could be imposed in early August pending the outcome of the examination. We draw some comfort from the assurance of the U.S. administration that this proceeding against our softwood lumber, like the other countervail actions that come before the Commerce Department, will be decided on its legal merits, that due process will be observed and that political considerations will not intrude into the process. We will make every effort, in co-operation with the Canadian softwood industry and with the provinces, to fight this case in the U.S. system and to win it, just as we won the case in 1983.

On Friday of this week three members of the Cabinet, the Secretary of State for External Affairs, the Minister of State for Forestry (Mr. Merrithew) and I will be meeting in Vancouver with provincial Ministers and representatives of the lumber industry and labour to review all aspects of our strategy to turn back this threat to a vital Canadian industry.

There are those who would suggest that these two American actions, the duties on shakes and shingles and the countervail investigation on softwood, provide sufficient cause for cancelling the over-all trade negotiations between Canada and the United States. I would suggest just the opposite, that both actions serve to underline the need for negotiations to establish a broad trade agreement, an agreement that would create acceptable dispute solving mechanisms and would secure our access to the U.S. market.

It is clear, Mr. Speaker, that the current international rules do not provide the certainty and security of access to the U.S. market which Canadian producers need to plan and invest. It is also clear that the existing rules can be improved only through international negotiation and that there are two avenues along which such negotiations can take place. One is bilateral with our principal trading partner, and the other is multilateral under the GATT. This Government is pursuing both avenues.

As Members opposite are aware, the General Agreement on Tariffs and Trade is the current contractual basis of our trade relations with the United States. It represents a careful balance of rights and obligations. The General Agreement on Tariffs and Trade recognizes that subsidies may have harmful effects on trade and production. It therefore permits the application of countervailing duties in situations where subsidized imports are found to be injurious to domestic producers of the same product.

Detailed international rules were negotiated in the Tokyo round of multilateral trade negotiations, rules aimed at ensuring that these countervailing measures do not unjustifiably impede international trade, but that relief is available to local producers adversely affected by foreign subsidies.

• (1210)

The Tokyo Round also established an international framework of rights and obligations for countervail actions. Indeed, from Canada's perspective one of the most important achievements of the Tokyo Round was agreement by the United States to incorporate an injury test into the countervailing duty law. As a result, several longstanding countervail findings against Canada were wiped from the books. Both Canada and the United States have equipped themselves to exercise their rights under the GATT to apply countervail duties to protect their domestic producers.

The countervailing duties which are currently being applied by the United States to our exports of live hogs and fresh groundfish are the result, not of a political act by either the Congress or the administration but of a quasi judicial proceeding under U.S. laws and the rules of GATT. The only immediate recourse is through the U.S. courts, an option which the Canadian producers concerned are currently pursuing. The U.S. administration simply does not have the authority to rescind a quasi legal finding whether it agrees with it or not. Similarly, I am sure the Opposition would agree that it would be inappropriate, if not impossible, for the Canadian Government to reverse a decision by a similar quasi judicial proceeding in Canada. We will still continue to respect the rule of law.

It might be well to point out that the U.S. has no monopoly on countervailing actions. Canada, too, has equipped itself through the Special Import Measures Act to deal with injurious subsidized imports. We are determined in administering this legislation to ensure that Canadian producers can obtain relief from injury caused by subsidized imports. The Canadian Import Tribunal is currently investigating whether imports of subsidized beef from the European Common Market are injurious. The Ontario Corn Producers Association has requested a countervail investigation against corn imported from the United States. Canadian agricultural producers are acutely aware of massive subsidies made available to U.S. farmers by their Government.

Should a countervail action be launched against American corn it would be the first such case involving imports from that country. Surely the Opposition should not suggest that Canadian producers should unilaterally be denied their right to seek relief from injury while the trade negotiations with the United States are under way.

Finally, Mr. Speaker, let me reiterate for the benefit of the Members opposite that the Government recognizes the threat posed by the U.S. countervailing duty actions for Canadian exporters. The Government has launched a major initiative to negotiate a better framework for the conduct of our trade relations with the United States. The U.S. and Canada have the most extensive business relationship in the world. Because the relationship is so large and so broadly based there are bound to be occasional difficulties and disputes in our business with each other. There have always been and there always will be. A key objective to these negotiations will be to negotiate better rules to resolve our disputes. These include rules to ensure that countervailing duty actions do not impede our exports to the United States or theirs to us. If the members of the Opposition are genuine in their concern for Canadian lumber workers, they will lend their support to this important endeavour.

Mr. Axworthy: Mr. Speaker, I am disappointed that the Minister was not more specific about his timetable for the Employment Support Act. As he knows, we have been asking for this for several weeks. The Government quickly found its voice this weekend after this resolution was introduced on Friday. The Government is now saying that it is examining it. The point I am making is that the workers are being laid off today, tomorrow and the next day. Once again the Minister seems to be saying that the Government is going to fritter away its time while people are being hurt. I wish the Minister had been a little more direct and explicit about when the Employment Support Act would be invoked, how much money would be allocated, and when it would go into place.

The Minister said in the last part of his speech that the launching of the general discussion on free trade is the best protection that Canadian lumber workers could have. In this morning's edition of *The Citizen* there is an interview with Mr. Leonard Santos, the senior trade adviser to the U.S. Senate Finance Committee. Mr. Santos says that because of the free trade talks the President of the United States made a deal with the U.S. Senators on that committee. The article reads in part:

> Len Santos said in an interview that President Ronald Reagan has made a "clear deal" to take action against Canadian lumber imports in return for the powerful senate finance committee giving a green light to free-trade negotiations.

In effect he is saying that the launching of those talks was the licence for the lumber industry and those Senators to take those actions. Mr. Santos goes on to say that whether or not there is a decision by the ITC perhaps the ITC will do the dirty work for the President but that if they do not do it the President will impose duties unilaterally under Section 301.

My question to the Minister is obvious. Does he not now concede that the so-called clean launch was a dirty launch, that it had the incredible price attached to it of the introduction and initiative of import procedures against the Canadian lumber industry? Perhaps most important, what is the Government going to do about it? The Minister is talking about a so-called quasi judicial process. It is clear that this is a direct political process and that regardless of which way the ITC and the commerce department decide, we are going to be had.

Now that the Prime Minister has agreed to sectoral negotiations, is that what the Government will end up agreeing to? Is the real game plan that we will start negotiations on lumber and that they will ensue over the next three or four months?

Mr. Kelleher: Mr. Speaker, the Hon. Member asked that I be more definitive with respect to the Unemployment Support Act. We have already met with the industry. We are continuing those meetings and, as we determine the extent of the injury and unemployment being suffered, we will be in a position to apply a proper remedy. It is very difficult, without knowing the extent of the injury we concede is occurring, to measure adequately the support that is required. Once that is determined we will do everything we can to assist that industry. The Secretary of State for External Affairs made that very clear last week in the House.

With regard to the question about whether there was a clean launch and whether there were preconditions, I can only repeat what I, the Prime Minister, and the Secretary of State for External Affairs have repeated before in the House. There were no preconditions. It was a clean launch. If the Hon. Member has some evidence and definitive proof to the contrary, he should bring it forward and let us see it. I do not accept a newspaper article interviewing an aid to a Senator as the kind of proof we require. There is no use making these allegations day after day in the House without substantive proof, and that is not proof, a newspaper article by some aide to a senator. What I am telling you is there were no preconditions. The action that has been started here was an action launched by the industry, not the Senate, not the adminsitration and, not the President. It was an action initiated by the industry under their laws, which they are entitled to do. It is a quasijudicial proceeding and we have the right under their laws to be involved. The industry is going to be involved and the industry is going to be fully supported by this Government in that action.

• (1220)

Mr. Langdon: I wish the Minister had not stuck to his text so closely this morning, and instead had taken some of the signals that came from both opposition parties, that we were quite interested in looking at some of the new rhetoric and the new commitments that came out this weekend. If that had been done I think there could have been a constructive step forward in this debate.

With respect to clean launch, I just cannot resist saying, the evidence builds up from every quarter. It started with the wholesale shift of the lumber senators themselves. It now comes out with statements by senior staff to senators which are relatively important in the senatorial makeup. If they are prepared to come out and specifically talk about the clear deal which they saw made, I for one see that as one more piece of evidence that I am not prepared to ignore.

My questions, however, are the following. First, the point which to this stage has never been made to the Minister, and I think it has to be made to him, is that as soon as we were into—the Minister and I have talked about this—a petition from the U.S. lumber producers we had to know that our chances of success were much less than if we could solve the problems by direct talks. Now the Minister took us through, I believe, five occasions of direct talks. I have to ask him, why did those talks fail? Why was this Government not able to obtain some kind of arrangement with respect to this sector that is so crucial to us? It was the failure of those talks which led to this petition. The petition has, as he said, taken its quasi judicial route on to what I fear will be disaster for us in the end.

My second question is, the Secretary of State for External Affairs stated very clearly last night on CTV *Question Period*, in talking about the employment support Act, "I can't say we'll move on it this week, but that's certainly something that we're intending to move on". There were no ifs, there were no buts. Yet the Minister this morning has said if we decide to proceed we may do this or we may do that. I want the Minister to give us a clear answer. Are we, in fact, to now expect from this Government a commitment to use this Act to support the shake and shingle workers in B. C.? I think at least that much is owed them in face of the ineptitude of previous government policy with respect to the wood sector.

Mr. Kelleher: Mr. Speaker, in reply to the first question posed by the Hon. Member, it is quite correct, we did have discussions with the Americans attempting to head off the filing of a petition by the lumber industry. I beleive that we met five times, in the months of January to May, inclusive. The stumbling block in those discussions was the American insistence that we must change our stumpage system, that it did not coincide with theirs, that it was not the same as theirs, and that the rates contained or derived from the stumpage system that we use in Canada is different and lower than that used in the States. Because it was lower, that in effect constituted a subsidy. We could not agree to that. In 1983 we fought the countervail case on the existence of our stumpage system. It has not changed since then; it was good then and it is good now. We did not see anything wrong with it. That is why those talks failed, because we were not prepared to change our stumpage system.

With respect to his second question about which Act we were going to operate under,, we have given our pledge that we are going to assist the industry. There is no doubt in our mind whatsoever about that, nor should there be in yours. All we have said is that we are trying to determine the best way to assist that industry. It may be that the best way is under that Act. We may also find other ways to assist the industry that may be better. Whatever it is, we are going to assist them; I can give you that unequivocal assurance.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I am pleased to be here to participate in this debate. Let me remind Members what the debate is all about. It is a motion that condemns the Government for the lack of care and concern for the workers in the cedar shakes and shingles industry and in the softwood lumber industry shown by the Prime Minister (Mr. Mulroney) in his letter to President Reagan.

In the Prime Minister's "Dear Ron" letter to President Reagan he calls the cedar shakes and shingles industry and the 4,000 workers employed in that industry an incident. That is the only reference he makes to them. He sums them up by saying, "This incident will not alter our personal relationship". The 4,000 employees in the industry in British Columbia have been defined finally by this Government in the context of its priorities as a mere incident that should not get in the way of the personal relationship between the Prime Minister and the President.

What does he say about the softwood lumber industry? How does he define them? What word did he pull out of Webster's as he pored over it before his desk, the same book where he finds such words as "voracity", a word he obviously has not found the meaning of yet, nevertheless uses quite frequently. What word did he find for the softwood lumber industries and the workers? No word at all. There is not a single reference in this letter written to the President of the United States a few days before the Americans decide to proceed with the petition on softwood lumber—not a single word, not an utterance, not even a clearing of the throat about the softwood lumber industry.

One has to feel not only great compassion today and empathy for the cedar shakes and shingles worker, and not only compassion and empathy for the great uncertainty that has gripped all of those associated with the softwood lumber industry, one has to feel compassion and empathy for the Minister for International Trade (Mr. Kelleher). He is almost more to be pitied than to be blamed.

Supply

Watching the Minister's performance today in the House, watching him explain to Members that there was no deal done, there was no selling out of the cedar shakes and shingle industry, there was no selling out of the softwood lumber industry—as evidenced by the comments this morning in *The Citizen* by the senior trade adviser to the U.S. Senate—watching him try to make the case that all of that is not so when 4,000 jobs are already about to go down the tubes, the toilet has been flushed, the water is rushing about and people are being affected even today in cedar shakes and shingles, reminds me of the poor young fellow in the school yard whose knees are scuffed out of his pants, whose lip is split and eye blackened but who says that he is not hurt, He says: "I am not hurt. I stood my ground and never felt a thing." The poor young fellow says he never felt a thing and is not hurt, because to admit that he is hurt is to admit that his pride has been damaged. The Minister, like the poor young fellow in the school yard or, unfortunately, like Shawn O'Sullivan in the third round on the weekend, with his arms by his side and unable to respond or block a punch any longer, says: "I am still in good shape. I do not know why they stopped the fight." It is a sad day when one tries to understand the policy of this administration with respect to such an important bilateral issue, and can only congure up the image of the young fellow in the school yard or the boxer in the third round who no longer knows in what round he is but says: "I'm okay, he never landed a punch."

• (1230)

In case the Minister has not understood this yet, let me tell him that whether he recognizes from his position in the ring that a punch has been landed, whether he recognizes that his knees are wobbling and he is seeing double from a devastating blow, or whether he recognizes from his position in the ring that the gong has been sounded and we have lost another round, the 4,000 workers in the shakes and shingles industry in British Columbia know that they have been hit hard. I can also tell him that the people involved in the softwood lumber industry are looking up to that ring and are watching that brutal blow being delivered by the opponent which, in this case, is the American adminstration that sold us out to get the extra votes in the Senate Finance Committee for the free trade talks. Those people in the softwood lumber industry are pretty damn nervous about getting into that ring because they have a sense that the fix is in with this particular bout. They have a sense that Canada is about to take a fall because it is a rigged fight.

The Minister takes the naive view that since we won the 1983 softwood lumber petition hands down, in 1986 we will win again. He says this in the face of a letter written on May 8 by the President of the United States to Senator Packwood of the U.S. Senate Finance Committee, who delivered the necessary votes to proceed with free trade talks. It is a letter indicating to Senator Packwood that the President will solve the softwood lumber question one way or another. The President told the Minister that either the International Trade Commission will look after the problem or, in the unlikely event that Canada wins, since the fix is in, he will look after the problem anyway.

The senior U.S. Senate trade adviser pointed out in the Ottawa *Citizen* this morning that the President has the power to impose duties unilaterally if he finds that a foreign practice unfairly or unreasonably hurts U.S. industry. If you want a new definition of "fixed", Mr. Speaker, we can use the analogy of the fight again and state that even in the event that the big burly opponent does not land a blow, it does not matter because Canada's softwood lumber industry will take a fall anyway. That is what the senior trade adviser to the U.S. Senate is saying.

Yet today, we have seen the spectacle of the Minister wobbling about on his legs, dazed and confused, saying that they have not landed a blow. The situation conjures up the image of the fighter, but the only problem in this place, Mr. Speaker, unless you decide to take unprecedented action, is that we do not have a referee to step in and pull the Minister out of the ring in order for him to come to his senses.

Last Thursday, myself, a Government Member, the Member for Mission—Port Moody (Mr. St. Germain), and an NDP member, the Member for Skeena (Mr. Fulton), were in Washington at the invitation of the Minister. I appreciated that invitation and went down to Washington last Tuesday to sit in on a briefing session with Canada's fine Ambassador, Ambassador Gotlieb, who does a very good job. We were to be briefed before the Ambassador went to see Secretary Baldrige and we were to be debriefed after the meeting.

When I was told on Tuesday that I would have an opportunity to go to Washington I thought that while I did not know about the Government's intentions it obviously was organizing a significant and serious last minute representation to the U.S. Secretary of Commerce, Mr. Baldrige, to prevent the petition from proceeding. I considered this invitation by the Minister as a serious request, a departure from what I believed was a preoccupation with managing the public relations difficulties the Government is experiencing in Canada, rather than a preoccupation with dealing with the American administration, the American public and Congress. I thought that the Prime Minister had finally stopped worrying about trying to impress Canadians with all of his rhetoric that he was giving us only a few weeks ago and was prepared to let us go to talk to the Americans.

However, one can imagine the shattering experience it was for a young idealistic Member of Parliament like myself to discover that this much trumpeted and important last ditch effort turned out to be a shallow, pathetic public relations exercise. Three Members of Parliament left Ottawa without any briefing. We arrived in Washington but received no briefing in Washington other than that which we gave each other in the taxi from the airport to downtown Washington. We arrived at the hotel and spent six hours talking to each other because there was no briefing. We arrived at breakfast for a 20 minute *tête-à-tête* with Ambassador Gotlieb who told us that this was not really a political question but a quasi judicial question on which he was making Canada's argument. At that point, one begins to wonder why we were there.

Our agenda consisted simply of that briefing in advance of a 20 minute session between the Ambassador and Secretary Baldrige, and a 10 minute briefing afterwards. We did not see any Americans or talk to any American media. There was no meeting set up with American congressional leaders. We simply went to a meeting room with the Ambassador and, as if by magic, Canadian press representatives showed up at the embassy to take our picture with a very earnest looking Ambassador. Furthermore, when we called home we discovered that, magically, the newspapers contained headlines about a last ditch attempt being made to stave off the petition. We posed as best we could for these pictures since we were part of this last ditch effort. However, if this shallow exercise deserved the description of a last ditch serious attempt by the Government to stave off the petition that now threatens our softwood lumber workers, then we are in bad shape. My earlier suspicions that the Government is preoccupied with managing Canadian public opinion rather than our affairs with the Americans were confirmed.

A few hours later, we were on a plane coming back to Ottawa. However, we learned a lesson. The Government, like the young fellow in the school yard with the seat out of his pants and his eye blackened, is more interested in saving face in front of the Canadian people than trying to address our problems south of the border.

• (1240)

The whole attitude of the Government is personified by the actions of the Prime Minister in the last few days. He has in the last few days behaved like someone going through the pains of puberty. At one time he runs around the country complaining about the Opposition having its head in the sand, and a couple of days later he complains we have our heads in the snow. He is suffering from hot and cold flashes. He has launched what he says will be the issue on which he will fight the next election. He will fight the Grits and the NDP, but while he is doing so Ronald Reagan is taking pokes at him from the side.

What does he do when Ronald Reagan takes a poke at him from the side? He comes back and says: "I will battle the Liberals and the NDP. I will fight the next election on this". And Reagan punches him again, but all he says is: "The Liberals have their heads in the sand". And the President punches him again, and he is so confused he now has us with our heads in the snow.

Let Canadians understand that when we talk about a 35 per cent tariff on the Canadian cedar shakes and shingles industry, we are not talking about cedar shakes being penalized or shingles being penalized, we are not talking about trees being discriminated against, we are talking about people. We are talking about men and women and Canadian families who, for reasons they do not understand, have discovered that a bolt of lightning out of the blue has, in a remarkable way, altered their lives. It has set them on the course to the unemployment lines.

Why has this happened? It has happened because the President of the United States has a omnibus trade Bill before the Congress. It is kind of a grab-bag of protectionist measures which is incoherent and quite dangerous. That we all agree and acknowledge. The President wants to stop the Bill. In order to do so he has to demonstrate that he already has the means to impose trade sanctions. So he picks up his trade hammer and looks around the world. He has to strike that hammer somewhere. It used to be that the Americans would focus on Japan on trade problems. But he cannot strike Japan because President Nakasone is having an election on trade issues. He does not want to interfere in that process. The President looks at Great Britain but says: "No, my friend Maggie, is third in the polls. She already has enough trouble". So he cannot strike there. He looks at Europe and he says: "No, I cannot take a major trade initiative there because it will affect our foreign policy, our defence policy, and we still do not have our nuclear missiles in place in Denmark". Then he looks at Canada. He see 211 Members of Parliament out of 282 forming the Government. He says to himself: "There is a stable Government. It is not going to be defeated for a few more years". He looks at the record of the Prime Minister and what does he see? He sees a Prime Minister who has stated: "In all circumstances, we shall give our great ally, our best friend, the U.S., the benefit of the doubt". He sees a Prime Minister who is desperate to start a free trade negotiation. So he gets the Prime Minister his free trade negotiation in the U.S. Senate and the price is a tariff on cedar shakes and shingles, and a blow yet to be struck against the Canadian softwood lumber industry.

Why has that happened, Mr. Speaker? You will recall the meeting between the President and the Prime Minister in Quebec City on St. Patrick's Day last year. The Prime Minister came out of the meeting and told the press: "You can be sure that when the protectionist winds blow, they will not be blowing at Canada. If I'm wrong, you can cut me into little bits". That bears repeating. The Prime Minister of Canada in the present context of a tariff on cedar shakes and shingles and a threatened tariff on softwood lumber said: "You can be sure that when the protectionist winds blow, they will not be blowing at Canada. If I'm wrong, you can cut me into little bits". I have no intention of cutting the Prime Minister into little bits, but if I held him to his word he would resemble chopped cheese before this day was out.

Over the last year and a half while the American protectionist sentiment was brewing in the United States, while it festered and finally erupted into an open sore which afflicted some of our trading partners, particularly Canada, over that whole period our Prime Minister was running around saying: "If I'm wrong, you can cut me into little bits. I have a special relationship with my friend, Ron".

The U.S. administration, Congress and, indeed, the American people, have taken the nature of their relationship with this country for granted because of the signals consistently given by the Prime Minister since his election in September of 1984. Friendship is based on respect. It was certainly not an act of respect for Canada or, indeed, for the Prime Minister personally, when a tariff measure to the extent of 35 per cent was taken against cedar shakes and shingles without, in the Prime Minister's own words, "any personal notification", although one would have to be lacking in all senses not to see it coming.

The Government of Canada has to begin the process of spending less of its time preoccupied in an incestuous manner with Canadian public opinion. It has to begin the process of sensitizing not only the U.S. administration and Congress but, indeed, the American people, to the grave nature of the threat against Canada's interests which is implied by this threatened tariff on softwood lumber. That cannot happen by Members of Parliament talking to each other in the House of Commons in Ottawa. It cannot happen by sending three Members of Parliament to a farcical meeting for a photo opportunity to be used back home. It cannot happen by the Prime Minister saying that the very nature of free trade talks are threatened and the Minister for International Trade (Mr. Kelleher) saying: "Free trade talks are going ahead, come what may". It cannot happen when the Prime Minister can take a 35 per cent tariff on cedar shakes and shingles as a matter of personal vanity, a personal attack, in his letter to the President, rather than a question of the jobs and security of 4,000 workers.

I say to the Government that it ought to take seriously this motion which reflects the views of Canadians who are incensed that our ship is adrift without a rudder and certainly without a captain at the helm.

Ms. Copps: Mr. Speaker, I am happy the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) introduced the issue of the "Dear Ron" letter which the Prime Minister (Mr. Mulroney) in a very egomaniacal fashion wrote to the President, in essence, to seek his forgiveness for his own outburst in the House of Commons. I wonder if the Hon. Member could tell us, given the statement by the Minister for International Trade (Mr. Kelleher) today that the Government knew for some time of the potential of a further action on softwood lumber, what he thinks about the Prime Minister's commitment to the softwood lumber industry when he did not even mention it in his infamous 'Dear Ron" letter, apparently because he did not want to sever his own "personal" good relationship with the President?

• (1250)

Mr. Tobin: Mr. Speaker, I said a moment ago, and I think most Canadians would agree, that some kind of mutual respect for each other often leads to good friendship. Most of us have neighbours on the other side of the fence, and someone once said that good fences make good neighbours.

When the Prime Minister, Canada's chief executive officer, writes a rare letter—because personal letters are not exchanged every day between Presidents and Prime Ministers—just a few days before the Minister for International Trade had the Canadian Ambassador in Washington and three Members of Parliament down in Washington supposedly making the last ditch attempt at preventing the petition from proceeding on softwood lumber—if the Minister for International Trade's initiative through the use of the Canadian Ambassador and through the abuse, I say, of three Members of Parliament was serious—then surely the Prime Minister would have reflected the seriousness of that attempt in his letter to the President. Instead, there is not a single utterance, not a reference, not an ackowledgement of the existence of that industry or its importance to our citizens in the letter.

I believe the Prime Minister's biggest problem is that he has never stopped the election campaign of 1984. He is forever on the election trail, worried more about tomorrow's headlines than about today's reality. I think we have paid a heavy price for that attitude.

[*Translation*]

Mr. Fontaine: Mr. Speaker, I welcome this opportunity to speak, following the speech by the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin). I think he shows great courage in being prepared to defend the interests of the western part of this country, as a Member from our eastern shores. This is indeed a rare occurrence. So the Liberal Party is starting to show some consideration for Western Canada—thinking about the next election campaign, may be? In years past, it seemed routine for the Liberals to forget that the West existed. This morning, it might have been more appropriate for the Hon. Member for Vancouver Quadra (Mr. Turner) to defend the interests of the residents of his province. However, I noticed that the Hon. Member for Humber—Port au Port—St. Barbe was alone amid the vacant seats reserved for the Liberal caucus. The other Members were probably still at their weekend conference. I would like to ask the Hon. Member whether, in 1983, when—

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member should not indicate who is and who is not in the House. I bring that to his attention. I know that he is a fairly new Member of Parliament, but I hope he will not do it again.

[*Translation*]

Mr. Fontaine: Thank you, Mr. Speaker. I would like to ask the Hon. Member why his Government did not deal with the problem we are discussing today in 1983. Why did they leave it up to us? They could have dealt with it for good. If the Hon. Member was also able to take a more general view of the problem, why did he fail to mention a trip made by our Prime Minister (Mr. Mulroney) to Japan, a trip that proved the quality of our lumber, because during that trip he made representations to the Japanese Government, asking it to include the use of our Canadian lumber in the standards set by agencies comparable to the Canada Mortgage and Housing Corporation here in Canada. The Liberals never mentioned that.

I also would like to know why he is being so negative about our negotiations with the United States, when we have access to a market of 240 million people.

Mr. Speaker, since the auto pact has been profitable for this country, the same approach can work today. I would ask the Liberals to be a little fairer in their comments and to stop their nit-picking.

[*English*]

Mr. Tobin: Mr. Speaker, the Hon. Member has raised three or four different questions. Near the end of his remarks he asked why there is so much negativism today. Let me say that there is much to be negative about. I would suggest that ringing the bells when the house is on fire is not a negative action but a very positive one.

The Hon. Member disappoints me. Perhaps as he spends more time here he will adopt a different attitude. To stand in the Parliament of Canada—not the Legislature of Quebec, Newfoundland or Alberta—and ask: "Why are you as a Member of Parliament from Newfoundland concerned about western Canada?" begs another question to be asked. That is to say: "What, sir, are you doing here if you would even put such a question?" The Hon. Member is a Member of the Canadian Parliament. If he does not feel as at home in this Parliament in the Province of Ontario as he would in the Province of Quebec, and if he does not feel as welcome in my great riding of Humber—Port au Port—St. Barbe as he might in Skeena or in Vancouver, then he had better go back and ask himself why he decided to seek a job as a Member of Parliament of Canada.

Why am I concerned? Because I am a Canadian who comes from Newfoundland. But my fellow Canadians live in British Columbia, and I have been there. I have been to Prince George, I have been to Prince Rupert and to Vancouver. I have heard the stories of the people who live there. I talked to a very good friend of mine yesterday who lives in Smithers. This is a person with whom I grew up, who used to live in Newfoundland and who is now a British Columbian. He gives his loyalty to and takes his lifeblood from that province. He is concerned. That is why I am here raising questions. I do not see this as some type of parochial House in which resides a whole series of feudal kingdoms. We are all Canadians in this place, are we not?

The Member asks why we did not settle the problem in 1983. Again the Hon. Member shows that he needs to spend a few more days in this place. We won the case in 1983. It was settled. For some reason during the course of the tenure of this Government the Americans have decided that we should be tried twice, an unprecedented action. If the Hon. Member did his homework he would know that.

The Hon. Members asks why I have not talked about the Prime Minister's visit to Japan. Unfortunately, the former Minister of Regional Industrial Expansion was having some great difficulties during the course of the Prime Minister's visit to Japan. I doubt if anyone knows that he was there. We were dealing instead with the large question of conflict of interest. As much as I, and in particular the Prime Minister, would have preferred to talk about his visit to Japan, unfortunately, one of the Minister's of the Government provided a much more interesting topic to talk about during that period of time.

The Acting Speaker (Mr. Paproski): I hope the Hon. Member will entertain one more question from the Hon. Member for Carleton—Charlotte (Mr. McCain).

Mr. McCain: Mr. Speaker, my question for the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) is this. How does it happen that this Government finds itself in a position in which there is no compensation available to Canada for either legislation or decisions concerning the quasi judicial process of the United States when it has imposed a surcharge on Canadian products going into that country? How does that happen? Is the Hon. Member prepared to answer that question in the seconds that are left in this morning's debate?

Mr. Tobin: Mr. Speaker, the Hon. Member for Carleton—Charlotte (Mr. McCain), as is his practice, always comes to the nub of the question. He asks a very intelligent and worthwhile question. The Hon. Member asks how it is that there is no compensation for an unfair tariff. That is really the premise of his question; if it was a fair tariff, if it was responsible, then we might not have a complaint. However, it is an unfair, unwarranted and unjustified tariff. How is it that there is no compensation? I say to the Hon. Member that if this administration had made clear to the Americans that they cannot always expect the benefit of the doubt when they take these types of regressive measures, punishing—

Mr. McCain: Mr. Speaker, I rise on a point of order. The question is not being addressed in the sense in which it was asked. We are operating within the parameters—

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member but that is debate.

Before I leave the Chair at one o'clock I would like to say that the time allotted for questions and comments has now terminated. I will recognize the next speaker, the Hon. Member for Timmins—Chapleau (Mr. Gervais), when debate resumes this afternoon.

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

At 1 p.m. the House took recess.

S.O. 21

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

CRIMINAL CODE

STRIP CLUBS—CALL FOR AMENDING LEGISLATION

Hon. Herb Gray (Windsor West): Mr. Speaker, for some months now the people of the Windsor area have been concerned about the proliferation in the area of strip clubs offering so-called adult entertainment. They are concerned that what these bars offer amounts to pornography, offends standards of human dignity, creates the risk of criminal activity, and generally creates the risk of a deterioration in neighbourhoods and the quality of life in the community.

I have repeatedly called on the Minister of Justice (Mr. Crosbie) to introduce appropriate amendments to update the Criminal Code to deal with this kind of situation which is found increasingly not only in Windsor but other communities as well. The concern in my community was heightened last week when a Judge of the Supreme Court of Ontario struck down a new City of Windsor by-law intended to help deal with the problem, saying that it dealt with morality, a matter of federal jurisdiction. It was also alleged at a recent LCBO hearing that applicants for a liquor licence to operate a strip bar had criminal connections.

The Minister has been promising legislation to amend the Criminal Code to enable the—

Mr. Speaker: Order, please, sixty seconds.

Mr. Gray (Windsor West): I call upon the Minister to present that legislation now—

Mr. Speaker: Order, please, sixty seconds.

* * *

LABOUR RELATIONS

STRIKE AT EDMONTON MEATPACKING PLANT

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, this weekend in Winnipeg, a plaque on the grounds of City Hall was dedicated to the memory of those who took part in the 1919 General Strike. Representatives of all three levels of Government were unanimous in the affirmation of the rights of labour and the courage and integrity of the strikers, who were not the seditious Bolsheviks they were made out to be by the Citizen's Committee of One Thousand but were men who were a part of and were supported by their community and who were later elected to public offices, including this House.

If we look at history with a forgiving eye, some of the men who ordered the RCMP on the strikers in 1919, killing one man, could genuinely plead that the closeness of the Russian revolution clouded their vision. Peter Pocklington has no such excuse. His description of strikers in Edmonton as terrorists and communists who want to turn Canada into Russia is un-Canadian, and is an offence to all freedom-loving Canadians who thought they had put that kind of political garbage behind them.

It is Peter Pocklington who belongs somewhere else, along with Alberta's Tory labour laws. Peter Puck would do well in Poland advising General Jaruzelski on how to relate to Solidarity.

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THE DISABLED AND THE HANDICAPPED

TRIBUTE TO VOLUNTARY WORKERS AND SUPPORTERS

Mr. Don Ravis (Saskatoon East): Mr. Speaker, all too often we take our health for granted. I had the privilege in the last two days of meeting some special people who work hard to help those who suffer from diseases or handicaps. As the 1986 Honorary Chairman of the Saskatchewan Ride for Sight, I joined 300 cyclists yesterday in a ride to raise money for the fight against retinitis pigmentosa. The National RP Foundation has raised well over $2 million since 1974. Yesterday's Ride for Sight in Saskatchewan raised nearly $40,000 to help fight this tragic disease.

This morning I had the pleasure of attending Health and Welfare Canada's Volunteer Awards honouring 31 Canadians for their contributions to the well-being of their fellow citizens. I was delighted that one of my constituents was honoured for her work as a founding member of the Saskatoon Chapter of the Association for Children and Adults with Learning Disabilities and the Tamarack Foundation.

Saskatchewan has the highest percentage of volunteer participation in Canada. Our volunteers are a fine example to all of us and deserve our heartiest congratulations.

* * *

LABOUR RELATIONS

CONSTRUCTION SITE DISPUTE AT LANGLEY, B.C.

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, from time to time many of us witness labour-management disputes which turn violent. To prevent these incidents, both the Government of Canada and the provincial Governments have laws which uphold the workers' right to strike and the employers' right to operate businesses. At times it is extremely difficult to satisfy both parties in a labour dispute and to ensure that neither side is being favoured.

A recent incident which highlights the necessity of maintaining order at an industrial site occurred at the Overwaitea Foods construction site in Langley, B.C. An injunction had been obtained on a Wednesday limiting pickets to two people per entrance to the site. Instead of obeying the law, the building trade unions chose to initiate mass picketing. As expected, violence erupted at the site and on Friday about 60 RCMP riot police were brought in to restore order.

To avoid incidents like this in the future, I call upon the Solicitor General (Mr. Beatty) to work closely with the Attorney Generals of the provinces to ensure that court orders are followed as soon as possible. Those workers and suppliers who are not on strike and want to produce should have reasonable access to the job site without fear of intimidation from a mob.

* * *

EXTERNAL AFFAIRS

AUSTRIA—ELECTION OF KURT WALDHEIM AS PRESIDENT

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, yesterday Mr. Kurt Waldheim was elected President of Austria. His election now poses a dilemma for Canada. Should the Canadian Government send a telegram of congratulations to Mr. Waldheim, or should the Canadian Government consider barring him from visiting this country? This dilemma cannot be resolved in the absence of full knowledge of Mr. Waldheim's past.

• (1405)

I call upon the Canadian Government to instruct Ambassador Stephen Lewis immediately to press for a thorough, independent, international investigation of these serious allegations. The Government would then have the facts on which to take appropriate action. Only in this way will the truth about the Waldheim matter finally be known.

I am personally affronted that any person who may be connected with Nazi war crimes should be elected as president of any nation. As a Canadian I am also concerned that a cloud of uncertainty now hovers over the head of a respected international body, the United Nations, where Mr. Waldheim once served as Secretary General. For the sake of all those who suffered at the hands of the Nazis, let us clear up these open wounds and this nasty issue.

* * *

OCCUPATIONAL HEALTH AND SAFETY

DECLINE IN MINING INDUSTRY ACCIDENTS

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, mining is very important to my riding of Timiskaming, so I was pleased to learn that new Workers' Compensation Board statistics reveal that accidents in the mining industry have declined over the last five years.

Mining is now among the third safest occupational group in Ontario according to WCB figures, which puts it ahead of six other occupational groups. This record pays tribute to the co-operation between management and labour, which have concentrated on improving safety standards within the industry.

The Conservative Government supports this kind of activity. I am pleased that we are currently funding a study on ground control to prevent rock bursts, along with many other safety related measures.

Mining is a safer industry because of these efforts, but our Government is working to make it even safer.

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TRADE

U.S. TARIFF ON CANADIAN CEDAR SHAKES AND SHINGLES—EFFECT ON EMPLOYMENT IN BRITISH COLUMBIA

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, the latest casualty statistics from the shake and shingle campaign the Canadian-U.S. trade wars now number 1,500 from the Mission, British Columbia front, and 800 from the Vancouver Island front. Unconfirmed casualties from the interior include: Mrs. Rosemary Drake, Mr. John Friesen, Mr. Ken Audi, Mr. John Tufts, Mr. Larry Kirk, Mr. Bob Bohac, Mr. Alex Clarke, Mr. Glen Porter, Mr. Ted Surtel, Mr. Del Shahurt, Mr. Errol Mondes, Mr. Ken Bryant, Mr. Bill Keriler, Mr. Gerald Hemminger, Mr. Gary Tubbs, Mr. Lloyd Johansson, Mr. Melvin Tubbs, Mr. Leonard Dyck, Mr. Ken Harker, Mr. Henry Kuester, Mr. Dave Klassen, Mr. Dale Harriet, Mr. Terry Tubbs, Mr. Paul Burke, Mr. Jim Desmond, Mr. Gary Burke, Mr. Kris Burker, Mr. Don White, Mr. Charlie Purdy—

Mr. Speaker: Order, please. Sixty seconds.

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[*Translation*]

FORESTRY

U.S. SECRETARY OF COMMERCE'S ANNOUNCEMENT ON CANADIAN SOFTWOOD EXPORTS—QUEBEC—GOVERNMENT POSITION

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, the forestry industry in Quebec, and especially in Abitibi-Témiscamingue, is concerned about the announcement made last Friday by the U.S. Secretary of Commerce regarding an inquiry that may lead to a tariff of 27 per cent being imposed on all our lumber exports to that country.

S.O. 21

Nearly 20,000 jobs in Quebec are directly dependent on this industry, and 60 per cent of our exports are being threatened in this way.

In the long run, this tariff will mean the loss of thousands of jobs and lead to many sawmills in Quebec shutting down.

Mr. Speaker, I would like to repeat the appeal made by the Secretary of State for External Affairs (Mr. Clark) for calm and organizing our defences, which must be done by mobilizing all intervenors, starting with the employers, the unions and the federal and provincial governments.

That is how we won in 1983, and it is the only way we will be able to win again in 1986. If the same criteria apply to this study, I think there is no doubt that the same conclusion will be reached, namely that our industry is not competing unfairly with the industry in the U.S.

* * *

[*English*]

THE GOVERNOR GENERAL

CANCELLATION OF ATTENDANCE AT OPENING OF EXPO 86

Mr. Alan Redway (York East): Mr. Speaker, the allegations made by the President of the Liberal Party are completely untrue.

The Governor General's participation in the activities surrounding the opening of Expo and in the other official activities on the West Coast had been planned for some time. Unfortunately the Governor General, who we all know works very hard at her duties, developed pleurisy, and her entire trip had to be cancelled.

It is incorrect and discourteous to allege that the Governor General developed "diplomatic flu" for partisan political purposes.

We challenge the Leader of the Opposition (Mr. Turner) to repudiate untrue allegations of the Liberal Party President and make a full apology to the Governor General.

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[*Translation*]

ADMINISTRATION OF JUSTICE

RECOMMENDATION THAT SENTENCES FOR REPEATED ASSAULTS BE SERVED CONSECUTIVELY

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I would like to draw the attention of the House to a petition bearing 2,800 signatures which has been presented to the Minister of Justice (Mr. Crosbie) and to his Quebec counterpart, Mr. Marx. The petition is from *Trois-Rivières* and deserves the attention of this House.

It reads as follows: " We the undersigned believe that sexual assault is a serious crime, of which women and children are the main victims. Recently, in the *Trois-Rivières* area, a number of so-called exemplary sentences were handed down. These sentences were supposed to be a serious warning to possible offenders.

For sexually assaulting a 13-year-old-girl, the five aggressors were sentenced to prison terms of, respectively, two years, two years, 10 months, 10 months and 8 months. For sexually assaulting three women, the aggressor was sentenced to a total of three years, since traditionally, prison terms imposed for three crimes are served concurrently.

The women signing this petition state that sentences like the ones mentioned above are not exemplary and do not reflect the seriousness of the crime. They therefore ask that prison terms for repeated assault be served consecutively and concurrently.

* * *

TRADE

FREE TRADE—LIBERALS' POSITION

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, the Liberals keep saying that freer trade with the United States is in the interest of Canadians.

However, they remain quite silent whenever they are expected to take a position on specific questions such as the thrust of the negotiations.

This morning's issue of *The Citizen* reports that, last weekend in the Atlantic region, their National President Iona Campagnolo kept contradicting herself.

The few Party delegates who got together over the weekend were unable to achive a consensus respecting free trade, just like the Liberal Party.

As for the Hon. Member for Laval (Mr. Garneau), the so-called Party expert in international trade, he keeps repeating that free trade will harm the 130,000 Quebecers who might lose their jobs.

This is a serious accusation against Quebec entrepreneurs and businessmen who, allegedly, would be unable to cope with the new conditions on international markets.

When it comes to freer trade with the United States, the Liberals are like chickens with their heads cut off—running around in circles before keeling over.

• (1410)

[*English*]

Mr. Speaker: Order, please. Sixty seconds.

CANADIAN ARMED FORCES

ACTIVITIES OF SPOUSES OF PERSONNEL

Mr. Derek Blackburn (Brant): Mr. Speaker, the Associate Defence Minister says that politicians can campaign on military bases but spouses of military personnel are forbidden to campaign for better living conditions. The contradiction in his position is obvious. The spouse of a member of the Armed Forces could campaign for better living conditions if that spouse were a candidate for the Conservative Party. But God help that spouse if he or she starts a petition for a new stop sign without the nomination of a political Party. That kind of activity is taboo.

One can just see the Minister campaigning on an Armed Forces base during the next election. He could make a brilliant speech before a packed house, but the audience would be forbidden to applaud. He could go canvassing door-to-door, but if a base resident asked him about improved living conditions he would have to report this breach of political neutrality to the base commander. The Minister will have to re-think his position. It is an unjustifiable attempt to create two classes of Canadians with two different sets of rights.

* * *

POLITICAL PARTIES

CANADA-UNITED STATES TRADE NEGOTIATIONS—POSITION OF LIBERAL PARTY

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, if Canadians are confused about the Liberal Party's position on enhanced trade negotiations, don't be too upset. It would appear that the Liberal Party President is equally confused. And if Iona, a primary spokesman for the Party, is confused, imagine the chaos going on in the minds of the Liberal caucus.

So, Iona, you say that your Party supports freer trade but doesn't like the way the Prime Minister (Mr. Mulroney) is handling the issue. The question seems to be, how do you feel enhanced trade should be negotiated? You say that the talks should not be bilateral but multilateral as well as sectoral. No, wait. You changed your mind and said that it should not be done sector by sector. Gosh, Iona, that's confusing!

However, what does appear to be crystal clear is that your Atlantic Liberal policy session was a three-day rhetoric-spewing, government-bashing jamboree, unfettered by any need to formulate constructive alternatives to a situation you condemn as unacceptable. And, Iona, for the benefit of those Liberals who justifiably feel somewhat in the dark, just how do you think the negotiations should be handled?

NUCLEAR ENERGY

AVAILABILITY OF URANIUM RESOURCES

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the uranium resources appraisal group of the Department of Energy, Mines and Resources has recently made available its latest assessment of supply and requirements. Its report contains good news for those interested in Canada's energy future. For the next 10 years Canadian demand of some 2,000 metric tonnes of uranium per annum can easily be met from an established supply of about 12,000 tonnes per annum. The balance will generate considerable export earnings.

Low cost Athabascan Basin producers assure Canada's competitiveness in the years to come. Canadians can be justifiably proud of their $1 billion a year sales uranium industry.

* * *

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF BELGIAN SECRETARY OF STATE FOR EXTERNAL TRADE

Mr. Speaker: Order, please. I draw Hon. Members' attention to the presence in the gallery of Mr. Étienne Knoops, Belgian Secretary of State for External Trade.

Some Hon. Members: Hear, hear!

• (1415)

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Over the weekend there were a number of additional revelations which add further confusion to the Government's position on trade. In one of the Prime Minister's patented verbal backward somersaults he said that he now really wants to have a series of Auto Pacts.

The Auto Pact is not free trade but a managed trade system with safeguards and guarantees on both sides. Has the Government now abandoned its strategy for a comprehensive free trade agreement? Is it now instead pursuing a series of individual sectoral managed free trade agreements like the Auto Pact? Have we told the Americans this news?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the answer to that is no.

Oral Questions

GOVERNMENT POLICY

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, when does the Minister intend to tell the Prime Minister that, so he will not be making speeches outlining a direction for the Government which is obviously totally at variance with what the Secretary of State for External Affairs is putting forward? When is the Government going to get its act together? When will the Prime Minister, the Secretary of State and all the rest of them be able to talk with one voice, with some kind of unity and cohesion on their position?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, on the weekend, after indicating that the Liberal Party policy was to proceed sector by sector, the President of the Liberal Party of Canada said:

To say that we'd negotiate it sector by sector, I don't believe that is exactly what we have in mind.

That is the clarity which exists in the Liberal Party. I know the Member would want to have the Prime Minister's statements quoted in their entirety and in context. The Prime Minister said:

That's what the trade talks are all about—extending the benefits of the Auto Pact to all industries, to all parts of Canada, not by piecemeal action but by a comprehensive duty covering all of our trade with the United States.

Some Hon. Members: Hear, hear!

GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, can I assume from the Minister's answer that the Government has indeed changed its position from trying to secure a comprehensive free trade agreement and is now trying to secure a series of sectoral managed trade agreements under a general umbrella?

Some Hon. Members: Oh, oh!

Mr. Axworthy: If Members opposite do not know the difference, it is about time they learned. These are two very different things. It is very important in the pursuit of these negotiations that we are clear about what the Government is now trying to achieve.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Government has not changed its policy. The Liberal Party has not found a policy.

Some Hon. Members: Hear, hear!

PRIME MINISTER'S LETTER TO UNITED STATES PRESIDENT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. On June 3 the Minister said categorically "no" when asked if the Government of Canada would cancel free trade talks if the U.S. tariff on softwood lumber goes ahead. Was the Prime Minister reflecting government policy in his letter of June 2 to the U.S. President when he said:

—I feel greater confidence that what we have just experienced is an isolated event; otherwise I would fear for the future of the negotiations now underway.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Prime Minister was stating government policy. I was stating government policy. We were saying the same thing. That is a phenomenon unknown in the Liberal Party.

CONTENT OF LETTER

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, perhaps the Secretary of State for External Affairs could tell us what is government policy. Is it his categorical "no" that talks are not subject to a favourable decision on softwood lumber, or the Prime Minister's implied threat to the U.S. President that, if tariff actions continue, the Prime Minister, in his own words "fears for the future of the negotiations now underway"? The Secretary of State may not be confused, but Canadians certainly are.

Right Hon. Joe Clark (Secretary of State for External Affairs): There was no such implied threat.

• (1420)

SOFTWOOD LUMBER EXPORTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the same Minister. According to a report in today's press Mr. Len Santos, senior U.S. Senate trade adviser to the U.S. Finance Committee, is contending that a promise was made by President Reagan to take action against Canadian softwood to ensure that the needs of the U.S. lumber industry were met, the implication being no matter what decision was reached by the ITC and the Department of Commerce in the United States, President Reagan had made a particular deal with U.S. Senators to take action after that against Canadian softwood producers.

Could the Minister tell us if the Government of Canada has looked into this report and tell us what the Government's reaction was if the report is accurate?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have seen the report, and I must confess I do not know who Mr. Santos is, or with what authority he speaks. I do know two things. One is that the Quebec Accord made it very clear that the discretion of the American Government would not be applied against Canada to bring in protectionist measures. That is why this Government reacted with such strength and effectiveness when the Quebec Accord was breached on the shakes and shingles question.

The second thing I know is that it is very helpful to Canada that Commerce Secretary Baldrige, when he referred to the court- like atmosphere in which the softwood question is being decided, indicated that that would be decided by due process. In other words, it would be decided on its merits, not by politics.

STATEMENT ATTRIBUTED TO U.S. SENATE COMMITTEE ADVISER

Hon. Edward Broadbent (Oshawa): Mr. Speaker, to inform the Minister who this American gentleman is I am told that Mr. Santos is, in fact, the senior adviser to the key U.S. Senate Finance Committee, senior adviser in trade, a rather important position I am sure the Minister will agree. Just a few moments ago I talked with the man, following this report, and he has confirmed with me that it is his strong belief that the U.S. lumber industry does believe it has a commitment from the United States President to take action independently of these hearings.

In terms of the documents that were released recently by our Government on trade talks certain important passages are left out about the course of action that the U.S. Government might be—

Mr. Speaker: Order, please.

Mr. Broadbent: Could the Minister tell us if a passage that was left out has any reference to this kind of independent action by the United States President?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am pleased that the Leader of the New Democratic Party found out who the gentleman was before he talked to him. Second, I think it is fair to say there was no reference to that unlikely eventuality in any of the matters to which the Hon. Member is referring.

REQUEST THAT GOVERNMENT MAKE INQUIRIES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, given the importance of this to the 300,000 Canadians working in the industry, will the Minister now, today, get in touch with Washington to find out if the American President made such a deal with U.S. Senators, because it could affect thousands of jobs unfairly in this country?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, what is important is that we have a guarantee of due process. We have a guarantee that this court-like procedure will be conducted in a court-like way. Canada's case will be judged on its merits, not on the basis of politics. Last week the New Democratic Party was inviting us to have the Prime Minister intervene in a way that would create a precedent of political intervention. Had we done that, that would have opened the way for U.S. Senators to interfere themselves in that court-like proceeding. That would have hurt Canada's interests. We want to protect Canada's interests, and that will be done if due process is respected, as we expect it to be.

U.S. PROCESS—POSSIBLE RESIDENTIAL INTERVENTION

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Is it not correct that Mr. Len Santos, senior trade adviser to the U.S. Senate Finance Committee, said that, even if there is due process, after it is over the President is going to intervene? If that is the case isn't the whole American process meaningless and part of some complicity involving this Government and the Americans to sell out 100,000 softwood lumber jobs in Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that question has been answered. Let me now put a question to the House Leader of the Liberal Party. When is the Liberal Party going to repudiate their president for her unwarranted attacks upon the Governor General of Canada?

● (1425)

SECURITY OF CANADIAN WORKERS

Hon. Herb Gray (Windsor West): Mr. Speaker, all that this shows is that the Government is incapable of answering the simplest question on this crucial matter. Will the Secretary of State for External Affairs publicly state right now that the hundreds of thousands of workers in the Canadian softwood lumber industry will not be held hostage so that the Prime Minister can lift up his tattered ego with respect to enabling these trade talks to go on? Will he say that these hundreds of thousands of workers will not be held hostage to the success of these foundering free trade talks?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, our principal preoccupation is to protect the security and the opportunity of those Canadian workers and others who are threatened by protectionism in the United States. That is precisely why we are involved in trade negotiations that we hope will lead to a better system than that which, after years of administration by the Liberal Party, leaves Canadians exposed to the kind of threat we are facing now.

Mr. Gray (Windsor West): It only happened after you became the Government. That is when it all happened.

UNITED STATES PRESIDENT'S LETTER TO U.S. SENATOR

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It concerns the comments by Len Santos who said in the interview today that President Reagan:

—has made a "clear deal" to take action against Canadian lumber imports in return for the powerful senate finance committee giving a green light to free-trade negotiations.

What does the Minister make of the wording in President Reagan's letter to Senator Packwood in which he says:

—I intend to press for an expedited resolution to this problem independent of comprehensive negotiations.

What does that mean?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, perhaps the New Democratic Party, which prefers American authorities on this question, would like to find some other senior adviser to some committee of the United States Congress. I will indicate what we know. We know that we have, in the Quebec Accord, an undertaking from the President of the United States that his discretion will not be used to apply protectionist measures against Canadian workers. That is one guarantee that did not exist before, and that was secured by this Government.

Mr. Broadbent: What happened to shakes and shingles?

Mr. Clark (Yellowhead): The second thing we know is that in the countervail provision we have the commitment to due process which means that a court-like atmosphere will prevail.

A moment ago the House Leader of the Liberal Party said that these matters had begun since this Government was elected. He knows that precisely this matter arose in 1982-83.

Mr. Gray (Windsor West): It was resolved.

Mr. Clark (Yellowhead): The difference is that when the timber industry came to the then Opposition and asked that we not make a political issue out of this question in a way that would jeopardize Canadians interests, we agreed not to make a political issue out of this question.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): The Opposition now—

Mr. Speaker: Order. A supplementary question.

WORDING OF LETTER

Mr. Jim Fulton (Skeena): Mr. Speaker, we know that President Reagan broke the Quebec Accord over the 201 on shakes and shingles. The Minister admitted that on Friday, here in Ottawa.

I want to ask the Minister again what he and his Government make of the wording in President Reagan's May 8 letter to Senator Packwood in which he said:

—I intend to press for an expedited resolution to this problem independent of comprehensive negotiations.

What do you think the President means? If you don't know, have you called, or has anybody called to ask him?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, what I know and what I make of it is that whatever the President might say for domestic reasons in the United States—

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): —we have a guarantee in Canada, through the Quebec Accord, and we have a guarantee through the court-like provision that is set up for the countervail hearing, unless the actions by Canada intrude politics into that court-like proceeding. That is why it is so important that the Opposition, in this softwood case, will act as the Opposition in Parliament did in 1982 and 1983 and not intrude politics into this case. What you are doing when you play politics with the lives of British Columbians is making it much more difficult for Canada to prevail and for us to be able to secure the jobs and the future of the softwood lumber industry in British Columbia and across Canada.

GOVERNMENT EXPENDITURES

PRIME MINISTER'S TRAVEL ARRANGEMENTS

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is directed to the Deputy Prime Minister. It was confirmed this morning that the Prime Minister sent a five-man film crew, using Air Canada, on his recent visit to Japan. In addition, he used Hercules aircraft and large film crews on recent visits to Europe and the Caribbean. Will the Deputy Prime Minister confirm that it is now public policy that, whenever the Prime Minister travels, the taxpayers will be expected to pick up the tab for the flight crew, for the load masters, for the seven staff of the Prime Minister's Office, the large equipment, and two vans? What price must the Canadian public pay for the Prime Minister's ego?

• (1430)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I can tell the hon. gentleman that the practice is quite normal and he will be interested to learn, I am sure, that comparing the last full 12 months of the previous Liberal Government with the last 18 months of this Government, the number of flights have decreased by 22 per cent and the number of hours flown have decreased by 23 per cent, thus amounting to a saving of some $2.5 million to the Canadian taxpayer.

Some Hon. Members: Hear, hear!

Mr. Frith: The only normal thing about this is the size of the Prime Minister's ego.

PREPARATION OF VIDEO TAPES

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, what is the purpose of preparing those video tapes? To what use will they be put? Are they going to be used as election material for the next federal election? If so, is the Conservative Party going to reimburse the public treasury for the wasted dollars involved?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman should know better, but perhaps he did not have sufficient time to learn as a short-lived Minister in the previous Government. Those products normally wind up at the Archives and, indeed, sometimes supplant network material—

Mr. Blackburn (Brant): Who would ever want to look at them?

Mr. Nielsen: —which is messed up. The Hon. Member speaks of ego. We do not have an aircraft large enough to carry around the ego of the President of the Liberal Party of Canada who makes such distorted statements and slanders against our Governor General.

GOVERNMENT POLICY

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is supplementary again, directed to the Deputy Prime Minister. In the last Budget the Minister of Finance said: "This Government has moved decisively to bring spending under control", and: "Ottawa must become leaner and more efficient". At a time when the Government has cut back on increases to family allowance—

Some Hon. Members: Oh, oh!

Mr. Riis: —cut back on increases to family allowance, does the Deputy Prime Minister feel that $40,000 per trip, plus the cost of the crew itself, is a proper expenditure? Is this the kind of signal the Government is trying to send out, that it is a priority for the Prime Minister to make a video of himself?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I have already told the House, perhaps the hon. gentleman was not listening, that the number of flights has been reduced in 18 months, as compared with 12, by 22 per cent, and the number of hours decreased by 23 per cent, for a total saving of $2.5 million.

Let me ask the hon. gentleman, does he think he contributes to that kind of saving when he and other Members of his Party, and the Liberal Party, accept rides on an aircraft which flies a normally scheduled run to Europe, thus displacing our Armed Forces who are required to buy commercial tickets—

Mr. Blackburn (Brant): Come on. How many in your Party have done it?

Mr. Nielsen: —as a result of—

Some Hon. Members: Oh, oh!

* * *

REFUGEES

DEPARTMENT'S LETTER TO APPLICANTS FOR REFUGEE STATUS

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. I have copies of a letter which her Department sent to thousands of individuals who are wanted for serious and violent crimes and who are being invited to apply for permanent status if they file a refugee claim.

Why is the Minister going outside the present refugee backlog and soliciting thousands of false refugee claims, 12,000 alone in Toronto, from such individuals as drug traffickers and murderers? Does she not think that this horrendous amount of extra work will only penalize the current and legitimate refugee claims which already number 22,000?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I can say to you that the Hon. Member's statement is grossly exaggerated. I can tell him that this review will include no one with regard to criminality measures or health considerations. I do want to say that the people who are involved in this process are already in the process and the place they can ask for a refugee determination is at the inquiry stage. The Hon. Member may say that certain people should be blocked from having access to that, but as long as we can guarantee security and health considerations we feel the process should be open to those who may want to ask for refugee status in this country.

REQUEST THAT LETTERS BE RECALLED

Mr. Sergio Marchi (York West): Mr. Speaker, is the Minister suggesting that the drug traffickers, offenders and those with armed weapons, should be considered for refugee claims? That is not the definition of "refugee" under the UN. Is the Minister prepared immediately to recall those letters to such offensive individuals and ensure that the only individuals who can apply for the special administrative review are those individuals in the 22,000 backlog who have already submitted a claim, and not the criminals who are outside that stream?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member does not want to hear this. I have already indicated to him that this review will not benefit those who are criminals or those with health considerations who are not allowed to enter this country.

Mr. Marchi: That is not true.

* * *

CANADA POST CORPORATION

REMOVAL OF LABOUR REPRESENTATIVE FROM BOARD OF DIRECTORS

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is directed to the Deputy Prime Minister. It is in regard to the Post Office. Why has the Government chosen this moment to terminate the appointment to the Board of Directors of Canada Post of one of the labour representatives? Why is it doing this now? Is it intending to change the practice of asking the CLC to nominate labour members to the Board? Did it do it now because that member wrote a letter of complaint to the Government asking for information in order to do his job? Or did the Government do it because there is an important meeting coming up to discuss plans regarding the Post Office?

Oral Questions

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I am pleased to advise the Hon. Member that none of the reasons advanced as justification for the recent changes are true. The realism is that periodically the Government does review members' appointments to the Board of Canada Post. That has been an ongoing process. It has happened in former administrations and was no different from what is happening in this administration.

METHOD OF APPOINTING LABOUR REPRESENTATIVES

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, is the Government aware that there are two labour positions on the Board of Canada Post and that it has been a practice to seek the nominations from the President of the Canadian Labour Council for those positions? Is the Government aware that there are other members of that Board who have served the same length of time as the member who has been taken off the Board, and who still continue to serve?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, the Hon. Member states that those two Board positions which have been filled by representatives of organized labour are positions which are filled by the CLC. One of the present members on the Board of Canada Post is the President of the Letter Carriers Union of Canada. In due course other appointments will be made to the Board of Canada Post, as the Parliamentary Secretary has just told the House. Positions change and there will be more appointments in due course to the Board of Canada Post.

* * *

[*Translation*]

EMPLOYMENT

REQUEST FOR DESIGNATION OF ACADIAN PENINSULA

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, my question is directed to the Minister of Employment and Immigration.

Last week, the Minister indicated that the planning stage of the Community Futures Program in the Acadian Peninsula had been signed in February. Later on, she informed us it would take at least a year for the program to be implemented. Is the Minister prepared to recommend to Cabinet that the Acadian Peninsula be designated as a community whith particularly pressing needs?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Yes, Mr. Speaker, it is one of the communities in New Brunswick which is being considered for Community Futures right at this present time.

[*Translation*]

LENGTH OF DELAY

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker . . . But you are saying it is being considered. Are you trying to tell me that the Peninsula's jobless will have to wait a whole year, until this special program becomes operational?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): No, indeed, Mr. Speaker, the Community Futures Program is being implemented in a number of places across the country. We have situations in all the provinces where we are according priority implementation to the Community Futures Program. These are in areas where unemployment is at its highest. It does take some weeks to work out the individual arrangements, but I can tell the Hon. Member that the Acadian Peninsula is certainly one of those at the top of priority.

* * *

• (1440)

NATIONAL SECURITY

NORTHWEST PASSAGE INQUIRY

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Secretary of State for External Affairs. Last year the United States Government told Canada that the *Polar Sea* would sail through the Northwest Passage. Is it true that the *Polar Sea* will make the return voyage through the Northwest Passage this year?

Right Hon. Joe Clark (Secretary of State for External Affairs): No, Mr. Speaker.

* * *

EXTERNAL AFFAIRS

AUSTRIA—ELECTION OF NEW PRESIDENT

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also for the Secretary of State for External Affairs. Is it the Government's intention to obtain and investigate the information about the President-elect of Austria that is available through both the United Nations and the Government of Yugoslavia?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as was indicated, in what I thought was a very sensitive and thoughtful statement prior to Question Period by the Hon. Member for Mount Royal, this is a question of some delicacy. If I may quote the Hon. Member, it is one in which it would be unwise for Canada to act until all the facts are known. The people of Austria have just concluded a democratic election. It is not the practice of Canada to pass judgment or comment upon the results of free elections in other countries.

I should also make the point to the House of Commons that the record of this Government with regard to wartime atrocities is well known, as demonstrated by the appointment of the Deschênes Commission.

REQUEST THAT GOVERNMENT OBTAIN WARTIME RECORDS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I am not suggesting for one moment that some involvement in Austria's internal politics should take place. What I am asking is whether the Government intends to seek and obtain all of the relevant information, both from the United Nations and from Yugoslavia, in order to make a judgment about what, if any, course of action we should follow, either independently or in conjunction with other countries, given the very serious allegations which have been made over the course of the last number of months.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we think it important that all the relevant information be available to Governments and to others who must make decisions. Canada will certainly act on that understanding.

* * *

[*Translation*]

NATIONAL DEFENCE

PRIME MINISTER'S TRAVELS—UTILIZATION OF ARMED FORCES HERCULES AIRCRAFT EQUIPPED WITH VIDEO TAPING EQUIPMENT—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the Deputy Prime Minister. I would like to get back to the matter of the Armed Forces Hercules that was carrying trailers with video taping equipment. Could the Deputy Prime Minister inform the House what justification there is for these flights, and is it normal for the Prime Minister to be accompanied on his flights by a plane carrying this amount of video taping equipment?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Perfectly normal practice, Mr. Speaker. One thing the Hon. Member can take for a certainty, however, is that unlike the previous administration this Government does not use Government aircraft for political purposes.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

GOVERNMENT POLICY

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I ask again what justification there is for having a Hercules Armed Forces aircraft—and you (Mr. Nielsen) are the Minister of National Defence—follow the Prime Minister, loaded with audio visual equipment and two little vans. Is there any justification, and is there a budget for this custom?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): That is the same question, Sir, and I again say that it is perfectly normal practice.

It is perfectly abnormal practice to have the Hon. Member for Winnipeg—Fort Garry, when he was Minister of Transport, and the then Liberal Minister of Indian Affairs and Northern Development, and a third cabinet Minister, all arrive in the City of Winnipeg to attend political meetings within two hours of each other, in three different jets.

Mr. Ouellet: That is not true and you know it.

* * *

[*Translation*]

TRADE

MEETING CO-ORDINATED ON SOFTWOOD LUMBER INDUSTRY—GOVERNMENT'S EXPECTATIONS CONCERNING QUEBEC PARTICIPATION

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and concerns the co-ordination meeting on the lumber industry. The meeting, which will take place next week in Vancouver, will include representatives from the ten provinces and people from the industry, both employers and employees. What are the Minister's specific expectations regarding the participation of the Government of Quebec, a major softwood producer?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as the Hon. Member just said, we have invited all the Premiers and Territorial Heads of Government to delegate a minister to the meeting in Vancouver on Friday. We have also invited representatives from the industry. I am told that the industry intends to select its representatives on a regional basis. There will therefore be a representative from the province of Quebec. We have yet to receive an answer from the unions, but in any event they will be represented, although I cannot say whether there will be a Quebec union representative at the meeting.

Oral Questions

[*English*]

CANADA LABOUR CODE

PRESENCE OF FOOD INSPECTORS IN ALBERTA FOOD PLANTS DURING STRIKE

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the Minister of Agriculture. Can the Minister of Agriculture indicate why his Department has ordered food inspectors to go into the struck plants in Alberta despite the very dangerous situation that action imposes on those workers?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, that is not the case.

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, the call for a decision under Part IV of the Canada Labour Code proscribing dangerous work, made by the employees to whom the Hon. Member refers, was accepted by the Labour Affairs officers. A decision on this call was made by those officers under the assumption that, first, there was adequate assurance from the authorities, and that people would obey the law.

REPORTED TELEPHONE CALL TO FOOD INSPECTOR

Mr. Rod Murphy (Churchill): Mr. Speaker, my supplementary question is for the same Minister. Can the workers feel that the law is being enforced with all impartiality when a Parliamentary Secretary to the Solicitor General phones one of those food inspectors at one o'clock in the morning and asks her to go to work?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, all I can say to the Hon. Member is that the employees referred to in his original question made a call to Labour Canada with respect to dangerous work. Labour affairs officers, under the criteria established, reviewed that call and found that it was not dangerous work in this case.

* * *

TRADE

SOFTWOOD LUMBER EXPORTS—U.S. INDUSTRY'S PETITION FOR COUNTERVAIL ACTION

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, my question is for the Secretary of State for External Affairs. It is with respect to the decision last Friday of the U.S. Commerce Department with regard to the softwood lumber imports. Will the Minister tell my constituents, and other Canadians who are directly or indirectly involved in the industry, what plans his Department has, in working with both the provinces and the industry, to come up with a solution?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the jurisdiction in this matter is, of course, primarily provincial, although in our judgment the federal Government has a role of leadership to play in drawing the parties together.

I have indicated earlier that we are dealing here with a court-like proceeding. We are hoping that the Opposition will refrain from the temptation to inject politics into this court-like proceeding. For our part, what we are trying to do is ensure that there will be the best possible co-ordination of the strongest possible Canadian case. For that reason I am drawing together representatives of the provincial Governments, the industry, the labour unions affected, and the federal Government, in a meeting in Vancouver on Friday.

* * *

[*Translation*]

CUSTOMS AND EXCISE

TARIFFS—FRENCH LANGUAGE BOOKS—REQUEST FOR CLARIFICATION

Mrs. Sheila Finestone (Mount Royal): Last Thursday, Mr. Speaker, the Minister of Finance did an about-turn and declared that books imported from France into Canada would not be subject to a 10 per cent tariff. The same day, however, over CHRC in Quebec City the Prime Minister said that Canada could not levy a tax only on American and English books, that he had to tax all books, including those from France. My question is directed to the Minister of State (Finance): Once and for all, can the Minister of Finance dispel the confusion stemming from his tariff policy on books? Whom should Canadians believe? The Prime Minister or the Minister of Finance?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think that the Minister of Finance made that clear when he responded in the House last week to the question regarding English language books and textbooks. The answer was totally clear.

REQUEST THAT BOOK TARIFF BE REMOVED

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the Minister did not make it totally clear, and neither did the Prime Minister. Therefore I would like to recommend that the Government withdraw its tariff on books—

Some Hon. Members: Question.

Mrs. Finestone: Not only is the Government penalizing book-readers—

Some Hon. Members: Question.

Mrs. Finestone: My question, Mr. Speaker, is will the Government remove that tariff? You are both penalizing English or French—

Some Hon. Members: Order.

Mrs. Finestone: —or you are being discriminatory based on language. Therefore what possible lesson is there in this action and how will it benefit the B.C. lumber workers? What I would really like to know is how you think it is going to be helpful.

Some Hon. Members: Order.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I guess there was a question in there somewhere. However, I believe that the Minister of Finance and the Secretary of State for External Affairs have responded most appropriately in the circumstances to what they regarded as a situation that was very serious for Canada. We took the situation seriously and we responded in an appropriate way. I do not know if that answers the question because I do not know what the question was.

* * *

• (1450)

ENVIRONMENT CANADA

TASK FORCE STUDY

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is for the Deputy Prime Minister and is on the second task force report on the future of the Department of the Environment. I wonder if the Deputy Prime Minister could assure the House that, regardless of whatever recommendations may be contained in this second report, there will be no demotion of the Department of the Environment and that there will be no stripping away from that Department of the responsibilities it now has for the environment of Canada.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I answered a similar question last week when I informed the House that there was a follow-on study team. I explained the purpose of it last week. When the material is ready it will be tabled as though it were part of the 21 reports that were tabled March 11, with the same understanding that the follow-on report does not contain government policy but contains a series of options that will be referred to committee for examination there in due course.

TABLING OF REPORT

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, what the Deputy Prime Minister was not asked on Friday was for an assurance that there be no demotion of the Department of the Environment and no stripping away of its responsibilities. Today we are looking for an assurance of that kind and also for an announced intention on the part of the Government to table that report now. I understand that the report is ready and has been for some time. When can we see it?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): As soon as it is printed, Mr. Speaker. It is my intention to table it on the same basis that the reports were tabled on March 11. The matter will be referred to committee and examined there in the same way that all of the other study team reports—

Mr. Blaikie: What about the assurance?

Mr. Nielsen: The same kinds of questions were asked, as the hon. gentleman will recall, on March 11 and subsequent days, and the same answers were given consistently. The answer was that this is a first orderly step on the way to cabinet discussion. The committee system will be employed as well as the usual facilities of the House.

* * *

AGRICULTURE

FARM CREDIT LEGISLATION

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Agriculture. Last July the Minister promised to bring in farmer-creditor arrangements legislation with real teeth to assist farmers facing foreclosure and bankruptcy. In January the Minister knuckled under to the banks and said that he would water down the legislation to suit them. Will the Minister bring in strong legislation to help the 8,000 farmers facing serious financial difficulty, not just a watered-down bankers' version?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, first I would like to reject most of the information contained in the Hon. Member's preamble. The simple answer to the question is that the record will show that we have fulfilled our commitments and we have every intention of delivering on this one as well.

TIMING OF INTRODUCTION

Mr. Maurice Foster (Algoma): Mr. Speaker, the Prime Minister promised to have this legislation passed by the end of June. Could the Minister explain why it is that the legislation has not been tabled in the House in the last five weeks if the Prime Minister is really serious about having this legislation on the books by the end of June?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Prime Minister, the Cabinet and the Government are serious about moving forward with this piece of legislation. I would ask the Hon. Member to check his calendar. We have not yet reached the end of June. I would hope that we would find support forthcoming from his colleagues, and indeed from my colleagues in the New Democratic Party, so that, depending on them, we will indeed be able to meet that deadline.

Oral Questions

ACCESS TO FOOD INSPECTORS' REPORTS

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is also directed to the Minister of Agriculture but is on a different matter. Over the past several years meat inspection in Canada has shifted from government inspection to self-inspection, with occasional spot-checks to protect the public interest.

Mr. Riis: Just like the banks.

Mr. Althouse: Can the Minister tell us why the public is not given access to these spot-check reports since public knowledge is now the only control against sloppy practices by processors?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the very simple answer to that is that there are two cases involved. One case goes back a number of years and indeed, as far as the Department was concerned, we wanted to make that information available to the public. However, certain segments of the industry lodged a court injunction against making that information public. In the last round of observations made by certain media people across the country, an investigation was triggered immediately. To my knowledge, that has now been completed. I see no reason for it not being made public and, if it has not already been made public, I would be happy to inquire about it.

AVAILABILITY OF REPORT

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, it is over a month ago now that the Kitchener-Waterloo allegations were being investigated by the Minister's Department and the Director of the Inspections Branch had promised to report within a week, five weeks ago. Why has that report not been made available to the *Kitchener-Waterloo Record* and to the public?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am not sure if it was five weeks ago. It would seem to me that a more accurate time frame might well be three weeks ago. However, I well recall receiving the report. I gave a message to the appropriate departmental official to release it. I would be happy to inquire if it has not been released.

* * *

ROYAL CANADIAN MOUNTED POLICE

ENFORCEMENT OF COURT ORDERS IN LABOUR DISPUTES

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, my question is directed to the Solicitor General. When a contractor finds it necessary to go to court to get access to the job site and the court gives an order limiting pickets to two per entrance, how long should the contractor have to wait for the protection of the RCMP to enforce the court order?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, I think the Hon. Member is referring particularly to a court injunction granted in Langley, British Columbia. In this particular case the Royal Canadian Mounted Police were operating as a contract police force for the province. It would be under the jurisdiction of the province as to what sort of time would be taken.

* * *

EXTERNAL AFFAIRS

ASBESTOS—MEMORANDUM EMANATING FROM CANADIAN EMBASSY IN WASHINGTON

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. I have here a memo from the Canadian Embassy in Washington to External Affairs in Ottawa that was leaked over a week ago now. The subject of the memo is the safe use of asbestos in the United States, something which of course means hundreds of jobs here in Canada. Has the Secretary of State done the investigation he said he would do? Is it complete? Who leaked the memo? What will the Secretry of State do about the bungling to make sure that our people in Washington are working on behalf of the workers in Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, first I will enquire as to three of the four questions the Hon. Member asked and I will get back to him. As to who leaked the memo, he probably knows that better than I do, and I would be very interested in his telling me.

PROTECTION OF JOBS

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, whether members of the Party opposite realize it or not, they are now the Government and the onus is on them to conduct the affairs of Canada on behalf of the people of Canada. It is not enough to slough off a question like that. Who leaked the memo? We want to know, and I would like to ask the Secretary of State again because hundreds of jobs in the asbestos industry in Canada depend on it. Will he do something to assure those workers that the Government is working on their behalf?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Government is working very vigorously on behalf of the asbestos workers in Canada, as the Hon. Member knows. We have made representations before a number of bodies in the United States, and we intend to continue to do so.

Obviously it is important to the case we make on this matter, as it is on the international trade matter, that confidential information that will help Canada prevail not be leaked to other people. That is why I would like to know who is leaking information when it is leaked. Since it is the Hon. Member who has the information that was leaked, I suggest that he may know better than I, and if he is genuinely interested in helping the Canadian case on asbestos, he will reveal his sources.

PUBLIC SERVICE

DISPUTE INVOLVING SHIPS' CREWS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the President of the Treasury Board. I wonder if he could advise the House why four Departments involved in the marine sector decided to put all their ships out to sea at four o'clock on Friday in order to prevent meetings with Public Service Alliance of Canada representatives in a number of cities across the country?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, as I advised the House last week, negotiations in this labour dispute resumed last week. Unfortunately, no settlement was reached. The labour representatives walked away from the table. We are prepared to continue negotiations following a new offer that was tabled by government officials, and we would very much hope to be able to resolve this conflict as we have resolved every other collective bargaining issue which has come up over the last several months.

* * *

• (1500)

PRIVILEGE

ALLEGED MISSTATEMENT BY MINISTER

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I wonder if the Deputy Prime Minister (Mr. Nielsen) would like to stay in the House while I raise a matter of privilege. I see the Minister has now withdrawn, but I would like to raise—

Mr. Speaker: Order, please.

Mr. Axworthy: —a matter of privilege. He suggested in the House that during the course of my tenure as a Minister I was involved with three other Ministers in having aircraft at the Winnipeg airport. That is simply not the truth.

Some Hon. Members: Order.

Mr. Axworthy: It is not the truth. I want the Minister to withdraw that remark. It is simply not a fact.

Mr. Speaker: Order, please. I think the Hon. Member knows full well that that is not a question of privilege.

Mr. Axworthy: Mr. Speaker—

Some Hon. Members: Sit down.

Mr. Speaker: Order, please. It is not. Would the Hon. Member please resume his seat. I take it the Hon. Member is claiming that something was said which is not the case. The Hon. Member knows that there are decisions after decisions

after decisions in the House that those are matters of dispute as to facts; those are not questions of privilege.

Mr. Axworthy: Mr. Speaker, on a point of order. It is not right in this House for any Member to say something which is not under dispute as to whether it is a fact when it is simply not a fact. This Minister and others use that technique all the time. I want him to withdraw that remark because it is not true and he should not be allowed to get away with that tactic.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. Hon. Members know full well that if they have a matter which they want to put down by substantive motion, they should do so. There is no question of privilege here. If the Hon. Member wants to make a statement through a motion he has that right, or if he wishes to make a statement tomorrow as to what is his view of the facts he has that right, but there is no question of privilege here.

ALLEGED SLANDEROUS STATEMENTS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in answer to a question from a member of the Liberal Party, the Deputy Prime Minister (Mr. Nielsen) accused the President of the Liberal Party of making slanderous statements. I do believe, given your ruling, Mr. Speaker, in other areas, that that particular comment should be struck from the record.

Mr. Speaker: Order, please. The Hon. Member will know that Members of this House have absolute free speech and the privilege of free speech. The only time the rules enter into the matter is when Hon. Members are saying something unparliamentary about another Member.

Ms. Copps: Oh, oh!

Mr. Speaker: Order, please. The Hon. Member may want to check that matter with the authorities, with her Whip or with her House Leader who can explain it to her.

PRIVATE MEMBERS' BILLS—LOSS OF POSITION WHEN OPPOSITION DAY DESIGNATED

Mr. Jim Fulton (Skeena): Mr. Speaker, my question of privilege arises from the new process under which we are dealing with Private Members' Bills. As I think you are aware, Mr. Speaker, three Bills were drawn and went before the legislative committee which will come before the House for a vote.

On May 9, it was first scheduled that I would have the opportunity during Private Members' Hour that evening to debate my Bill. On May 9, as reported in *Hansard*, the Acting Speaker at that time ruled without prejudice that Bill C-270, dealing with the A-B line, would go to the bottom of the list, but that there would be an early discussion among House Leaders to come up with a new way of dealing with this matter in order to maintain the places of the 15 other Members.

Privilege

Any time an opposition day is designated by the Government, the Private Member's Bill that is to come up on that day goes to the bottom of the list in order to preserve the positions of the other 15 Members, so that their privilege in terms of position is not affected.

When it happened the first time I accepted it, even though I had gone to some degree of effort to organize speakers, to prepare, and to talk with the Secretary of State for External Affairs (Mr. Clark) and others to ensure that the debate would go on and that we would send the Bill to the legislative committee so that it could get back to the House. It happened again, this most recent time being today.

In terms of freedom of speech, there are several notations I should like to cite. It seems to me that the only way we can preserve the rights of Hon. Members to debate their Private Members' Bills as set or as early as possible is to come up with some new way of reintroducing the Bill, perhaps not at the next Private Members' Hour, but certainly not all the way back to the bottom. I think that effectively discriminates against that individual Member, particularly when it happens twice as it did in my case on May 9 and again on June 9.

The reason I think it is such an important question of privilege is that steps are being taken by another country in relation to the contents of this Bill.

Mr. Speaker: Order, please. The Hon. Member is now departing substantially from that of which he sent the Speaker notice. He knows that I cannot allow him to do that. If he has citations he wants to make with regard to a putative question of privilege, I can hear them, but I wish he would come to the question of privilege.

Mr. Fulton: Mr. Speaker, there are four citations which I think are particularly germane. One is from Beauchesne's Fifth Edition, Chapter 2, under "Definition". I will not read all of it into the record because I am sure Your Honour knows what it is. In part it reads:

> The distinctive mark of a privilege is its ancillary character. The privileges of Parliament are rights which are "absolutely necessary for the due execution of its powers". They are enjoyed by individual Members, because the House cannot perform its functions without unimpeded use of the services of its Members;"—

It seems to me that in this case I have not been able to do that.

The second citation I want to draw to Your Honour's attention is again from Beauchesne's, Chapter 2. Citation 55 under "Freedom of Speech" reads:

> The privilege of freedom of speech is both the least questioned and the most fundamental right of the Member of Parliament on the floor of the House and in committee. It is primarily guaranteed in the British Bill of Rights which declared "that the freedom of speech and debates or proceedings in Parliament ought not to be impeached or questioned in any court or place outside of Parliament".

The other two citations are from Chapter 6, entitled "Privilege of freedom of speech". The section entitled "Necessity of freedom of speech" reads as follows:

> Freedom of speech is a privilege essential to every free council or legislature. Its principle was well stated by the Commons, at a conference on 11 December 1667, the conference which resulted in the reversal of the conviction in 1629 of Sir John Eliot and others:
>
> "No man can doubt", they said, "but whatever is once enacted is lawful, but nothing can come into an Act of Parliament, but it must first be affirmed or propounded by somebody: so that if the Act can wrong nobody, no more can the first propounding. The members must be as free as the houses; an Act of Parliament cannot disturb the state; therefore the debate that tends to it cannot;"—

I think that is the key passage. It continues:

> —"for it must be propounded and debated before it can be enacted".

The key point in terms of the privilege with which I should like you to deal, Mr. Speaker, is the effect of not having a rule in the House or some kind of agreement whereby the rights of the individual Member who is dislocated by the designation of a day are not overly negatived by the other 15 Members who automatically slide ahead in the time schedule. The Member who happens to have his or her Bill come forward on a designated day is the one who loses so much more than any other Member.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I understand the representation being made by the Hon. Member. However, procedurally I would have to argue that there is no question of privilege because Standing Order 38 indicates, whether or not we like it, that no Private Members' Business shall be taken up on an allotted day.

The Hon. Member mentioned agreements, and I should like to put on the record what I have done. I have given his House Leader and the House Leader of the Official Opposition a draft copy of an amendment to the Standing Orders, which I thought might address the dislocation which takes place. Certainly we are acting in good faith. I think all House Leaders would be interested in coming to a satisfactory resolution and in addressing the anomaly pointed out by the Hon. Member.

I will not comment on who I am waiting for, but the matter has been before the House Leaders for some time. I will be meeting with them directly after we finish with this matter. I am hoping to raise it again with House Leaders, with a view to seeing whether we can, as a matter of agreement rather than having the matter adjudicated upon by the Chair, deal with it on a mutually satisfactory basis.

I know the Hon. Member's House Leader has been very good about the matter in terms of trying to find a resolution, but I would like to find something which would apply so that we can deal with Members who have been subjected to dislocation.

• (1510)

Mr. Deans: Mr. Speaker, I listened with interest to what my hon. colleague had to say. He did mention that he did not want to comment on whom he was waiting for. Would he mind commenting on the fact that he is not waiting for us?

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: You took the words out of my mouth.

Mr. Speaker: Let me first say to the Hon. Member for Skeena (Mr. Fulton) that there is no question of privilege. The rules require something to be done, that is, that Private Members' time not occur on a day when there is an Opposition motion under Supply.

I may say to the Hon. Member for Skeena that, with the exception of the scheduling which is now known somewhat in advance, it was always the practice, and has been for many years, that when an Opposition day has bumped a Private Members' motion, the motion has been moved to the bottom of the list; then on subsequent days under the old procedures the Table would try to find slots for those motions. What has changed in that sense is an attempt to schedule. There is the other problem relating to the matter, as to what happens on days when there is not notice, but that is not a question of privilege.

I think the Hon. Member has a grievance with regard to the rules, but when things fall between two stools we have tried to find solutions. The Chair has indicated before that it is hoping to find a solution to these problems by consensus or by an agreement between the House Leaders. The Chair would prefer to find a solution in that way, since that normally better represents the will of the House. That is what the Chair is waiting for. Let me conclude, however, by saying that there is no question of privilege.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—FORESTRY PRODUCTS—REQUEST FOR GOVERNMENT ACTION TO PROTECT CANADIAN INDUSTRIES

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

That this House condemns the lack of care and concern for workers in the cedar shakes and shingles industry and in the softwood lumber industry shown by the Prime Minister in his letter to President Reagan, in which he clearly put his personal interests ahead of those of working Canadians and calls upon the Government to take immediate action (1) to assist workers in the lumber industry and in the shakes and shingles industry by invoking the *Employment Support Act*; (2) by assisting in every way the softwood lumber industry in making the Canadian case before the United States International Trade Commission; (3) to ensure that proper time is given to make this case by, if necessary, obtaining extensions to the hearing time; (4) and by initiating proper and effective action under the rules of GATT to ensure that this matter is satisfactorily considered by the international trading system.

Supply

Mr. Speaker: Let us resume debate. When the House recessed at 1 p.m., I think the Chair had recognized the Hon. Member for Timmins—Chapleau (Mr. Gervais)

Mr. Aurèle Gervais (Timmins—Chapleau): Mr. Speaker, I am pleased to rise in the debate this afternoon on a matter of vital importance to Canadian forestry workers.

[*English*]

The motion before the House today deals with issues of over-riding importance to our nation and its future, and we can only reflect with sadness on the Opposition Party's willingness to try to seize partisan advantage from the hardships of the Canadian workers. At a time when the international trading environment upon which our country depends for its prosperity is crumbling under the blows of protectionist pressures in every nation, the Opposition is telling Canadians that efforts to improve our relationship with our closest trading neighbour are destined to fail.

It is also of particular interest that the motion calls for the Government to invoke the Employment Support Act to assist workers in the lumber industry, ignoring the fact that no tariff has yet been imposed against Canadian softwood lumber. While some people may be eager to tell Canadian workers that they are doomed, it is worth noting that Canada has been successful in withstanding protectionist efforts in the United States against the sector for a year and a half, and we still have every reason to hope that this success will continue. Concerned though we are by this countervailing duty petition, we should be gratified to recognize that with all the lawyers and lobbyists the U.S. industry has been unable to convince Congress or the administration to take action directly against Canadian lumber. Instead, after a huge political effort, the U.S. coalition must turn again to the same quasi judicial procedure that failed the coalition three years ago when Canadian practices were proven acceptable under U.S. law.

While the Government is deeply disturbed by this latest turn of events, we are grateful that at least we will have our day in court. We believe that the facts will speak in our favour and that the benefits of free trade and lumber will continue to be available to both countries.

We on the government side of the House resent the implication that the case is already lost. U.S. trade law is established to ensure that producers and consumers benefit from reliable, fair practices. There is absolutely no evidence that a tariff on Canadian lumber would be good for the economy of the United States. Indeed, the negative impact on the construction, home furnishings and trucking industries, to name but a few, far outweighs the advantages gained by the U.S. economy when lumber producers become more profitable through higher prices.

There should be no doubt in anyone's mind in this House as to the aim of this petition. It is to raise the price of lumber. Discussion about Canadian stumpage practices or any other Canadian practices from job creation to industrial incentives are strictly red herrings.

Supply

Many U.S. producers have operated in Canada under our regulations without protest over the last two decades. The sudden concern over Canadian stumpage practices is directly related to the imbalance of currencies and the enhanced efficiency of Canadian producers who undertook extensive modernization in the late 1970s and early 1980s. Comparing U.S. stumpage systems to the Canadian models really is like comparing apples and oranges. Canadians pay a low rate of stumpage on average, but must contend with much more difficult terrain, longer hauling distances, higher labour rates and a completely different forest than our U.S. competitors. The important comparison is the price at which a producer can get the logs to his mill. We believe that Canadian and American producers come out approximately equal in this measurement.

The motion calls for the Government of Canada to assist in every way possible the softwood lumber industry as it makes its defence before the International Trade Commission of the U.S. Department of Commerce. I can assure the House that the close co-operation and team work which has characterized the Canadian defence to this point will continue. Our industry will be the primary defendant. The federal Government will play a key role in ensuring that the necessary data is collected and that all the involved parties are kept well informed so that they can work as an effective team.

We should note in passing that the petition against the Canadian lumber industry has implications beyond even that huge sector. Because the main element of the U.S. case relates to Canadian stumpage practices, a decision against Canada would have a negative impact on any sector dealing with wood products and, of course, the various service sectors supporting that sector. When we consider that some 350,000 people work in forestry-related occupations in Canada, we realize that this proposed tariff is a direct assault upon the well being of our national economy.

The Government has pledged to do anything it can to avoid this frightening possibility. But, as concerned as we are, we should not indulge in undue pessimism or defeatism. Two major factors are working in our favour. The first is the historical relationship between Canada and the United States, characterized most recently by the warm and cordial relations between the President and the Prime Minister (Mr. Mulroney). As John Kennedy said in the early 1960s:

> Geography has made us neighbours. History has made us friends. Economics has made us partners.

What the U.S. coalition is proposing to do to Canada will not sit well with the average American citizen when he or she begins to fully understand what is happening.

A second major factor working to our advantage is simply self-interest. The major beneficiary of low Canadian lumber prices has been the American consumer. The U.S. has had over 14 quarters of uninterrupted growth with increasing employment, decreasing interest rates and inflation. A significant player in this prosperity has been historic levels of new housing starts and home renovations.

Despite the persuasive public relations effort of the U.S coalition, Americans understand that restrictions on Canadian lumber will benefit only a few of them while increased lumber prices will harm millions of consumers. Estimates prepared by U.S. sources suggest that the average American home contains some $7,000 worth of lumber. The same sources indicate that every time the value of a new home rises by $1,000, some 300,000 families are pushed out of the housing market. In the case of lumber, where domestic U.S. sources are simply unable to supply adequate volumes of lumber to meet overall U.S. demand, the U.S. consumer will be over a barrel. Prices will have to rise with the resultant loss of jobs.

• (1520)

We see, therefore, that the United States' best interests lie in continued free trade of lumber. We must wonder what would make them act in a way which was against their best interests. What would make them impose tariffs which raise the price of a product they so badly need? One of the real dangers for Canada in this issue is an escalating round of rhetoric which fuels small-minded nationalism and creates differences between people who should be friends.

One of the leaders of the U.S. coalition said recently:

> We are not accusing the Canadians of anything except subsidizing their stumpage. This is not protectionist legislation; all we are asking for is relief from foreign subsidies. We want to make it where our kids can once more go to college, eat apple pie, and sing about Mom. It just so happens that we have truth and right on our side.

What a ridiculous statement; what a ridiculous frame of mind. Is it any wonder that we have problems dealing with people with such a mentality?

On our own side of the border we have people, such as members of the Opposition, who demand that the Prime Minister phone the President and threaten and bluster, the way certain members of the previous Government do. To take that sort of action is to fan the fires of protectionism and nationalism. We can see very clearly what Canada's fate would be in such a configuration.

Canada is one of the few industrialized nations which does not belong to a major trading block. No matter how difficult our relationship with the United States might become, we can see clearly that no warmer reception awaits us in the Pacific Rim, South America or Europe. For a small nation dependant on trade these are dangerous times. The Progressive Conservative Party, aware of Canada's vulnerable position in a world where protectionism is once again held up as a solution for every nation's problems, has taken a dramatic step toward securing our future. We have initiated a bilateral trade negotiation which could secure access to one of the largest and most vibrant markets in the world. At the same time we want to put behind us various forms of trade harrassment such as the continuous assault on Canadian lumber we are facing again today.

One of the major objectives of the negotiations opened by Ambassador Reisman is to design a system of trade conflict resolution which avoids the heavy-handed and expensive procedures now in use. We go into these negotiations with our eyes open. We have no illusions about our neighbours; they are tough businessmen. However, proper rules can only benefit both parties.

The coming months will be some of the most crucial in Canadian industry as these negotiations proceed and we fight various trade actions already in place against us. It will take all of Canada's strength and determination to persist in the effort to negotiate a new arrangement in spite of the frustration and anger provoked by trade actions on both our parts.

Some spokesmen have demanded a standstill of trade action on both sides of the border until the negotiations are completed. Unfortunately, this is not a practical alternative. We Canadians would never agree to refrain from protecting our workers in the event of some illegitimate or illegal practice taking place to our detriment and, of course, neither would the Americans. We do have a commitment made in Quebec City by the two leaders to fight protectionism as energetically as possible and to make sure that legitimate remedies designed to protect fair trade do not serve as a front for simple protectionism.

In a dangerous world Canada is reaching for a secure future for its workers and its entrepreneurs. The action launched by the U.S. coalition to use countervailing procedures to artificially inflate the price of lumber is a double threat. It is, first, a threat to the historic initiative upon which so many of our hopes are pinned. Second, it is a threat to the workers across this country whose livelihoods depend on the unimpeded flow of a product they produce with such tremendous effectiveness.

The Government of Canada will fight this action with all its energy. At the same time we will resist the voices of despair which urge us to cancel the trade talks in a pointless gesture. We intend to move forward with determination to build a more secure and profitable trading future for Canada.

The Acting Speaker (Mr. Paproski): Are there questions or comments? There being no questions or comments, I will recognize the Hon. Member for Skeena (Mr. Fulton) on debate.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to have the opportunity to participate in this debate. It is a debate in this Parliament as to how we will handle our relations with the U.S. in the face of protectionism which is clearly on the rise in the House of Representatives and the Senate in the United States. I would first like to deal with the motion before the House. It requires close scrutiny with regard to the potential effects. The motion reads:

> That this House condemns the lack of care and concern for workers in the cedar shakes and shingles industry and in the softwood lumber industry shown by the Prime Minister in his letter to President Reagan, in which he clearly put his personal interests ahead of those of working Canadians and calls upon the Government to take immediate action—

The motion goes on to list four points which I will come to in a moment.

I am troubled by the remarks of the Secretary of State for External Affairs and the Prime Minister with regard to the so-called Quebec Accord, the agreement reached between President Reagan and our Prime Minister (Mr. Mulroney). That Quebec agreement has already been broken. The unilateral action taken by the President against the shake and shingle industry was a breach of what was agreed to in Quebec a year ago.

The effect has been dramatic. Some of the shake and shingle mills have already physically closed. The workers have been laid off and are applying for unemployment insurance. We have listed some names in the House. This is affecting many mills in the Fraser Valley, the lower mainland, the Queen Charlotte Islands, the western part of British Columbia, and many places on Vancouver Island where bolts, shakes and shingles are produced.

It is worth taking a look at the now famous June 2 "Dear Ron" letter from our Prime Minister to the President of the United States. It is worth reflecting on what our Prime Minister was most interested in, as we see in the first paragraph where he says:

> I thank you for your thoughtful letter of May 29, 1986, received today. I accept your apology for the communications breakdown involved in the absence of prior notice to me of the action respecting shakes and shingles. I particularly appreciate it because, quite frankly, this absence of notice was damaging to me personally and to my government.

I would have hoped that our Prime Minister might have gone beyond the lack of notice from the President being damaging to him personally. I would have thought he might have mentioned the effect on workers, particularly in British Columbia where some 4,000 are directly affected. The effects include payroll costs of $100 million, benefits of $28 million, raw material in logs alone of $75 million, blocks of $25 million, $55 million in transportation, $25 million in supplies and $36 million in short term financing, for a total of $344 million. There are also a minimum of another 20,000 jobs indirectly affected. There are almost 25,000 jobs affected and the Prime Minister is saying: "Dear Ron, because you didn't tell me you were going to put a 35 per cent tariff against the shakes and shingles you have hurt me personally". What about Canadians?

I think the letter is very revealing of the Prime Minister's position on this issue. The Prime Minister went on to say:

> This incident will not alter our personal relationship. Like the historic friendship of our two countries, our personal relationship is too valued to be diminished by occasional misunderstandings, however important.

I think the loss of all those jobs in British Columbia is something more than an occasional misunderstanding. I think it was a Draconian act by the President of the United States. The chair of the International Trade Commission, Paula Stern, made it clear when she voted against any tariffs being placed that it was not going to be in the interests of the United States, nor would it be in the interests of Canada because the shake and shingle industry in the United States is going to be severely damaged as well.

Supply

On May 21 as reported in *Hansard* on page 13478 I asked the Prime Minister what was going on in the relations between himself and the fast-track free trade negotiations and the U.S. Government. On May 8 a letter went from President Reagan to Senator Robert Packwood, the Chairman of the Senate Finance Committee. That was a very telling letter, because in the days leading up to the vote in the Senate Finance Committee on whether or not to have fast-track free trade talks, a number of lumber state Senators in particular, also Senator Natsunaga from Hawaii and Senator Danforth, all made it clear that they wanted to cut a deal. In the U.S. system where you are making a trade deal there is always the exchange of currency. These members of the U.S. Senate decided at that time that the thing highest on their agenda that they wanted to extract from the President of the United States was some unilateral action from the President in relation to the North American softwood industry.

● (1530)

On May 8 the President wrote Senator Packwood and indicated that he was prepared to move independently. Let me read the question that I put here in the House before either the shake and shingle action was taken or before the decision was made just last Friday to pursue countervailing duty action against Canadian softwood. I said the following:

Mr. Speaker, my question is for the Prime Minister. I think he is aware that on May 8 President Reagan wrote a letter to Senator Packwood regarding Canadian softwood lumber in which he stated: "I intend to press for an expedited resolution to this problem independent of comprehensive negotiations".

I am sure the Prime Minister is aware that President Reagan controls the acceptance or rejection of the countervailing action through Secretary of Commerce Baldrige. Has the Prime Minister himself, through his office, by phone or by letter, contacted President Reagan and asked that this countervailing action be stopped?

RIGHT HON. BRIAN MULRONEY (PRIME MINISTER): Mr. Speaker, no.

Mr. Speaker, we know now that the Prime Minister (Mr. Mulroney) was not prepared to take any action even though that letter had become public. He knew that the President of the United States had written to the Chair of the Senate Finance Committee and said that he will take unilateral action. That is the deal that has been cut. In a story by Greg Weston, who is down in Washington having a look at the U.S. side of this, we see the headlines, "Lumber tariff 'price' for trade talks Reagan promised to cut softwood imports, trade adviser says". It goes to say the following:

Len Santos said in an interview that President Ronald Reagan has made a "clear deal" to take action against Canadian lumber imports in return for the powerful senate finance committee giving a green light to free trade negotiations.

"The president is on the hook—he clearly tipped his hat on lumber and said essentially "I'll protect your flank". It's like an insurance policy".

The events that have transpired are very clear. There is direct linkage between Canada's request for the fast track free trade negotiations and the fact that the members of the U.S. Senate Finance Committee extracted a written guarantee from the President of the United States that he would take unilateral action, regardless of the ITC rules, regardless of the Gibbons omnibus Bill that is before Congress. The President could, in fact, go ahead and take the same kinds of actions that we saw in 1971 when the United States unilaterally slapped 10 per cent and more tariffs against products coming into the United States.

One of the Government's arguments has long been that it did not know. The shake and shingle tariff came as a surprise. The President had to do something by May 24, the Saturday. As it happened, the President decided to do it on the Wednesday, a couple of days in advance. That is how much of a shock and surprise it was.

There is also the Arnold and Porter Report called the United States Trade Remedy Law, Canada United States Trade Initiative Research Papers, Department of External Affairs, Ottawa, January, 1986. This is one of the documents released by the Government under the access to information provisions regarding these so-called free trade talks. Under the section called resolution of the dispute over lumber imports on page 51 it says, "The present large-scale effort by some U.S. lumber companies to secure legislation limiting imports of Canadian lumber suggests that some in Congress may try to link progress on the free trade agreement to agreement by Canada to restrain lumber exports. However, the substantive argument for making such linkage is weak".

Then it lists, "—lumber imports are already duty free and would not be facilitated by an FTA. (2) the U.S. Commerce Department in its 82-83 investigation established that imports of lumber from Canada were not benefiting from countervailable subsidies. Thus the U.S. industry and its congressional supporters have little basis for arguing that an FTA would facilitate lumber imports either by reducing tariffs or by reducing U.S. restraints on Canadian subsidies".

Then, of course, the key section, as we tended to find from this Government, is written in felt pen and says "Exempt, Section 15(1) of the Access to Information". It goes on page after page, "Exempt, Section 15(1)".

All of the arguments that were given by Arnold and Porter, the law firm, to the Government of Canada was that the U.S. would likely take some unilateral actions in relation to lumber. So the Government has known at least since January that this was coming, and it has known since long before that. The Minister for International Trade (Mr. Kelleher) is fully aware of the views that I have expressed for more than a year in this House. We should have been dealing with the grass roots issue in the United States. We should have been dealing with Georgia, North and South Carolina, Washington, Oregon, Idaho, northern California, getting out there to deal with the grass roots disinformation and misinformation being put forward by members of the U.S. Congress, people like Mr. Yonkers and Mr. Craig, Senator Mattingly and Senator Baucus and others who were clearly intending to use this issue over the past year as an electoral strategy. Both the Democrats and the Republicans were waving the flag saying that it was patriotic for Americans to oppose large importations of Canadian lumber.

We could have fought it off if we had started a year ago. We could have battled to have the shake and shingle issue taken off the agenda, and clearly we could have battled to have the softwood lumber taken off the agenda, rather than making last-ditch efforts. Rather than making a first-ditch effort, keeping our workers on the highway, we made a last-ditch effort, we sent Ambassador Gotlieb over to meet with Secretary of Commerce Baldrige in Washington. I was there last Wednesday and I know what we argued. We argued on the basis of natural justice and double jeopardy. It was a very simple case and it should not be proceeded with. We had appeared before the same quasi-judicial body in 1982-83, and we had been acquitted. Under British common law if you appear before a court and you are acquitted you cannot be tried on the same charge or it is double jeopardy.

The U.S. clearly was not intending to accept that. The Congress was not prepared to accept that. Arnold and Porter were aware of it in January and the Minister for International Trade has been aware for at least a year that there were growing protectionist difficulties in relation to softwood lumber. No serious efforts were made to get the kind of information out in a two-pronged attack, first, in those states that produce lumber to make sure they understand the real issues here, which is that Canadian SPF is preferentially purchased in the United States. Our increase in the market has tracked U.S. currency. The Americans know that. The differential between their dollar and ours has given us an advantage in their market.

Rather than talking about currency and the beneficial effects that a devalued U.S. currency would have on problems like this, they have argued, as Thomas Niles, the U.S. Ambassador to Canada, has, and as Paula Stern, the Chair of the ITC, James Baker and the President himself have continued to argue, that it is the size of our balance of trade surplus—they are always saying it is $6 billion in the first quarter of 1986—that is really at issue here.

When they talk about levelling the playing field, they are talking about levelling the balance of trade between our two countries. They do not want to talk about service or about dividends going from Canada to the United States, they just want to talk about the trade surplus that we have with the U.S.

Let us take a look at some of the other points raised in the opposition motion today. It goes on to say:

> The Government to take immediate action (1) to assist workers in the lumber industry and in the shakes and shingles industry by invoking the Employment Support Act.

Well, my colleague from Essex—Windsor raised that in March and the Government said no in March. It said it was not going to look at that. Now on Friday we see the Secretary of State for External Affairs (Mr. Clark) saying, yes, that is what the Government is going to do, it is going to invoke it, but it is not sure when or how.

I think we have to look at history, because if we do not understand history we are going to get ourselves into a lot of trouble. In 1971, when this Act was invoked, it allowed for up to two-thirds of a tariff placed against Canadian commodities going into the U.S. market to be picked up through the employment standards legislation. This means that if there is a 10 per cent duty, up to 6.6 per cent could be picked up. There is a 35 per cent duty placed against the Canadian shakes and shingles industry. Very little of our product is crossing the border between British Columbia and Washington today because of that duty, and we have stockpiled some south of the border. If the Government is proposing to apply this Act to the shakes and shingles industry and is saying that it will provide up to 24 per cent or 25 per cent of the cost of that duty to the Canadian producers, the Americans will not simply stick to the 201 ruling, they will clearly go back before the Department of Commerce and file another petition stating that there are grounds for finding that there is a subsidy because it will be going directly from Ottawa to those facilities in British Columbia. I am not sure that the Government has not taken into consideration these possible future problems that may exist as a result of this action, now that the tariff is in place.

• (1540)

The motion goes on to say that the Government should take immediate action by assisting in every way the softwood lumber industry in making the Canadian case before the United States International Trade Commission. A few weeks ago I asked the Secretary of State for External Affairs (Mr. Clark) whether the Government would provide some financial and legal support to our case before the International Trade Commission, to which the Minister said yes. I understand that part of the negotiations in Vancouver this Friday will include looking at the amount of funds that can legitimately be provided to the lawyers who are carrying on our case in Washington.

A lot of money has been spent. The Canadian forest industry has spent so far some $10 million in lobbying and about $3 million in preparing for litigation. The litigation that will take place between now and the week of June 23 could certainly run into the millions of dollars again, and the Government has a vital responsibility to provide as much legal, technical, informational and financial support as it can.

I am sure that the Minister for International Trade will agree that substantial funds should be provided to the workers so that they can prepare not only for the legal case, but can get information about what kind of dislocation could occur as a result of the various levels of tariff. The Government has not yet conducted such a study. I disagree with Peter Bentley who said, on behalf of Canadian forest products, that a 5 per cent to 10 per cent countervail would not affect our industry. I do not know why he said that. I do not know why Mr. Widman, Mr. Bule and others have made similar statements that are not very supportive of Canada's forest industry.

I have asked in the committee and in the House why the Government has not seriously considered the ramifications, particularly for Canada's 300 single industry communities such as Williams Lake, Kamloops, Prince George, Terrace,

Prince Rupert, Smithers and many other small communities in British Columbia. What about the other small communities in Alberta, Saskatchewan, Manitoba, Ontario, Quebec and the Maritimes? All of them are essentially business communities based on the softwood industry.

The Member who spoke before me said that there were 350,000 workers in the forest industry in Canada. When one includes those who are indirectly employed, there are over 1 million workers. There are over 300,000 workers directly employed and close to 700,000 indirectly employed.

The Government should be considering the ramifications of these actions on those workers rather than just looking at invoking the 1971 legislation. It should carefully consider into what other markets we can quickly and realistically diversify. The Prime Minister mentioned Japan as a possible market. Japan could accept a few hundred million board feet, but what about other Pacific Rim countries, Europe and other areas of the world? We must study these alternatives realistically because the Americans and the President have made it clear that there will be unilateral action. If the Americans are not satisfied with the ITC ruling, they will try to have the President take unilateral action. If that does not work, there are many Bills in the United States. The Gibbons omnibus Bill went through the U.S. Congress with a vote of three to one. According to the American Constitution, any legislation passed by a vote of more than three to one cannot be vetoed by the President. It is obvious that there is trouble on the horizon.

The fourth action proposed in the motion is to initiate proper and effective action under the rules of GATT. In Geneva on May 22, the first of what I hope are further actions were taken. I consider the Canadian statement to the GATT Council regarding the U.S. lumber countervailing duty to be a little too milquetoast for the kind of extremely unfortunate harassing action being taken by the United States. I hope that the Government will take much stronger and more forceful action through GATT.

The third action proposed in the motion is to ensure that proper time is given to make this case by obtaining, if necessary, extensions to the hearing time. That is a reference to the ITC process that begins tomorrow and will come to a vote in the week of June 23. We only have two weeks to argue the case of the largest industry in Canada before the International Trade Commission. Members of the House of Commons keep describing this hearing as a quasi-judicial process. It is very political, which is evident to anyone who reads the countervailing duty action taken against East Coast fish. They can find an injury from a 5.8 per cent duty on whole fish, while they are still alive on the deck of a boat, but when they are filleted at the filleting plants in Canada, the subsidies disappear. Anyone who believes that the International Trade Commission is a typical legal body in which there are all kinds of fairness, justice and sweetness and light, is wrong. I have read enough of these ITC rulings to know that it is very political.

In light of the very strong mood of protectionism in the United States, the Government has taken extremely weak action so far to protect the shake and shingle producers and workers and has taken extremely weak action in terms of the softwood case. We should have been fighting this action in the United States a year ago because we knew it was coming and knew what kind of action should be taken.

The Cabinet was interested in other matters, and I suggest that when it is not interested in the largest industry in this country it is asleep at the switch. For instance, we still do not have a full fledged Minister of Forests. He is still buried in the basement of the Department of Agriculture, which I believe is unfair. The Cabinet should have made the Minister of State for Forestry (Mr. Merrithew) a full Minister with a national forest Act under which he could operate. Are you trying to cut me off, Mr. Speaker? I have much more to say.

The Acting Speaker (Mr. Paproski): I regret but the Hon. Member's time has expired. However, there is time for questions and comments.

Mr. Gauthier: Mr. Speaker, the Hon. Member showed a great deal of knowledge about this question. I would like him to speak a little more about the GATT negotiations. Could he tell us his opinion about how our interests can best be defended in front of this international forum?

Mr. Fulton: Mr. Speaker, I would be glad to deal with that.

The Acting Speaker (Mr. Paproski): I remind the Hon. Member that there are two other Members who would like to ask questions, if he would govern himself accordingly.

Mr. Fulton: I will take a couple of minutes to touch on the GATT matter. Members of the House will know that the shake and shingle matter was not bound by GATT. We had no route of appeal, and by now the Cabinet should have introduced a massive plan of action on the case currently before the International Trade Commission. That is called the 303, or what I call the Lee Enfield approach of our pal, Ron Reagan. When that decision goes back to the Department of Commerce, it cannot be vetoed, amended or changed by the President of the United States.

On the one hand, we had an issue that was not bound by GATT and on the other hand, this matter cannot be vetoed.

The process that has begun in Geneva is important because we have alerted other members of GATT in a multilateral sense. The Government should have been considering what other sectoral agreements could have been reached with other countries around the world.

Let me deal with another matter in this appeal which, incidentally, is dealt with in only three pages. I suggest the Government could have made a stronger case when dealing with the largest industry in Canada. On page 2 of the appeal it is stated that the Commerce Department determined that all industry assistance programs together conferred benefits of less than one half of one per cent and were therefore deemed to be *diminimus*, which means next to nothing. It goes on to state that the petitioner did not appeal its final determination.

We should be making all other participants in GATT aware of this kind of harassing action being taken by the United States, in concert with the President of the United States and the Senate Finance Committee. We should be arguing much more strongly with our neighbours with whom we have good trading relationships so that they can assist us in putting pressure on the U.S. administration through GATT.

Mr. Greenaway: Mr. Speaker, I too compliment the Member for his knowledge of this issue. There are several things I would like to point out to him. On the one hand he says no action had been taken up until the time the countervail was presented. On the other hand, he mentions that the industry spent $10 million in the United States lobbying prior to this time. I know that the Premier of British Columbia has made several speeches in the United States on the issue. Industry spokesmen have been back and forth across the United States for the last year. I would like the Hon. Member to comment on that because I think there some action has been taken.

• (1550)

Second, I understand that at an ITC hearing one is only allowed to present written briefs, one is not allowed to intervene on a personal basis. I wonder how the Hon. Member would advise us to intervene other than just by presenting a written brief, which is being presented.

Mr. Fulton: Mr. Speaker, on the Hon. Member's first point, what I have seen occurring with respect, particularly, to the Premier of British Columbia and, to a certain extent, some other politicians, is what I would describe simply as photo opportunities in the United States, which means having dinner, giving a brief somewhere or a speech and saying: "This is a big industry, let's not rock the boat". What I am talking about is a very well defined and orchestrated attempt to disseminate real information, and not just the Canadian side. There are a number of facts and figures which were bilaterally agreed upon in 1982 and 1983 and again in the update regarding softwood lumber in terms of interspecies, clarification and so on, on both sides of the border. I think there should have been a two-pronged approach. We should have had people who were carefully selected and briefed to go down and open up something almost like a trade consulate in those areas, particularly in the lumber states, where it has become a real issue for both the Democrats and the Republicans, that is, that protectionism is patriotic and waving the flag, and where Canada is described in somewhat untoward terms. I think we could have counteracted that in those states.

The other part of this process as an educational process to Americans is that we have to remember there are two million Americans who take their lunch-box and, in some cases, their Mercedes-Benz to work, and who produce goods for the Canadian market. We are the two largest trading partners in the world. Our trade involves over $130 billion a year. It is enormous. We should have got information to those individuals on what the effects of these kinds of harassment tactics and unilateral protectionist acts would mean for them, because it is a two-way street. If our economy starts to decline, we cannot buy American products. So I think that a two-pronged attack, which I have raised many times in the House, in our committee and in the Forestry Committee, should have been pursued by Government, and then I believe we could have found ourselves in a much more tenable position at this point in time and would have lowered the protectionist sentiments and disinformation in the United States.

Mr. Turner (Ottawa—Carleton): Mr. Speaker, the Hon. Member asked what the Cabinet was doing a year ago. I would like to tell him that the Cabinet was putting into solid place the strongest economic renewal this country has seen in the last 20 years. I think the results speak for themselves. I believe the Hon. Member will agree with that if he looks at the level of interest rates today, the level of unemployment and the fact that housing and car sales are up.

I want to take exception to part of the Hon. Member's approach to this motion which talks about the Prime Minister (Mr. Mulroney) putting his personal interests ahead of those of working Canadians. I cannot believe this motion and the degree of hypocrisy the mover has brought with it to this House. We all remember the good old days when there were lots of projects going on in the old Liberal ways of making sure the Liberals looked after their own ridings and not the interests of the average working Canadian.

The Hon. Member also spoke of the importance of understanding history. Let me remind him of something of historical importance concerning the Prime Minister. I want to put it as a question. The House may recall that in August of 1983, when the Prime Minister was first elected to this Chamber, one of the most difficult tasks he faced was when he went to Manitoba to meet a very hostile and rampant crowd of people in Winnipeg who were on the verge of lynching him with respect to the question of minority language rights. He stood up and said to them: "I will protect your minority language rights just as I will protect the rights of all other Canadians". He was not putting his personal interests first, but was looking at the betterment of all Canadians. I remind the Hon. Member of that historical fact and I ask him to keep that in mind as he makes his comments about the personal interests of the Prime Minister.

Mr. Fulton: Mr. Speaker, as the Hon. Member knows, I did not draft the opposition Motion. I am not sure the Hon. Member has properly presented history in that it was his own Prime Minister, the Leader of his own Party, who campaigned in opposition to free trade. I think we should keep that in mind. The Prime Minister was not elected on a mandate to negotiate free trade. He was at least in part elected on a mandate in opposition to free trade. His change to support of free trade came since he became Prime Minister. That is the record. Even Government Members do not want to recall that.

As to the Hon. Member's other point, I have not seen these glorious changes about which the Hon. Member talks. I represent communities in British Columbia which still have in excess of 90 per cent unemployment. No Members on the Government side have attempted in any way to deal with that.

Supply

While I still have the floor, I would like to move a subamendment which, by deleting the period at the end of the statement—

The Acting Speaker (Mr. Paproski): I regret, the Hon. Member cannot move an amendment during the time for questions and comments. He can do so during debate.

Mr. Fulton: Then I will get the next Member to do it. May I carry on in answering the Hon. Member's question?

The Acting Speaker (Mr. Paproski): You have 30 seconds to complete the time for questions and comments.

Mr. Fulton: I know there will be a Government Member speaking next, but in response to the Hon. Member for Ottawa—Carleton (Mr. Turner), perhaps the next Government Member would like to tell us what he or she thinks the "Dear Ron" letter really means when it says: "I particularly appreciate it because quite frankly this absence of notice was damaging to me personally and to my Government". The Prime Minister never mentioned softwood nor the impending action in relation to the ITC. He said nothing serious on shakes and shingles. He simply said: "Oh, look, you didn't tell me you were going to do that to shakes and shingles and you hurt me personally and my Government". What about the workers? I think the taxpayers should have had some mention in the letter from the Prime Minister to the President rather than some kind of moaning and toe-scratching about damage done to the Prime Minister personally. I find this letter one of the most objectionable documents written in the history of Canada.

The Acting Speaker (Mr. Paproski): I regret but the Hon. Member's time has expired.

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I welcome this opportunity to support the motion presented by the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), condemning the Conservative Government, and I quote:

> That this House condemns the lack of care and concern for workers in the cedar shakes and shingles industry and in the softwood lumber industry shown by the Prime Minister in his letter to President Reagan, in which he clearly put his personal interests ahead of working Canadians.

Mr. Speaker, I have no choice but to describe the Conservative Government's total failure in its relations with the Americans.

I must say the incident involving the shakes and shingles industry and the softwood industry is typical of the deterioration in recent months of Canada's relations with the United States.

We have never before been so humiliated by the United States. If we look back on the previous history of relations between our two countries, we see that year after year, the U.S. authorities, the U.S. Administration, the United States Congress, and of course the President of the United States have always had a special relationship with Canada and always given Canada and Canadians preferential treatment. This is not the first time Congress or the U.S. Senate has entertained protectionist motions or bills. In fact, for many years, U.S. Congressmen and U.S. Senators have annually tabled protectionist measures, and every time, the President of the United States has used his veto to promote Canada-U.S. relations and prevent specific protectionist measures from unduly affecting the Canadian economy and Canadian workers.

• (1600)

And now we have this recent incident, and people have realized that whatever the Prime Minister of Canada (Mr. Mulroney) may think, he does not have a special and privileged relationship with the President of the United States. The U.S. President had no hesitation in approving a proposal by the U.S. Congress which has severely affected the Canadian economy and especially some 4,000 workers in British Columbia in the shakes and shingles and softwood sectors.

The U.S. President himself approved this 35 per cent tariff on Canadian products. And this gesture, an act of reprisal, as it were, against Canada, is only one of many anti-Canadian measures taken in recent months by the U.S. Adminstration.

Remember the Polar Sea incident, in the summer of 1985. For the first time in the history of Canadian-U.S. relations, an American vessel entered our territorial waters without permission. This vessel, which entered the North-West Passage, crossed beneath the polar ice cap without first asking the Canadian authorities for permission. The Americans, since it was an American military vessel, knew perfectly well what they were doing. They knew perfectly well they were violating Canadian territory and they did so without the slightest hesitation. I think that was one of the first anti-Canadian acts committed by the Americans and by the President of the United States, who in so doing turned his back on the so-called chummy relationship with the Prime Minister of Canada.

Subsequently, we had an incident where Canada was excluded from meetings of the Finance Ministers of the United States with its principal economic allies. In the winter of 1985-86, Canada suffered a serious affront in that it was not invited to participate in discussions among the U.S., French, British, German and Japanese Finance Ministers, who met to talk about the value of the U.S. dollar in relation to the currency of the other countries, in other words, the U.S. dollar in relation to the mark, the yen, the French franc and the British pound sterling.

There was no mention at all in these discussions of the Canadian dollar, and we know how strongly the Canadian dollar is affected by upward pressure on the U.S. dollar. We know how serious the impact of a rising U.S. dollar can be on our Canadian currency.

These meetings were held without advising the Minister of Finance of Canada (Mr. Wilson) and without any consideration for Canada's interests.

Once again that is what I would describe as anti-Canadian action by American authorities who could not have cared less about their so-called friend Brian.

Finally, we have this incident which is like a slap in the face, this unprecedented levy. Never before in the history of Canada-U.S. relations did the President of the United States sign a document to impose a 35 per cent tariff on Canadian products going to the United States. Well, I say that the American approach should not surprise us because, unfortunately, we have to admit that since his election our Prime Minister has been behaving more like an American state governor that the head of a sovereign nation. To please the United States, to please his so-called good friend Ronald, the Prime Minister repeatedly kowtowed to the American authorities. For openers, he abolished the Foreign Investment Review Agency to please the Americans. Offhandedly and strictly to please American interests he axed an organization which enabled us to pass an impartial judgment as to whether or not these American investments would economically benefit Canada. Now the Americans can come over here to buy any Canadian company, they can make any kind of investement in this country; without asking for permission from Canadian authorities, without fear of sanctions or intervention from the Canadian Government, they can buy out a company and then close it to get rid of an embarrassing competitor and conclude a merger to benefit an American company which will then be in a position to make more profits once the Canadian company has disappeared. In my opinion, sooner or later this kowtowing and bootlicking by the Prime Minister of Canada to please the Americans will have a disastrous impact on the Canadian economy. We have lost this screening agency which was our insurance policy to make sure that any investment in Canada would be of significant economic benefit to our economy because our Prime Minister thought he should kneel before the President of the United States.

Mr. Gauthier: Bootlicking indeed!

Mr. Ouellet: And again to please the Americans our Prime Minister tore our Canadian energy policy to shreds. It is very symptomatic to realize that the first move made by United States President Reagan after his election was to order his Minister of Justice to drop legal proceedings against the oil multinationals which had breached the American antitrust legislation. It is rather symptomatic that the first move of the Prime Minister of Canada was to allow the major oil multinationals to recoup huge amounts of money, billions of dollars which poured into the coffers of the oil multinationals right after his election, yet he keeps telling people he has no money to maintain old age security pensions at decent levels, no money to pay for decent health and education programs, no money to implement a regional development policy to help Canada's poorer regions, yet he could find enough money for huge handouts to the major oil multinationals and systematically dismantle the National Energy Policy which had been established by the previous Liberal administration. And why? Again, just because our Prime Minister wanted to do his American friends a favour.

Similarly, the Prime Minister promised to introduce a Bill that would benefit the U.S. pharmaceutical industry, at the expense of the Canadian consumer. It is a fact that the extremely strong and powerful U.S. drug company lobby has managed to make itself heard by the U.S. President, and one of the first conversations the newly elected Prime Minister of Canada had with President Reagan concerned what he could do to remove those provisions of the Patent Act that were not to the advantage of the U.S. pharmaceutical industry. We know now, because the Minister of Consumer and Corporate Affairs (Mr. Côté) has had to admit as much in the House, that the Prime Minister of Canada, as a favour to his friend, the President of the United States, promised to introduce this Bill that will very substantially change the situation in the drug industry, a change that will benefit the big U.S. multinationals at the expense of the Canadian consumer. Of course, the Prime Minister said nothing, absolutely nothing when the Polar Sea, this U.S. vessel, violated our territorial waters, ignoring our sovereignty. The Prime Minister of Canada remained silent once again, to be nice to the U.S. President and his American friends.

Similarly, the Conservative Government accepted everything the Americans wanted when our North American Aerospace Defence Treaty, commonly referred to as NORAD, came up for renewal. When this treaty was renewed, everything that the Americans wanted was agreed to and accepted. Even worse, to make the President happy, the Prime Minister agreed to let Canadian companies take part in the Star Wars Project which is so dear to the heart of the President.

• (1610)

After all the concessions made by the Canadian Prime Minister to the United States month after month, how could the President and the Congress of the United States take the claims of this Conservative Government seriously? Our Prime Minister has acted like the governor of an American state too long to be considered a real head of state who wants to negotiate on equal footing with his American partner. This is the great tragedy of the present situation. How can we hope to have valid free trade negotiations with the United States if we cannot have the respect of our American *vis-à-vis*?

We realized how precarious our situation was when the American negotiator indicated during a press conference that, as far as he was concerned, the United Stares entered the discussions on free trade with Canada with no preset conditions. The American negotiator told us publicly that, as far as he was concerned, everything was on the table. Everything could be negotiated for this new free trade agreement between Canada and the United States. Obviously, Canada has a lot to lose in such a case.

If everything is laid on the table, we can certainly expect to see whole Canadian industries severely affected in the months ahead.

It is not without reasons that the *Union des producteurs agricoles*, the large Quebec farmers' organization passed resolutions urging the Canadian Government to protect our Canadian farming industry, to protect our farmers who at great pains to themselves have secured a decent, reasonable life-style by opening up markets for their dairy, pork, egg or chicken productions.

Now, our farmers, especially in Eastern Canada, have much to lose with those free trade negotiations. And I submit that if the President of the United States did not hesitate to personally sign a 35 percent surtax decree that threatens the jobs of workers in the softwood industry and the shingles and shakes industry in Western Canada, I am not at all confident that comes the first occasion the President of the United States, in order to try and protect American farmers, will not do the same thing with farm products and completely disrupt the current Canada-U.S. farming trade relations, that he will not, as has been the case with that surtax which is destroying 4,000 jobs in British Columbia, make a similar move that will force thousands of farmers in Quebec and Eastern Canada out of business because of protectionist measures the President might take.

Mr. Speaker, I suggeest in conclusion it is very important that we should review our stand *vis-à-vis* the U.S. that the Prime Minister should stop behaving like the governor of an American state and find the courage to act as the head of a sovereign State.

The Acting Speaker (Mr. Paproski): Order, please. Questions and comments. I recognize the Hon. Member for Lévis (Mr. Fontaine).

Mr. Fontaine: Mr. Speaker, before directing a few questions to my colleague the Hon. Member for Papineau (Mr. Ouellet), I should like to comment a little on his remark concerning the *Polar Sea*. That ship was seen last summer in Canadian waters and, during the same days over the same period, the Secretary of State for External Affairs (Mr. Clark) immediately provided a response and took the necessary action. This situation compares strangely with that of the *U.S.S. Manhattan* which, in 1969, had cruised in the same area without the Liberals ever reacting in 17 years.

When he refers to good relations between the two Governments, he should also talk about the United States which, for all practical purposes, decided to declare war on Grenada in 1983, something about which the Prime Minister of Canada learned in the newspapers.

Also, we could wonder why the Liberals set up the Foreign Investment Review Agency. That was not a way to encourage friendly relations. We have done away with it.

Mr. Speaker, my first question is therefore the following: Does the Hon. Member for Papineau think it is more important to have a general principle accepted by the U.S. Senate Finance Committee which, later on, would either accept or reject as a package deal all our bilateral negotiations?

I have a second question for the Hon. Member for Papineau who, I know, is quite capable and willing to reply to enlighthen me, contrary to some of his colleagues who can never answer. Our exports of cedar shakes and shingles account for what percentage of our $95 billion in trade with the United States? Also, our exports of lumber account for what percentage of our $95 billion in trade with them every year?

To conclude, Mr. Speaker, I should like to ask the Hon. Member for Papineau what is the percentage of the added value to these basic commodities. In other words, are these highly sophisticated products requiring a long manufacturing process, or are they close to raw material?

Mr. Ouellet: Mr. Speaker, I should like to reply very briefly to the many questions which the Hon. Member for Lévis has directed to me.

He should know—and if he doesn't, I am pleased to remind him—that when the *Manhattan* cruised at the time in Canadian territorial waters, there was a Canadian on board that ship and that trip had been sanctioned by Canadian authorities, while this time around there was no Canadian on board the *Polar Sea* and it is clear that this trip had not been authorized by the Government of Canada. As the Hon. Member for Lévis stated himself, the Secretary of State for External Affairs had to act after the fact and move a motion in the House, introduce a legislation to say that he would not want to see such a thing ever to happen again. And he even said at the time, after that trip, that he might appeal to the International Court of Justice in The Hague to complain against such a violation of Canadian territory.

In other terms, the Prime Minister of Canada (Mr. Mulroney) and the Secretary of State to External Affairs of Canada (Mr. Clark) were caught with their pants down. They only reacted after the event, once they realized that American ship was violating Canadian territory. I find that absolutely inconceivable, because never in the past, under any Prime Minister, either during the short term of Prime Minister Turner or under Prime Minister Trudeau, Prime Minister Pearson or even Prime Minister Diefenbaker, did the Americans have the courage to launch an attack against the sovereign territory of Canada.

Now, if by magic, the first time the Americans find that courage is under this Prime Minister. And why did the Americans suddenly find the courage to enter Canadian territorial waters? Certainly because they knew that the Prime Minister of Canada would not take strong measures to prevent the *Polar Sea* from proceeding with that trip.

They were right, because of course the Prime Minister of Canada did let them do it and his Secretary of State to External Affairs took action only after the event.

I see your signal, Mr. Speaker, warning me I have to conclude. Unfortunately, I would have liked to answer the other questions asked by my colleague. But if there is time for other questions, I would be pleased to do so.

• (1620)

[*English*]

Mr. Edwards: Mr. Speaker, as a westerner and as one who suffered with many others through the devastating effects of the National Energy Program, I find it an unwarranted revision of history to suggest that the Prime Minister (Mr. Mulroney) donated or turned over to multinational oil companies something from the Treasury of Canada.

In actual fact, the record of the oil industry, be it multinational or domestic, is a reinvestment record of some 105 per cent. To have suggested to us by a dubious ornament of the rump, which governed Canada from 1980 to 1984 without a national mandate, that the Prime Minister of the current Government is doing anything less than restoring justice to western Canada is an insult to the people of that part of our country.

The estimate has been made by none other than the great former Premier of Alberta, Peter Lougheed, that something in the order of $17 billion up to as much as $40 billion of wealth was looted from Alberta by the National Energy Program. These funds could have gone to develop the diversity of the economy of that region, had it not been for the rapacious policies of the previous Government.

The Hon. Member said that the present Prime Minister acted immediately after the election. He did, because he delivered on a promise which had been made to the people of Canada that the National Energy Program would be obliterated. We wait with keen anticipation for the day when it will truly be totally obliterated with the total elimination of the PGRT.

I should like to give the Hon. Member an opportunity to correct the record. I am sure that he was, in his fine oratorical style, getting carried away with himself. There was certainly no gift to any multinational oil company by the Prime Minister of Canada or the present Government of Canada.

Mr. Ouellet: Mr. Speaker, I respect the fact that the Hon. Member wants to represent the interests of his province and of his region. He wants to ensure that the Canadian Government is passing legislation and implementing policies which will affect his region in a positive sense.

However, I should like to refer to his interpretation of a short four-year period in the history of Canada, when a national Government in Ottawa was trying to implement a national energy policy for the benefit of all Canadians. Obviously it was his own interpretation of history. Perhaps I have an opinion that is different from his opinion, but I want him to realize that Canada is probably one of the only countries in the world with the unique position of establishing a national energy policy in consultation with other levels of Government.

Mr. Edwards: Nonsense.

Mr. Ouellet: In my view it was because of the unique character of our Government. If we look at any other country in the period of crisis throughout the seventies, we see that the shots were called in Washington in relation to energy policy. The shots were called in London in relation to energy policy. The shots were called in Paris in relation to energy policy. In every country of the world the shots were called in the national capital. Why were the shots not being called from Ottawa in relation to Canada?

The Hon. Member feels that what was done in the interests of Canadians was not right. However, I want to tell him that he should make a distinction between a Conservative Government of Alberta being hand in hand with the multinationals and the citizens of Alberta who over the years did not benefit greatly from the cozy deal of the petroleum multinationals and the Alberta Conservative Government.

Mr. Lorne Greenaway (Cariboo—Chilcotin): Mr. Speaker, I certainly have a difficult time agreeing with the last comments of the Hon. Member for Papineau (Mr. Ouellet).

Mr. Turner (Ottawa—Carleton): It is unanimous.

Mr. Greenaway: Yes, I think it is unanimous. It is absolute rubbish.

I think it would be interesting to take a brief look at what has happened in the shake and shingle industry both in Canada and in the United States since the invoking of a 35 per cent tariff on May 22. Several predictions were made at that time, one of which was that Canadian jobs would be lost. That certainly has happened. A second prediction was that the entire industry in Canada and the U.S. would be severely damaged. That is also happening.

For the record I should like to read several quotations from some United States newspapers which graphically indicate what is taking place in the United States. Here is an editorial from the *San Francisco Chronicle*, "The Voice of the West", dated May 28. It is entitled "A Case of Shingles", and reads:

> The Reagan administration began talks on freeing trade between this country and Canada last Thursday. That evening, without notice to Canada, the administration announced a tough 35 per cent import tariff on Canadian cedar shakes and shingles, a duty which will effectively shut these products out of the U.S. market. Canadians will lose sales of between $180 million and $200 million annually.
>
> Canadian Prime Minister Brian Mulroney has termed the action "bizarre". We agree. The decision to abandon a dedication to the principles of the free market place is unfortunate and difficult to accept. Up to now, the administration has been fairly consistent in resisting protectionist arguments.
>
> Prime Minister Mulroney is an ideological supporter of President Reagan and has battled to increase and widen relations with the United States. The shake and shingle tariff is severely damaging to a man who is dedicated to building closer ties to this country.

Supply

The decision further defies reason when it is considered in the context of geography and commerce. Canada and the United States are the two largest foreign trade partners in the world.

The Reagan administration action against Canada is not only an action taken against a friend, but also against a trading partner which has ample means of retaliation at hand. Canada simply is not Uruguay or Uganda. It is a step and a handshake away.

● (1630)

It is certainly comforting to know that we still have some good, staunch friends and supporters in the United States. I have a couple more quotes that are of interest. There is one here from the *San Jose Mercury News* of last Thursday, June 5. It reads:

But members of the Canadian industry assert that the tariff will hurt everyone because higher prices will force home builders to buy asphalt or composition shingles.

Americans have lost market share, they contend, because they've run out of cheap trees to cut and failed to modernize their facilities.

I want to draw attention to that situation later in my speech because it also applies to the softwood lumber case. The articles goes on:

They note that Reagan imposed the sanctions on the same day that House Democrats passed their own protectionist measure to save domestic jobs—a bill the president denounced as "kamikaze legislation" that would lead to economic peril.

In the same paper for the same date, June 5, in the *San Jose Mercury News*, there is an article by the news business writer entitled "Tariff on shingles hits Valley with increase in roofing prices". It reads:

The effects of the U.S. tariff placed on Canadian cedar products already have hit home, literally, for some Santa Clara County residents.

The price of a wood shingle roof has increased by $300 to $500 since the tariff was announced two weeks ago. Prices are expected to rise further after the tariff officially takes effect Friday.

"We expected a real banner year (for new roofs) because of lower refinancing costs," said Jeff Fierstein, San Jose branch manager for Marshall Supply Inc., a roofing supply company. "But homeowners are switching all over to other materials or cancelling orders (for new roofs) altogether." American producers are taking advantage of the tariffs by raising prices, local contractors and suppliers say.

Fierstein said that on the first business day after news of the tariff broke his U.S. cedar suppliers notified him they were raising prices 17 per cent immediately and another 17 per cent when the tariff goes into effect.

Roofing contractors with fixed contracts to build roofs for tract homes have been hardest hit by the prices increases. "Contractors are in a bind," Fierstein says. "They want to renegotiate their contract but some developers won't let them."

The increase in cedar prices is expected to drive consumers to alternative roofing materials. After hearing about the tariff, "I went out and bought a fork lift to start lifing tiles," says Ed Martinez, owner of Saiz Roofing of San Jose. "The shake roof market is dying."

Martinez thinks the tract home market for shake roofs will completely dry up. "If a guy's building 100 houses and he can save $500 a house, he's going to switch (to another material)," he said.

Price increases may not be limited to just wood roofs. "Composition manufacturers have been trying unsuccessfully (because of a soft market for roofing materials) to raise their prices for two years," —The increases in cedar prices may allow them to finally do so—

I think that this just points out the effect tariffs have on both sides of the border. If a tariff is imposed on softwood lumber exports to the United States, we can expect a severe fall-out in the U.S. as well as in Canada.

In reply to the shake and shingle action taken by the U.S., Canada, we know, retaliated by placing tariffs on various items coming into Canada that are not bound by the General Agreement on Tariffs and Trade. We heard this morning from the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) that it was the previous Government's fault for not making sure that shakes and shingles were bound in GATT negotiations. At least the Hon. Member was charitable enough to admit that it was an oversight by the previous Government.

Our Government is considering other options for the shake and shingle industry, but no action will be taken until our Government has met with representatives of that industry. Obviously such actions would have to have the full agreement and co-operation of the industry.

With respect to the motion before the House today, I think that the concerns of the motion were adequately and thoroughly addressed this morning by the Minister.

This afternoon I would like to put on record some facts about the softwood situation that I feel are worth noting. What has been taking place in the industry, north and south, in the last several years? First, it should be established that the forest industry is extremely important to both countries. Of the 53 billion board feet of softwood produced in North America in 1985, approximately 31 billion board feet were produced in the U.S. That amounted to a revenue of about $8 billion to the U.S. forest industry.

In the late 1970s things were booming in both countries. Lumber prices were high and the value of our respective currencies was not far apart. On the strength of these bullish markets, U.S. producers bid very aggressively for their wood supply. Unheard of prices were paid, much of the money up front, for timber supply. This action was to come back and haunt the U.S. industry in the downturn of the 1980s.

Because I come from British Columbia, let us look particularly at the U.S. Pacific northwest, an area that no doubt was hard hit. As I mentioned, that area was caught with an extremely high cost for timber. Demand in prices fell dramatically. It faced stiff competition from a planted pine forest coming into production in the southern United States. Not only was this southern wood cheaper, but wages paid in these southern mills were considerably less than those paid in the north. Mills in the Pacific northwest were mainly unionized, and high wages play an important role in this entire issue. What resulted from all of the above was the closing of about 100 or 500 mills in the northwest United States. It is interesting to note that a considerable number of mills in that area which closed have now reopened under new management. They are non-union mills. There have been some very tough labour industry disputes in the U.S. northwest since 1982. I maintain, Mr. Speaker, that the cost of labour is one of the factors that makes Pacific northwest wood and lumber products uncompetitive.

Another factor that must be considered in this picture is that B.C. mills, especially those in the interior, are more efficient than most of their U.S. counterparts. In the 1970s, the B.C. industry used existing capital and borrowed heavily to modernize. It modernized to the point that it now has the most efficient dimension mills in the world. All of the very latest technology such as lasers and computers have been incorporated. These mills are really a sight to behold.

It is interesting to me as a Member from British Columbia from a lumber riding that exports probably more lumber than any other constituency in Canada to watch on national television the pictures the media uses of sawmills these days. I am sure most of these pictures are 10 to 20 years out of date. I would urge the media to take pictures of some new and modern mills, because what we see on national television are pictures of mills that are right out of the Dark Ages.

I often visit the mills in my riding. Practically every time I go through a mill, I am shown a new modification. I cannot help but remember that in January I visited Ainsworth Lumber Company at 100 Mile House. I was shown around the plant by the superintendent. He showed me an innovation which had been put into effect a few weeks before. In this area they cut mostly pine logs of various dimensions and lengths. It has always been the custom to run the logs through the mill with the machinery adjusting for the diameter of every log. In the stud mill, where they cut two-by-four-by-eight foot lengths of lumber, they generally cut logs into an eight-foot four-inch length. These are then randomly shoved through the process until they get to the saw. One of the workers thought it might be a good idea to size these logs into bins and then run one size through at a time. In that way the machinery would not have to adapt for the size of each log. That was put into effect and it increased the production of that mill by 25 per cent. These mills are working hard to keep abreast of all modern technology. As I said before, they are the most modern in the world.

• (1640)

That is another problem which the U.S. faces. They have not modernized their mills, as was proven in the shake and shingle situation. One of their problems, besides the fact that they have run out of wood, is that their mills are badly outdated. The lumber offered by Canada, and particularly British Columbia, is usually, if not always, a superior quality product which is highly desired by U.S. contractors.

Another innovation recently added to mills is stress-testing. Each board goes through a stress test and any weak boards are put in a cull pile. All of these things make this lumber very desirable and a product superior to that produced in the U.S. The softwood coming from the southern part of the United States, the loblolly pine, is a very inferior type of lumber for house building. All of these things cause a lot of the problems which the U.S. producers are having. Another issue is the difference in the value of our currencies. This is, of course, an advantage in our favour, but I do not think the Canadian industry should be faulted for the difference in currency.

In my opinion it is unfair that the American industry sees fit to call foul and launch another harassing action against Canada. We know that some mills in the United States have closed down and that jobs have been lost. However, this has happened in Canada as well. Only modern, efficient operations can compete and in a free enterprise system such as the U.S. espouses, it should be looking at the real cause of its problems rather than attempting to curtail competition.

For many months B.C. Conservative Members of Parliament have been carefully monitoring this issue. Many of us were here in 1982 and 1983 when the same action was launched and we went through the agony of that exercise. We were in opposition at that time and we offered our full co-operation to the Government of the day and the industry. We were well briefed at all times by industry and followed their instructions very carefully. As the countervail process is a quasi-judicial one rather than political, we were requested to say little, if anything, publicly, especially in the House of Commons. It was not always easy for us to go home and explain to our constituents why we were not making interventions in the House of Commons and why we were not complaining in a very loud voice. It would be nice to be able to expect the same co-operation from the present-day Opposition.

Last summer members of our caucus met on two occasions in Vancouver with our American political counterparts. We had some very open and frank discussions with these gentlemen. They told us very bluntly of the tough situation they face in their constituencies. They told us of the tough political problems they face in the elections coming up this fall. We told them that we have tough situations in our constituencies as well and that often the unemployment rate in regions of British Columbia is even worse than it was in their constituencies in the United States.

On several occasions further meetings were held with the Americans through the medium of the Canada-U.S. Parliamentary Association and the softwood lumber issue was discussed at great length. In recent weeks we have had a number of briefings with the Minister of State for International Trade (Mr. Kelleher), the Minister of State for Forests (Mr. Merrithew), and the Secretary of State for External Affairs (Mr. Clark). These meetings were on both the shake and shingle issue and softwood. The issues have been well aired in our national caucus and the importance of this issue is well understood by the Prime Minister (Mr. Mulroney), the Cabinet, and all Members. In addition, our B.C. caucus has had several meetings with industry officials and has held private discussions with labour. As late as May 30 our caucus met in Vancouver with Mr. Mike Apsey of the Council of Forest Industries for briefings and strategy planning.

In our judgment the Ministers of our Government in direct charge of these issues have handled and are handling them well. The fact that the first response to the acceptance of the countervail action in the U.S. was the announcement of a meeting of all major players in Vancouver this Friday indicates the priority with which this issue is ranked.

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We, as Members, also have a duty now to do all possible to assist our industry in presenting a strong and unified case to the U.S. Department of Commerce. We also have a duty to explain to our constituents what is taking place and not to cause undue concern and panic by making irresponsible statements and using inaccurate and inflamatory rhetoric in the House of Commons.

I think the Member for Skeena (Mr. Fulton) raised a good point when he asked to have a government study undertaken to try to ascertain what damage would be done if and when a tariff is exacted on our lumber exports. We heard some very incorrect and inflamatory statements in the House of Commons no later than in Question Period today when the Member for London West (Mr. Hockin) stated that we will lose 100,000 jobs in Canada. A study done recently by Peter Pearse, a well respected professor of forestry at U.B.C., indicates that there would be much less damage than that done. I do not want to leave the impression that this is not an extremely important issue and that we are not going to lose a good many jobs, but I would ask Hon. Members not to use figures which they pluck out of the air, because that can have a very serious effect on people in the industry and people whose jobs depend on the industry.

As Chairman of the B.C. Conservative caucus I am convinced that the Govenment is handling the issue well. I have been at daily briefing sessions with the Secretary of State for External Affairs, and I would like to compliment the right hon. gentleman for the grasp he has of this issue and the confidence which he is giving to me, my caucus and the rest of the country.

The Acting Speaker (Mr. Paproski): Are there any questions or comments? There being no questions or comments, I will recognize the Hon. Member for Kenora—Rainy River (Mr. Parry).

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I am glad to be able to rise in the House today to address this Opposition Day motion on the question of the cedar shake and shingle industry, the softwood lumber industry, and the action that the Government has or has not taken in the face of the evident threat to Canadian jobs and Canadian industry which is posed by the current trade situation. Already years ago this was flagged as a matter of concern for Canadians and a matter on which the Government should be taking action.

Before I review the record of the action which the Government has and has not taken, I would like to say that the motion as tabled is straightforward and easily debatable. However, it is also somewhat deficient in that it does not really attempt to give the Government much guidance or to press a course of action on the Government which we could really dignify with the description of a substantive course of action. After all, the measures that are mentioned in the motion tend to be on the level of apple pie. They are predictable things that any Government in this country, regardless of its ideological composition, could and should, indeed, be doing. Later in my speech I will get into how we in the New Democratic Party would like to see this motion toughened up and how we would like to see the motion amended to provide some real instruction to the Government rather than the somewhat loose and limp direction which the motion in its present form gives.

• (1650)

Let none of us doubt that we are at a serious point in Canada's economic history. We are at a point when one of our major export industries, indeed, in many ways our major export industry, built up over a period of time through favourable economic and favourable demand circumstances from our southern neighbour, is now at a crossroads at which this industry could be drastically cut back.

I think I would take very well the caution of the Hon. Member for Cariboo—Chilcotin (Mr. Greenaway) and note that he applied it as much to his own colleagues in the Progressive Conservative Party as to anybody else in this House when he talked of not overemphasizing the number of jobs that would be lost.

Well, the figure of 100,000 that his colleague from London West used may, indeed, be overemphasized when we talk in terms of direct job loss within this industry.

The Acting Speaker (Mr. Paproski): The Hon. Member for Cariboo—Chilcotin (Mr. Greenaway) rises on a point of order.

Mr. Greenaway: I meant the Member for Windsor West (Mr. Gray). I made a mistake and I would like it to go on the record that it was the Member for Windsor West that made that statement, not London West.

Mr. Parry: Mr. Speaker, indeed, I myself did not hear the Member for London West (Mr. Hockin) make any such statement. I was proceeding on the authority of the Hon. Member. I am very glad we have the record corrected.

In terms of direct job loss, I would not doubt that the direct job loss in the forest industry from the presumed countervail action by the United States would be less than 100,000. I would caution the Hon. Member, and I would certainly caution our economic planners, that when we take into account the indirect job losses, and when we take into account the multiplier effect of any job lost through the economy, I have to say that it may indeed be possible that many Canadians will lose their jobs. If that does come to pass, it is going to be a tragedy. It will be a tragedy, I think, as the Hon. Member for Kamloops-Shuswap (Mr. Riis) said last month when we were debating the rescission of existing countervail duties. It is going to be a tragedy that will be felt in pockets across this country where the impact will be very hard. Indeed, the impact will be brutal.

He characterized it as an issue which will affect the hinterland more than the heartland. I think that was accurate, because we have already seen the impact that has been coming in British Columbia as a result of the Draconian level of duty that was imposed as a countervail on shakes and shingles.

If that level of duty were imposed on softwood lumber, we would see a decimation of the far larger softwood lumber industry that would render the decimation that has already started within the shake and shingle industry small by comparison. Our news services, our economic analysts, the people themselves in interviews have told us how dramatic and adverse that effect is going to be on them and on their communities.

The lumber industry employs people right across Canada, not so much in the prairie provinces, but in Atlantic Canada, in Quebec and Ontario and, predominantly in percentage terms, in British Columbia. The lumber industry is one of Canada's leading industries and one of our major industrial players. When we speak of a decimation of employment in this industry, what we are talking bout is not 1 per cent or 2 per cent of Canadians losing their jobs in major centres. What we are talking about is 10 per cent or 20 per cent or 30 per cent or 50 per cent or 70 per cent of those employed in smaller centres losing their jobs. That is the fear which I have, and I think it is a fear that this Government has to address. It is a reality that this Government must address in assessing a measure that can be taken against the American action; that is the petition before the ITC.

Well, many commentators, many Members of this House, many economic analysts and many representatives of both unions and management in the softwood lumber industry have warned this Government of the dramatic adverse effects that a countervail tariff could have. The calculation depending on the price of lumber, is that the countervail tariff would run in the order of 27 per cent to 31 per cent. That is going to mean that, because of the characteristic mark-ups and add-ons and the need to recover overhead, we will see retail prices in the United States, building yard prices and contract prices to the larger builders increase by similar amounts. That is going to have some pretty severe effects through the United States economy, but they will be nothing compared to the effects on the producer economy in our own country, Canada.

I see from my correspondence file that I also wrote to the Prime Minister (Mr. Mulroney) on this matter on November 23, 1985, and, as yet, have had only an acknowledgement, but I do not make any great instance of that. It seems, after all, to be something that is fairly commonplace.

I am particularly concerned for communities in my own riding, the community of Kenora where there is a stud mill, the community of Dryden where there is also a stud mill producing dimensional lumber and, most particularly, the community of Hudson where there is a mill run by a relatively small regional producer which, in fact, supplies most of the jobs in that community.

These are the areas and the parts of Canada that are far from the public view and far from the press in Ottawa, Toronto, Montreal or Vancouver. They are far from the economic analysts in their glass and concrete towers, and far from us in this Parliament. These are the areas with which the Government's economic policy must concern itself. These are the people who must be reassured that their Government is not merely sitting back and taking a let-it-happen or wait-and-see sort of policy. These are the people that the Government will have to, in some way, recompense for the loss of their jobs when or if those job losses occur.

In referring to this motion I would like to bring out a couple of facts that have come to us through studies on the whole question of softwood trade across the border. One is that the United States of America is, after all, looking towards Canada to make up its shortfall in supply. If the United States of America prices Canadian lumber out of the U.S. market, this will lead to very substantial increases in the cost of home building, in the cost of home improvements, in the cost of all sorts of construction which utilizes Canadian lumber, which is recognized, preferred and demanded as a premium product in that market.

This Government should be taking the case to the natural allies of Canada's softwood lumber industry in the United States; the builders, the home buyers, those who are involved in lending, those who are involved in non-residential construction, those who are involved in the retailing and the distribution of this premium product that Canadian softwood lumber exports represent. Those are the people who have substantial influence on American public opinion, which our Government, given the best will in the world, and given a far more competent public relations approach than they have currently demonstrated, could not have. One study has pointed out that the virtual absence of trade barriers has made the North American market for softwood lumber virtually a single market. We should be considering what can be done so that there are cross-border flows in the opposite direction and American lumber can be sold in some parts of Canada, whereas at most points across the border the flow is in the opposite direction.

• (1700)

It has also been pointed out that the arguments that have been used against the Canadian softwood lumber industry in previous hearings of the United States International Trade Commission are largely spurious when examined and fall apart in the light of analysis. Our attention is very legitimately focused on British Columbia since that province has the largest proportion of participation in the softwood lumber industry. However, I think it is worth noting that the share of the U.S. market held by eastern Canadian lumber has doubled since 1976, while the share of the American market held by British Columbia producers has not grown since 1978.

In a study prepared for the Department of External Affairs last year, it was stated that technological improvements enabled smaller logs to be milled economically and competitively, which contributed to the increase in Canadian production, especially from eastern Canada which generally has smaller logs. The usefulness of computer and laser based sizing systems and cutting prescription systems was greater there than it was in the British Columbia industry.

The core of the argument suggested by the American producers in 1983 concerned stumpage fees. We should be promoting a very good and supportable hypothesis in the United States that that argument on stumpage fees is fallacious. After all, the International Trade Commission itself found that the auction of timber rights in the United States encouraged speculation, just as the auction of oil exploration rights has encouraged speculation. That resulted in American stumpage prices being two to six times greater than Canadian prices. Of course, this was partly a function of the fact that 72 per cent of all timber land in the United States is privately owned and the cutting rights are sold by auction, unless the owner uses them himself, herself or itself in the case of a corporation. In contrast, virtually all timber land in Canada is under Government ownership and control and cutting is done on a licence system rather than an auction system. While our system has perhaps resulted in there not being enough revenues to undertake proper reforestation and proper forest management procedures, it can hardly be said that by having a stumpage system that relates the final price of the timber more closely to the price paid to the land owner than does the American system, Canada has in some way taken a discriminatory, predatory or unfair action against U.S. producers.

The fact is that the timber auction system in the United States has largely priced American producers out of their own market. Therefore, they should look to their own traditions, laws and economic system if they are to correct what they see as an unreasonable degree of penetration in the Canadian market. Furthermore, as a sovereign country, we must reserve the right to set our own stumpage system and our own timber cut licence system in the best interest of our forests, our jobs and our Canadian workers. We are not talking about subsidies, we are talking about definite fees that are paid to the Government for the use and the harvesting of the timber.

We note with some suspicion the deletion of certain sections from the study that was carried out by Arnold and Porter on the United States trade remedy law. Did those sections in fact indicate that the American Senate and Congress would impose pre-conditions for the approval of the talks? We believe they may well have done so and we think that the interview that was published in today's Ottawa *Citizen* with Mr. Len Santos, a senior U.S. Senate trade adviser, indicates clearly that we are not talking about a judicial process, as the Government would have us believe. It is not a quasi-judicial process as the mandate of the International Trade Commission would indicate. It is a combination of a quasi-judicial and a political process and, indeed, we as Canadians would claim that our rights were being violated if we were not allowed to apply a similar system in this country.

I believe that the motion which I originally criticized for lack of content needs amending. Therefore, I move, seconded by the Hon. Member for Prince Alberta (Mr. Hovdebo):

That the motion be amended by deleting the period at the end of the statement and adding

"(5) and ensure the free-trade negotiations not proceed until such time as the mandate of such talks focuses on a sector-by-sector approach with Canadian safeguards, and the countervail procedures against each country by the other be suspended until such talks are concluded."

Let me give a couple of examples of our need for a bilateral trade commission. We have had continuing permanent bilateral arrangements with the United States for the better part of a century.

The Acting Speaker (Mr. Paproski): Order. I want to reserve on the motion but I will give the Hon. Member the minute that he has remaining in his debate.

Mr. Parry: Mr. Speaker, the International Joint Commission, the International Boundary Commission and the International Boundary Water Commission are examples of the permanent institutions that we have had jointly with the United States. While these bodies regulate matters which surely are of great significance to Canadians, they are of less importance than the trade upon which so many Canadian jobs depend.

The European Economic Community is a glorified trade commission, whose trade regulation and trade management is a very significant and important part of its mandate. Our Party believes that this is one concrete initiative that the Government could take. If the Government looked at historical precedent, it would see that this initiative would be entirely in order in erecting the institution as a first step in trade talks. It would be a necessary precursor of those trade talks, rather than an afterthought when we find that after two years of intensive negotiations most of our industries have been left in a position where they can be entirely cannibalized by competition from across the border.

We also urge the Government to take this sectoral approach. Our Party believes that we cannot effectively protect Canadian jobs and industries by a headlong rush into an across-the-board free trade agreement with the United States that would not allow the sectors which presently have some protection to benefit from the sort of management arrangements that have characterized the Auto Pact which we commend to the Government's attention.

● (1710)

Miss Aideen Nicholson (Trinity): Mr. Speaker, the motion before us expresses care and concern for workers in the cedar shakes and shingles industry and goes on to recommend four specific ways in which the Government should take action. Of those four proposals, I want to address my remarks to the fourth which concerns itself with Canada's initiating action under the rules of GATT, the General Agreement of Tariffs and Trades. Since this particular issue concerning the cedar shakes and shingles industry, which is upon us now, grows out of the Government's attempts to bring a free trade agreement to Canada, I want to go back and look at that in a broader way.

Last fall the Government announced it was considering initiating discussions on free trade, later becoming freer trade, liberalized trade, and the language was changed in various ways; the Special Joint Committee of the Senate and the House of Commons on Canada's International Relations made a full examination of the issue at that time. I would like to quote from page 38 of the committee report as follows:

The Committee recommends that there be immediate bilateral trade discussions with the United States.

The discussions should centre initially on resolving current trade irritants, especially prevention of the imposition of additional non-tariff barriers to trade between the two countries. Issues such as the definition of the net effect of subsidies provided by both sides and the identification of the appropriate jurisdictional authority for implementing changes in non-tariff barriers should be dealt with explicitly. These discussions should be used to explore the potential for additional trade liberaiization between the two countries and for securing and strengthening access to each other's markets. Issues such as trade in services, Government procurement, and reducing remaining tariff barriers should be dealt with explicitly.

That is a very clear prescription which was arrived at by a joint committee of the Senate and House of Commons with, I understand, all-Party agreement. It is a very clear prescription for discussion on current trade irritants, especially to prevent imposition of additional non-tariff barriers and identifying better ways to deal with disputes; then following those discussions, to explore the potential for additional trade liberalization.

The Government chose to proceed in another way. Trade irritants, so called, have been a real problem for Canada from time to time over the years, leading Canadian companies to spend enormous amounts in legal fees, and also leading to a number of serious attacks on the integrity and the independence of the nation, for example, our unemployment insurance scheme has been described as a trade subsidy and we have had to go to the international courts to defend it. More recently, so called stumpage costs, the fees charged by the Province of British Columbia for cutting lumber, have been regarded by the Americans as a subsidy because, in the American view, those fees should be higher.

This is somewhat unwarranted interference in the matters of another country. This is the kind of trade irritant that the committee suggested should be dealt with first. However, the Government in its wisdom decided to take the other route. It decided it would go in search of an all-encompassing trade agreement and it would give away all the bargaining chips before it started. Since our American neighbours and friends did not particularly like FIRA, the Foreign Investment Review Act or the National Energy Program, those programs were immediately removed. When the Americans decided to send a tanker through our territorial waters, it was taken very calmly. The theory was: "Be nice to the President of the U.S. and sing songs with him, give him everything he wants and we will be able to get what we want". That was a disastrous policy from the beginning.

All our bargaining chips were given away before we started. As an example of how ineffectual that policy was, last fall we saw a change in our exchange rates about which Canada was not even consulted. I think that was either at the end of September or at the beginning of October, more likely at the end of September. In New York, the United States Secretary of the Treasury invited the Minister of Finance for France, the Chancellor of the Exchequer of Great Britain, the Minister for Finance for Japan and the Minister of Finance for West Germany to join the United States in a discussion with respect to the devaluation of the American dollar.

Canada is the nation most vulnerable to the movement of American currency. In fact, the exchange rate for us is more important than the tariff because 80 per cent of our goods already move in free to the United States and 15 per cent move in at 5 per cent or less. So the movement of the exchange rates is a more important factor as well, of course, as the various non-tariff barriers. We have a larger trading relationship with the United States than does Japan, about three times as large, yet we were not consulted or invited, nor were we even informed about that meeting. That is the nature of the special relationship with the President of the United States on which the Government has placed so much faith.

For some reason some Hon. Members who have taken part in this debate have said they do not quite know where our Party stands. That was spelled out very clearly in a release on January 19 of this year following a special caucus on trade. The press release was issued, and if anyone wishes another copy, I would be very happy to have one sent. Essentially, we stated that our position had never changed. We are not anti-American. We are pro-Canadian. We consider that the whole free trade debate needs to be broadened. Canada's status as a middle power country with good international relations seems to us to be a building block which we should develop further. We thought that to discuss trade issues almost exclusively in terms of two-way U.S.-Canada trade was ill advised. There are other options. We thought it was certainly useful to have two-way discussions or bilateral discussions with the United States but that this should always be in a multilateral context.

• (1720)

Section 21 of the GATT does not ban bilateral agreements. However, it certainly cannot be considered to be encouraging of them, or of regional blocks. In fact, quite recently there was a warning statement about bilateral agreements issued by one of the ambassadors to the GATT who regards bilateral agreements as possibly risking the integrity of the multilateral agreements.

We are living in very protectionist times. It is particularly important to protect and defend our international agreements. The view of the Official Opposition is that we require a global and not a continentalist trading policy. We need an internationalist trading policy. That would meet the concern that international problems, including the international debt situation, lead to trading problems.

We think that Canada can continue to exercise leadership in world trade. As I said earlier, the special committee of the Senate and the House of Commons took a rather internationalist position and recommended that bilateral negotiations be done in that context. In the case of the Macdonald Royal Commission, the bilateral arrangement with the United States was also contemplated in a wider multilateral context. The position on the world stage fostered by Mr. St. Laurent, Mr. Pearson and Mr. Trudeau, in our view, is the position with which Canada should continue.

However, any changes that do come about in trade policy need to be very carefully considered from the point of view of the impact on workers in Canada. As the Government rushed ahead with its very open policy—open for the United States but not for Canadians—bargaining chips were given away before we began. All the impact studies were issued in a very censored variety. We were told that if Canadians had access to all the impact studies concerning the possible effect of changes in our arrangements with the United States on employment and so on, this would facilitate the Americans' bargaining position. I find that hard to accept. Surely the Americans are sophisticated enough to have done their own impact studies; they are not sitting waiting for ours. But Canadians would like to know what to expect. Canadians would like to have had some warning of the disastrous results we are now seeing in the shingles and shakes industry.

If there are to be changes in our trade policy, we will have to talk about education, training and retraining. There will have to be moneys for labour adjustment. The Government has not spoken of any of this. We ourselves in Canada have many substantial interprovincial barriers to trade that block the movement of goods and services. We have not begun to deal with those. How can we go into a free trade agreement with the United States when we do not have a free trade agreement in our own country?

In any case, trade, important though it is, is not the full answer to increasing prosperity for Canada, nor is a trade agreement the full answer to enhancing trade. We should be doing more research and development. We have to modernize our plants and improve our marketing. We have to do these things because we have to be competitive in order to benefit from any trade agreement, whether it be with the United States or with some other country.

As the Government is talking about a free trade agreement with the United States, we are also seeing the moneys that go to the provinces for post-secondary education and medical care being capped. In the next six years something in the order of $4 billion less than anticipated will be going to the provinces for post-secondary education and medical care. That does not seem very logical.

The sad fact is that the Americans have bargained their way around this Government to date and have run circles around it. We gave away the store before the talks began. The Government did not take Canadians into its confidence. There should have been a full, frank public debate within Canada on this major economic initiative before negotiations even started. The Government did not mention anything about free trade in the last election campaign; but three years ago the present Prime Minister (Mr. Mulroney) was opposed to free trade arrangements. Before we got as far as we did the Government should have had full consultations with the people of Canada. There should have been a full debate in Parliament. There should have been full consultations with our provincial Governments and extensive public hearings with leaders of industry, commerce, labour and academia.

Has the Government considered any free trade agreement discussions that it is going to have? What is going to happen to our medicare, our unemployment insurance and our regional development programs? We have already had our regional development programs and our unemployment insurance cited as non-tariff barriers or hidden subsidies. How is the Government proposing to avoid this happening again? These are all questions that have not been answered.

Essentially, we on this side of the House are all for improving our relations with our trading partner and neighbour, the United States. We are all for finding some sensible solution to the trading disputes that seem to come up very often. However, we think that our negotiations with the United States should be carried on in an international context, in the context, as the motion before us states, of the General Agreement on Tariffs and Trade. Any multilateral or global trading policy that we would develop must, of course, have a very important U.S. component. But there are other countries too. Pacific Rim trade is important to us, as is European and Commonwealth trade.

We have always played a role on the international stage. We have balanced our close, friendly relationship with the United States on the one hand with a strong support for multilateral and international institutions such as the United Nations, the International Monetary Fund and the General Agreement on Tariffs and Trade on the other.

I mentioned earlier that Ambassador Dunkel, the Director General of the General Agreement on Tariffs and Trade, has issued a warning about bilateralism. I have now found the quotation. Ambassador Dunkel said:

> The tendency towards bi-lateralism—in Trade policy is the greatest danger, both politically and economically, to order and prosperity in the world economy.

● (1730)

We agree with that viewpoint. We in the Official Opposition believe that we must reinforce the multilateral or world economic system so as to expand Canada's international trade.

The Acting Speaker (Mr. Paproski): Order, please. I must rule on the amendment proposed by the Hon. Member for Kenora—Rainy River (Mr. Parry). I must say that the amendment raises a new question. It puts forth a proposition dealing with a matter which is foreign. Nowhere does the main motion have anything to do with free trade. It talks about softwood lumber. Therefore, I must rule against the amendment.

[*Translation*]

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, I too would like to comment briefly on the motion before the House today, particularly on the first point concerning the Employment Support Act.

Mr. Speaker, what strikes me in the recommendations before us today is their illogical thrust. The recommendations are divided into four points, and point one contradicts point two. The first point recommends invoking the Employment Support Act while the second point urges doing our utmost to make our case before the United States International Trade Commission.

If we refer specifically to the softwood lumber industry, I suggest that we cannot implement these two recommendations.

Since I am still a relatively new Member of the House, Mr. Speaker, I had to do some research over the weekend to find out what the Employmenmt Support Act is all about. This legislation was assented to in 1971 and its purpose is to support levels of employment in Canada by attenuating the negative impact on Canadian industries of import surtaxes levied by foreign countries or of other action having a like effect.

Mr. Speaker, not only had this legislation been assented to or approved in 1971, but so had the regulations which pertained to the establishment of an employment support program and which had been the subject of an order in council. According to the document I was able to find, the seven members responsible for administering the Act had also been appointed by the Governor in Council.

In a report which dates back to 1972 and which I would like to refer to for the enlightenment of my colleagues, here is what it says about the provisions of the Act:

[*English*]

The levels of employment in the Canadian industry are supported by cash grants available under the Act. Any Canadian manufacturer who establishes that the work force at his plant is, or is likely to be, significantly reduced during a specified period by reason of the application of foreign import surtaxes, or other actions of like effect, could apply for a grant. The grants were authorized and administered by a seven-member Employment Support Board, of which three members, including the Chairman, were from outside the Public Service.

The criteria of eligibility for the Employment Support grants, as embodied in the Act and Regulations, required that:

1) employment at the plant of the applicant be significantly reduced, or likely to be reduced, as a result of a surtax,

2) not less than 20 per cent of the total value of all goods produced at the plant in 1970 was exported to the country imposing the surtax and would have been subject to the surtax, had that surtax been in force in 1970.

Notwithstanding the above, and where a manufacturer who applied under this Act was unable to comply with any Regulations, the Board could recommend to the Governor-in-Council that a grant be authorized for the manufacturer where, in the opinion of the Board, such a grant would be consistent with the purposes of the Act.

The grants were authorized for individual plants of a manufacturer for assistance periods, not exceeding 90 days, during which the applicable surtax remains in efect. The grants were conditional upon the manufacturer maintaining a prescribed level of employment at the plant during the assistance period.

The amount of any grant authorized by the Board was limited by the Regulations to a maximum of two-thirds of the amount of surtax which would have been payable by the applicant in 1970, had the surtax been in full force and effect, prorated for the number of days in the assistance period. In no case, however, could the amount of a grant be greater than that deemed adequate by the Board to maintain employment at the applicant's plant at a satisfactory level.

Where, in the Board's opinion, circumstances so warrant, the Board could recommend to the Governor-in-Council that a grant greater than two-thirds of the relevant surtax, but no higher than the aggregate amount of the applicable 1970 surtax, be authorized.

The grants were payable after completion of the assistance period, and were treated as current income for the purposes of the Income Tax Act.

[*Translation*]

Mr. Speaker, what I was unable to find are specific cases where this legislation was used, and if we look at the Employment Support Act, it clearly refers to subsidizing Canadian manufacturers whose products become subject to a surtax imposed by a foreign country.

In the case of the softwood industry, I think such measures are entirely premature, since the International Trade Commission has now decided to hear the case, and we will have a chance to defend ourselves. The U.S. softwood lumber industry insists that the Canadian product is subsidized by the Government and as a result should be subject to an import surtax. There is none for the time being. The Commission will have to decide whether or not there is a case for an import surtax.

Since this case is going to be heard before the Commission, if we were to apply the Employment Support Act now, it would be a clear admission to the Commission that the Government is prepared to subsidize the industry, and would more damaging than for us to go and defend our case. The entire Canadian softwood lumber industry is now being threatened because of this review by the International Trade Commission. The U.S. industry's case is based on the argument that stumpage fees in Canada constitute an unfair subsidy. It is our duty to convince them they are wrong, and we will not be able to do so if we put into effect another provision that is clearly a subsidy and would thus make our case impossible to defend.

Mr. Speaker, the Employment Support Act was drafted at the beginning of the Seventies, when because of circumstances prevailing at the time, the Government wanted to provide short-term assistance to plants that were threatened by unemployment as a result of the imposition of a surtax. Section 2 of the Act makes it clear that the assistance is for a specified period. Under the regulations, the maximum payment period may not exceed 90 days. The measures already taken and now being scrutinized by the United States are not sporadic in nature. Furthermore, the U.S. surtax problem affects the buyer and not the manufacturer. Because of the surtax, Canadian products would become too expensive for the American buyer. The Employment Support Act could do no more than help accumulate staggering inventories that would become impossible to sell.

Mr. Speaker, if we were to use measures like the Employment Support Act, we might, in the case of the softwood industry, jeopardize the case now before the International Trade Commission. I think that it would not be at the advantage of Canadians or the employees of this industry. As for the second part of the motion which asks the Government to assist "in every way the softwood lumber industry in making the Canadian case before the United States International Trade Commission", that goes without saying. I cannot believe that the Government would act otherwise. We shall do everything possible to present a solid case to the International Trade Commission.

Supply

I believe that there is a change of attitude reflected in what was said this morning by the Hon. Minister for International Trade (Mr. Kelleher), who announced that he would meet Friday with the main parties involved, namely the industry and the provincial Government, to try to identify the best alternatives. This Government has no intention of imposing its own views on anyone. There are industries and provincial Governments involved. We have to examine the best solutions to this problem. Naturally, we have had to make some changes.

If we look at the various issues which have been the subject of sporadic controversy, it becomes obvious that it was more than time for the Canadian Government to take a comprehensive look at the framework of our trade negotiations in recent years. Our current problems have existed for a long time. Canadians are now very much sensitized to the problems associated with our trade relations with the United States. They want to hear about them. This is part of what the Government can do to help them.

Since last year, there have been some changes within the Canadian Government. I have heard people speak about the foreign investment act, the National Energy Program and all the programs implemented by the former Government which exacerbated the problem. We all know, Mr. Speaker, that we have known difficult times. We are now coming out of them. However, when, during a difficult period for trade, we add to the problem with legislation which unilaterally makes Canada hostile to trade, we find ourselves with problems such as the one we are now having.

We have a second problem which will have to be resolved by the International Trade Commission. Afterwards, we shall be able to decide what action to take to help the industry. In this specific case, it is important for the Canadian Government to provide immediately some practical assistance to the industry and the province most affected to guarantee their defence before the International Trade Commission.

• (1740)

[*English*]

The Acting Speaker (Mr. Paproski): It being 5.45 o'clock p.m., it is my duty to interrupt these proceedings and put every question necessary to dispose of the supply proceedings now before the House in accordance with the provisions of Standing Order 82(9). The question is the following one. Mr. Axworthy, seconded by Mr. Gauthier, moved:

That this House condemns the lack of care and concern for workers in the cedar shakes and shingles industry and in the softwood lumber industry shown by the Prime Minister in his letter to President Reagan, in which he clearly put his personal interests ahead of those of working Canadians and calls upon the Government to take immediate action (1) to assist the workers in the lumber industry and in the shakes and shingles industry by invoking the *Employment Support Act*; (2) by assisting in every way the softwood lumber industry in making the Canadian case before the United States International Trade Commission; (3) to ensure that proper time is given to make this case by, if necessary, obtaining extensions to the hearing time; (4) and by initiating proper and effective action under the rules of GATT to ensure that this matter is satisfactorily considered by the international trading system.

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

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Call in the Members.

• (1800)

And the division bells having rung:

Mr. Speaker: Order, please. I am sorry, the Hon. Member is too late. Hon. Members who have just walked in are too late. Let me make that clear.

The House divided on the motion which was negatived on the following division:

(*Division No. 271*)

YEAS

Members

Althouse
Angus
Axworthy
Blackburn (Brant)
Blaikie
Broadbent
Caccia
Cassidy
Copps
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Finestone
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Henderson
Hovdebo
Jewett
Keeper
Langdon
MacLellan
Manly
Mitchell
Murphy
Nicholson (Trinity)
Orlikow
Ouellet
Parry
Pépin
Riis
Robichaud
Rompkey
Waddell
Young—39.

NAYS

Members

Andre
Beatty
Belsher
Bertrand
Blackburn (Jonquière)
Blenkarn
Bourgault
Bradley
Brightwell
Caldwell
Clark (Yellowhead)
Clark (Brandon-Souris)
Clifford
Clinch
Coates
Corbett
Côté (Lac-Saint-Jean)
Crofton
Crosbie (St. John's West)
Crouse
Darling
de Cotret
Desjardins
Dick
Domm
Dorin
Duguay
Edwards
Epp (Provencher)
Fennell
Fontaine
Forrestall
Fraleigh

Members

Gagnon
Gass
Gervais
Gormley
Graham
Gray
(Bonaventure-Îles-de-la-Madeleine)
Greenaway
Gurbin
Gustafson
Halliday
Hawkes
Hicks
Hnatyshyn
Hockin
Horner
James
Jelinek
Johnson
(Bonavista-Trinity-Conception)
Kelleher
Kempling
Kilgour
La Salle
Layton
Lewis
MacDougall
(Timiskaming)
MacKay
Marin
Martin
McCain
McCrossan
McDermid
McInnes
McKinnon
McKnight
Minaker
Mitges
Nickerson
Nielsen
Nowlan
Price
Ravis
Redway
Reid
Sparrow
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Turner
(Ottawa-Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current-Maple Creek)
Wilson
(Etobicoke Centre)
Wise
Witer—91.

Mr. Speaker: I declare the motion lost.

Mr. St. Germain: Mr. Speaker, I would just like to clarify that I did not abstain from voting. Due to the age of the green buses, I was just a couple of seconds late. I just want to put that on the record. I would have voted with the Government.

[*Translation*]

Mr. Speaker: The Hon. Member for Blainville—Deux Montagnes (Mrs. Landry) on the same point of order.

Mrs. Landry: I find myself in the same situation as the Hon. Member, and I would like to point out that I did not abstain from the vote, but was held up by the same green minibus.

[*English*]

Mr. Speaker: All day the vote has been called for six o'clock. It must have been a slow bus.

Some Hon. Members: Hear, hear!

Mr. Speaker: It being 6.09 o'clock p.m., this House stands adjourned until tomorrow at 11 o'clock a.m. pursuant to Standing Order 3(1).

The House adjourned at 6.09 p.m.

HOUSE OF COMMONS

Tuesday, June 10, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, pursuant to Standing Order 106(8) I have the honour to table in both official languages the Government responses to three petitions, Nos. 331-484, 331-485 and 331-491.

* * *

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1977

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, as Chairman of the Legislative Committee I have the honour to present the report of the Legislative Committee on Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, reported without amendment.

* * *

PETITIONS

USE OF PENSION INCOME IN CALCULATION OF UI BENEFITS

Mr. Nelson A. Riis (Kamloops—Shuswap): It is my pleasure to present a petition on behalf of a number of residents of Kamloops—Shuswap who are still concerned about the Minister of Employment and Immigration's announcement last December that they will have their pension benefits deducted from their unemployment insurance benefits, thus effectively eliminating the benefit to the worker of the pension package. They are calling upon the Government to ensure that all retired employees keep their pension benefits and receive their unemployment insurance benefits without the deduction of pension income.

OPPOSITION TO LIBERALIZATION OF AVAILABILITY AND DISTRIBUTION OF PORNOGRAPHIC MATERIAL

Mr. John Oostrom (Willowdale): Mr. Speaker, I have the honour to present a petition, duly certified, signed by many residents of Willowdale who are voicing their opposition against any liberalization of availability and distribution in Canada of any pornographic material as envisioned by the report of the special committee on pornography and prostitution.

MORGENTALER CLINIC IN TORONTO—ADMINISTRATION OF SECTION 251 OF CRIMINAL CODE

Mr. John Oostrom (Willowdale): Mr. Speaker, I have the honour to present a petition, duly certified, signed by many residents of Willowdale who want Section 251 of the Criminal Code to be enforced thereby preventing the Morgentaler Clinic in Toronto from performing any more unlawful abortions.

YOUNG OFFENDERS ACT—REQUEST FOR AMENDMENT

Mr. Joe Reid (St. Catharines): Mr. Speaker, I have the honour and the privilege to present a petition signed by almost 3,000 persons from the City of St. Catharines and its surrounding district requesting Parliament to amend the Young Offenders Act. The amendments would include those of exposing the identity of the offender to the victims of violent and sexual crimes. All of these amendments are designed to protect the victims of assault and the public at large.

* * *

CRIMINAL CODE AND CANADA EVIDENCE ACT

MEASURE TO AMEND

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-113, an Act to amend the Criminal Code and the Canada Evidence Act.

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

Motions

CRIMINAL CODE AND CUSTOMS TARIFF

MEASURE TO AMEND

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-114, an Act to amend the Criminal Code and the Customs Tariff.

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

WAYS AND MEANS

TABLING OF NOTICE OF MOTION

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, pursuant to the provisions of Standing Order 84(2), I would ask that you designate an Order of the Day for consideration of Ways and Means Motion No. 45 to amend the Customs Tariff laid upon the table on Monday, June 2, 1986.

* * *

[*Translation*]

QUESTION ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the following question will be answered today: No. 463.

[*Text*]

CANADA POST CORPORATION—PRIORITY CONSTRUCTION LIST

Question No 463—**Mr. Corbett:**

1. Is the Town of Quispamsis located on the priority construction list of the Canada Post Corporation and, if so (*a*) where is it on the list (*b*) when will construction of the Quispamsis facility begin?

2. What other communities have a higher priority and, in each case, what is the population expected to be served by the ancitipated facilities?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): The Canada Post Corporation informs me as follows:

1. The current facilities construction plan contains a project for Rothesay-Quispamsis, N.B. The Rothesay-Quispamsis project is presently scheduled to start in 1987-88 with completion in 1988-89.

The facilities plan is continually being updated and is formally reviewed on an annual basis as part of the long range planning process. It is now under review as part of the aforementioned process, which may result in a change to the schedule.

2. Communities on the facilities construction plan with a higher priority are:

	Population
Yellowknife, N.W.T.	9,000
Gander, Nfld.	10,400
Dawson Creek, B.C.	11,400
Barrie, Ont.	38,500
Yorkton, Sask.	15,350
Grand Prairie, Alta.	24,275

[*Translation*]

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

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

Some Hon. Members: Agreed.

• (1110)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—CONCURRENCE IN THE MAIN ESTIMATES FOR THE FISCAL YEAR ENDING MARCH 31, 1987

Mr. Speaker: Before putting the motion in the name of the Hon. President of the Treasury Board (Mr. de Cotret), since today is the final allotted day, the House will go through the usual procedures to consider and dispose of the said Supply Bill. In view of recent practices, do Hon. Members agree that the Supply Bill be distributed now?

Some Hon. Members: Agreed.

[*Translation*]

Hon. Robert de Cotret (President of the Treasury Board) moved:

That the Main Estimates for the fiscal year ending March 31, 1987, laid upon the Table, Thursday, February 27, 1986, less the amounts voted in Interim Supply, be concurred in.

Mr. Speaker: Is it the pleasure of the House to adopt this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. de Cotret: Mr. Speaker, I welcome this opportunity to speak today in the debate on the Main Estimates for the year 1986-87. Hon. Members will recall that on February 27, 1986, I tabled the Main Estimates for the current year which amount to $107 billion. On that occasion, I advised the House that the Minister of Finance (Mr. Wilson) had announced the

day before, in his Budget, that there would be an additional expenditure cutback of $500 million which was not included in the Estimates. For several months Treasury Board has been working diligently with the various departments in order to identify the parameters of this cutback. Although a number of areas have yet to be examined and a number of details must still be worked out, much of the work has been completed, and I can assure Hon. Members that details of this cutback will be available very shorty.

With the $500 million expenditure cutback, the growth rate of our projected expenditures decreases to 3.9 per cent, the lowest rate recorded in 24 years.

Roughly two thirds of the total Main Estimates represents statutory spending, in other words, expenditures made in accordance with existing legislation. The remaining third, $37.5 billion, represents expenditures which Parliament is being asked to vote or authorize. The clearest indication, in the short term, of the Government's firm resolve to reduce spending is the control it exercises over non-statutory expenditures. That is why I was pleased to announce, when tabling the Main Estimates last February, that the rate of growth of these expenditures was virtually zero. Mr. Speaker, if we exclude increases arising from our commitments in the areas of national defence and external aid, our operational costs will decline by 4.2 per cent.

Until quite recently, statutory and non-statutory spending in particular had been increasing quite rapidly. From 1974-75 to 1984-85, the Government's total expenditures increased by an average of 13.4 per cent annually, well above the average inflation rate of 8.8 per cent. As a proportion of the gross national product, federal expenditures have increased from about 15 per cent in 1965 to over 20 per cent in 1975 and to nearly 26 per cent in 1984. In 1984-85, servicing the national debt absorbed 32 per cent of federal revenues and represented 21 per cent of total public spending. This was the situation confronting the Government the day after the election: a deteriorating financial situation despite an apparently improving economy.

[*English*]

To achieve sustainable growth and regain control over expenditures, the Government developed a plan to reduce the real level of Government spending and reverse the upward trend in the federal debt to GNP ratio. It had to establish a sound fiscal policy that would support, rather than hamper, economic renewal and redefine the role of Government in a way that would help improve management and eliminate inefficiencies and obsolete programs.

The Government did not waste time. Within a few months of taking office, I announced a number of measures to reduce by $4.2 billion the federal Government's budgetary and non-budgetary requirements for the 1985-86 fiscal year. In deciding where to reduce expenditures, the Government followed a principle of equity which would guard against shifting the burden to the poor or the under-privileged in our society and which would balance the impact among the various regions of the country and sectors of the economy. This was an important first step by a new Government to streamline operations and reduce expenditures. Virtually every Department was affected by the expenditure and program review.

Controlling expenditures is not an easy task but it is one to which this Government was and continues to be firmly committed. The results are in. The Government has clearly regained firm control over federal expenditures. Although the detailed accounts have not been finalized, all indications are that actual program expenditures for 1985-86, that is, total Government spending excluding public debt charges, went down. This is the first decline in Government program expenditures in the post-war period.

In order to achieve its goals, the Government could not be satisfied with merely applying general measures of restraint to its programs. It had to examine the very *raison d'être* of many of these programs and eliminate waste and duplication. The Government, therefore, set up a ministerial task force on program review under the chairmanship of my colleague, the Deputy Prime Minister (Mr. Nielsen), to examine specific programs, identify areas of overlap and opportunities for improving the efficiency and effectiveness of Government programs. Private sector volunteers worked closely with public servants in 19 study teams to examine virtually all government programs.

We have already benefited greatly from the work of the ministerial task force on program review. As Members know, this resulted in a number of recommendations which continue to form the basis for program reductions. Some duplication has already been eliminated, some operations have already been streamlined, and meaningful savings have already been achieved.

The Government is committed also to further improving the management of its operations. A number of changes have been implemented recently to improve the management of the Government's assets. I would like to touch briefly on some of the most important ones.

First, a ministerial task force on privatization has been created, chaired by myself, as President of the Treasury Board, to review systematically the potential for privatization of Crown corporations or changes to their status to more suitably reflect public policy objectives. Unless there is a compelling public policy purpose to retain a given Crown corporation, it will be put on the market or it will be wound up.

[*Translation*]

A number of corporations such as Loto Canada, Canagrex and the Canada Museums Construction Corporation are being phased out or have already disappeared. The Northern Transportation Company Limited was sold last July for $27 million, followed in August by the sale of the Canada Development Corporation, resulting in revenues amounting to $132 million, with another $132 million to follow within twelve months.

More recently, de Havilland Limited was sold to Boeing for $155 million and Canadian Arsenals was sold to the SNC Group for $92.2 million. Thanks to this policy, we have handed over to the private sector activities for which it is better suited.

As I have already indicated on several occasions, Mr. Speaker, privatization will be done with discernment and care. There will be no fire sales. The Government intends to get a fair return for what it sells. It is also quite aware of the needs of the management and staff of those corporations. When Canadian Arsenals was sold, for instance, we signed a reciprocity agreement with the buyer to make sure that the employees' pension rights would be protected.

As well, the Government takes into consideration the impact of these sales on consumers and provincial Governments. This is why the Northern Transportation Company was sold to a buyer who is committed to maintain services in northern communities.

Second, innovative measures have been taken to improve the management of federal real estate, including:

1. An over-all action plan aimed at disposing of surplus or little-used real estate; real estate up for sale in 1985-86 was valued at about $200 million, and revenues from this source in 1986-87 will amount to $247 million;

2. The decision-making process was separated from the operational process, with resulting changes in the mandates of the Treasury Board and Public Works Canada;

3. A new real estate management office was established and responsibilities related to real estate were redefined.

Third, the Government has also taken a more productive approach concerning the management of public funds, which made it possible to save money thanks to this new approach:

First, the Government pays its suppliers at the right moment, neither too early so as no to lose accruing interests nor too late so it would have to pay interests. In addition, we resort to travelers' cheques, credit cards and payments by electronic facilities whenever it is to our advantage;

Second, the Government has been attempting to reduce amounts owed to the Crown, thanks to more effective recovery methods;

Finally, the Government uses various mechanisms for deposits, transfers—including electronic transfers—and bank accounts consolidation.

We have imposed severe restraints with respect to person-years, the unit used to measure and control the size of the public service. The Government believes that its essential services can be maintained at reduced costs, thanks in part to downsizing the public service.

• (1120)

[*English*]

We have already begun to implement a five-year program to reduce the size of the Public Service. The Estimates I tabled on February 27 show a reduction of some 5,500 person years, or 2.1 per cent from the previous year. This alone will save $150 million in 1986-87. Over the next four years a further 1 per cent reduction per year will be implemented so that by 1990-1991 the person year reduction will total 15,000. The accumulated savings to the taxpayers will be $1.5 billion with recurring annual savings of approximately $500 million.

The reduction in the size of the Public Service is being achieved in a humane and orderly manner, thanks to the improved Work Force Adjustment Policy which this Government implemented a year ago. The policy states that employees whose jobs are no longer required will, as far as possible, be redeployed within the Public Service with retraining, if necessary. Briefly, major improvements made last year to the policy include, first, that the minimum notice to an employee whose job is being abolished was increased from three months to four months, although departments endeavour to give at least six months' notice. Laid-off persons are now eligible for retraining and those accepting lower level positions are provided with up to one year's salary protection. The Work Force Adjustment Policy is among the best, if not the best, being offered by major employers in Canada today.

In order to build upon this policy, I announced at the beginning of last February a staffing freeze in the Public Service. In a sense, the freeze can be viewed as a bit of shock therapy. I wanted departments to sit up and take notice of the situation. I wanted them to fully understand the fundamental change which was taking place. I wanted their full co-operation in applying the Work Force Adjustment Policy. At the end of May, after reviewing the situation, I became convinced that the continuing efforts being made to place affected employees were not in jeopardy. As a result, I lifted the freeze.

Our rate of success in managing the reduction in the size of the Public Service has been very encouraging. Of the 5,200 employees affected this year, about 3,500 have been, or will be, offered another job either in their own department, in another department or in the private sector. I am confident that the actual number of lay-offs in this reduction exercise will be no higher than 500 by the end of 1986-87. Should circumstances change, I will take the necessary steps to ensure that the number of lay-offs does not exceed these projections.

Improving the Work Force Adjustment Policy is but one of the many improvements we have brought to the management of human resources in the Public Service. Other improvements include: first, a comprehensive framework has been introduced for human resource planning which integrates management of this vital resource with the planning and management of programs and expenditures. Second, Treasury Board has negotiated a master agreement with the Professional Institute of the Public Service. As far as the negotiation of a master agreement with the Public Service Alliance of Canada is concerned, a binding conciliation board has been established and I expect proceedings will begin this month. Third, a voluntary early retirement program was implemented for

senior officials. This initiative enabled 535 senior public servants to retire. The program was designed not only to help resolve a serious problem resulting from reduced turnover among the higher ranks by opening up new career opportunities for talented public service managers, but to produce payroll savings, since about half of the vacated positions are being eliminated. Fourth, a new productivity bonus system will be introduced to further encourage efficient and cost-effective management in the federal public sector. The bonus will apply for the 1986-87 fiscal year. It will be based on performance, more specifically on savings achieved while respecting objectives related to such things as affirmative action, safety, security and so forth. Fifth, various new initiatives have been implemented to promote employment equity in the Public Service and in Crown corporations for women, aboriginal peoples, disabled persons, visible minorities, to improve access to federal facilities for the disabled and generally to improve the working conditions for public sector employees.

[*Translation*]

Other improvements have been made concerning management, and these have contributed to lower costs, increased revenues, and a more manageable Government apparatus. I will mention only three, Mr. Speaker.

First, the general costs of departments and organizations have been reduced and a stricter control has been imposed on future growth in this sector so as to boost productivity and improve management even more.

Second, strict new measures for examining potential loan guarantees have been implemented so as to minimize the risk of Government losses as a result of payment defaults and to share risks more equitably with private sector interests.

Third, the Government is actively considering cost recovery options to reduce the spending tendency and to distribute more equitably among the direct beneficiaries and taxpayers in general the burden of providing public goods and services.

In conclusion, Mr. Speaker, the 1986-87 Main Estimates being considered today are the result of eighteen months of serious financial planing. An efficient administration, rationalized operations and substantial savings, such are the results obtained to date, all of which reflects a radical change compared with the previous decade. As our resources are scarce, we have to use them wisely. We have to try to spend less and better.

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Member for Ottawa—Vanier (Mr. Gauthier).

Mr. Gauthier: Mr. Speaker, I would like to ask a question to the President of the Treasury Board (Mr. de Cotret) and to tell him immediately that we are all for an efficient and effective Public Service. We are also all in favour of a more efficient program to get better value for our tax dollars.

The Minister has announced a new policy of his Government to grant a productivity premium to non-unionized management workers. He will recall that I have already asked him in this House what criteria would apply to the administration of this program and why it is that managers can get a productivity premium when, in fact, the public servants themselves are the ones who produce. I asked the Minister a while ago to tell us what the criteria would be, but he has not done so. I wonder whether, today, since this is the last day of supply, he could tell the House what criteria will be used under the management premium program.

Could he give us a few examples and also maybe tell us why this money, which will be used as a sort of management incentive to improve to the effectiveness of Government programs, was not redistributed in the pay cheques, for instance, to encourage all employees to be more productive? Why create a climate which is not quite healthy by providing a productivity premium to Public Service managers since, at least according to my own research, no other Government, except perhaps in some American state, has a productivity premium? Would he give us further details on the criteria and applicability of the program and would he also tell us why he decided on a management premium instead of redistributing all this money as employee incentives?

Mr. de Cotret: When the Budget was brought down, a productivity bonus for managers was announced that would promote and reward efficiency and increase productivity within the Public Service.

I am now being asked about criteria. The criteria for this bonus, further details are to be released very shorthly—consist essentially in rewarding performance beyond that normally expected of managers in the Public Service. The point has just been raised that this is an unhealthy practice, but I would simply like to point out to the Hon. Member for Ottawa—Vanier (Mr. Gauthier) that it is a practice that may be found in almost all large companies in the private sector, a practice which I think has produced good results. And in line with the present Government's managerial approach which is aimed at introducing management forms similar to those in the private sector—I already mentioned cash management which has meant savings of hundreds of millions of dollars by introducing systems copied from the private sector . . . In the same vein, I am confident that the incentive for efficiency provided by this bonus will produce the expected results.

Mr. Gauthier: I have a short supplementary, Mr. Speaker. The Minister said: We will have the criteria in a few days. this Department's Main Estimates are now before the House, and the debate is supposed to end today. Why doesn't the Minister promise the House that today, this afternoon or at some time between now and 10 o'clock this evening, he will come to the House and explain what these criteria are? How does he expect us to adopt a new program sight unseen, as it were? I must admit, I don't know whether the Minister understands my question, but since it is a completely new program in the public sector . . . In the private sector, it works because of the profit incentive—the more you sell the more you get—but in

the public sector, service is what counts. So I my question to the Minister is: Why doesn't he come to the House and tell us before the end of the day's, proceedings how this is going to work?

Mr. de Cotret: Mr. Speaker, I would like to point out to the Hon. Member that the specific details of the program have not been determined, so I cannot give them. They still have to be worked out, but a lot has been done already. This is a new program that we intend to table in the House as soon as it is ready to be tabled.

• (1130)

[*English*]

Mr. Riis: Mr. Speaker, in a sense my question to the President of the Treasury Board (Mr. de Cotret) is supplementary to those asked by the Hon. Member for Ottawa—Vanier (Mr. Gauthier). I am concerned about the trend we see coming from the Minister. In the private sector it is fairly easy to measure performance in order to reward it. It is based on whether one's department is more productive than others in terms of profits, or whether it is generating more revenue, sales or whatever. What I am hearing more and more, and this is what concerns me, is that the Government seems to be running Canada as if it were General Motors or the Royal Bank of Canada.

Mr. de Corneille: It's not that good.

Mr. Riis: Does he see running a Government as being quite different from running a private corporation? What are the distinguishing differences?

Mr. de Cotret: Mr. Speaker, there are a number of very important distinguishing factors. Obviously, we in the public sector have great concern for the safety and security of the public in terms of services. We run a number of programs which are socially oriented. From this point of view I will be the first to admit that Government is very different from the private sector. However, in terms of management practices, while we do not have many profit centres, we do have a great number of cost centres.

Mr. Riis: Should we?

Mr. de Cotret: The cost centres can be managed by using sound management principles that have been proven to be successful in the private sector. When the Hon. Member says that we seem to want to run the Government of Canada, from a management point of view and not a policy point of view, like one would run GM or another large corporation, I say yes, that is true. To date the results have been very encouraging. For the first time in the post-war period we are seeing a decline in the most critical portion of our Government expenditures.

Mr. Riis: Which is?

Mr. de Cotret: The non-statutory programs.

Mr. Riis: Is that how you measure success? It's easy to be successful, just lay off half the public servants.

The Acting Speaker (Mr. Paproski): Order, please. Let us do this orderly, please. The Hon. Member for York East (Mr. Redway).

Mr. Redway: Mr. Speaker, I have four questions which I would like to ask the Minister in order to have his comments. The first relates to the Minister's comment that the Public Service will be reduced in numbers. Recently we have received reports that in fact the numbers in the Public Service have gone up rather than down. I would ask the Minister to put an explanation on the record for that.

Second, there are reports that in efforts to reduce the Public Service the four target groups in employment equity are being impacted unfairly, particulary women, disabled, native people and the visible minorities, because their seniority is much less than that of the traditional groups in the Public Service.

Third, I would like the Minister to comment on whether or not the visible minorities were a target group within the Public Service for employment equity prior to September of 1984 when the present Government was elected.

Fourth, I would like the Minister to comment on the electronic transfer of funds, bearing in mind that prior to the election of 1984 our Party, which now forms the Government, took the position that there should be, and there were great savings to be had in the electronic transfer of funds. I believe something in the order of $250 million in savings was estimated at that time. Apparently, there has been no action taken since that time. One of the impressions that I have been given for that is that while there would be a saving to the Government there would be a loss of revenue to the Post Office. That loss of revenue would increase the deficit of the Post Office and there is great resistence from the Post Office on that point.

Will the Minister comment on my four questions, please?

Mr. de Cotret: The first question raised, Mr. Speaker, was with respect to the apparent contradiction in terms of the numbers of public servants. The numbers that were published recently were year-end numbers for the last fiscal year. The reduction program begins in 1986-87. That is one explanation. In other words, because it is dealing with a period in which there was no reduction in person-years it is quite normal to have seen a slight increase.

The other point I would like to make is that some of the numbers that I saw were not consistent with the same data base that we are using. There were data base differences which perhaps can explain some of the increases that were there. The major reason is that we are dealing with last year while the program essentially deals with the forthcoming year.

• (1140)

In terms of employment equity, throughout the process we have first indicated very clearly that Departments should

consider very carefully employment equity considerations in the reduction exercise. We mentioned very specifically to the Departments on at least two occasions that affirmative action programs should not be adversely impacted by the person-year reductions.

Finally, throughout this whole piece, we have been monitoring the situation very closely. In terms of the total universe, I will be happy to give Hon. Members exact figures as soon as they are available, but we are tracking that very, very closely.

The Acting Speaker (Mr. Paproski): I regret to inform the Hon. Minister that his time has expired. Questions and comments are terminated.

Mr. Redway: Mr. Speaker, I rise on a point of order. I am sure the House would agree, on unanimous consent, to let the Minister finish—

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): No. I recognize the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin).

Mr. Redway: The Opposition wants to cut off debate.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): No, Mr. Speaker, the Opposition wants to engage in debate. If the learned Member who just rose on a point of order wanted to ask another useful question, I would be happy to allow him to ask it, but I am not sure that I would like to allow the Minister more time to provide a non-answer to a very useful question.

In participating in today's debate, I think it would be useful if we were to remind ourselves of what this little official looking Blue Book with the 1986-87 Estimates is all about. Someone sitting in the Chamber listening to the President of the Treasury Board (Mr. de Cotret) discuss this document would think he was listening to someone from the lottery corporation comparing the bottom line numbers this year over last year and this year projected against next year. However, that is not what we are talking about. This little, slim, narrow Blue Book—

Mr. Gauthier: Do you want a big one?

Mr. Tobin: Here is a slightly bigger one. This Blue Book, a synopsis of the Government's expenditures of $116 billion or $117 billion for fiscal year 1986-87 is about people. It is about Canada. Bound up in these expenditures very sparingly described within this book is what makes this country tick. Bound up in this little binder containing bottom-line numbers is the essence of what Canada is all about and the kind of programs the Government offers to its citizens.

There is no question that Members on all sides of the House would endorse the desire and indeed the responsibility of the Minister to ensure that the Government is fiscally prudent and responsible and to ensure that the taxpayers get their money's worth for government expenditure on their behalf, that wherever possible we avoid duplication and that if we can provide a service for fewer dollars, then that kind of initiative ought to be taken. There is no question about any of that, and the Opposition would not question the Minister on any of those objectives. In fact, to the contrary, the Opposition would find itself on its feet rather quickly if the Government and, in particular, this Minister who has been charged with this responsibility were not pursuing those objectives.

When the Minister says that the fiscal position of the Government has improved substantially, as he likes to claim, or has improved marginally during his tenure as President of the Treasury Board, what does he really mean? Has he magically reduced expenditures in some intelligent way? Has he been fiscally responsible? Let us ask ourselves what he really means.

We know that under one program alone, the Established Programs Financing, the Government is cutting back $8 billion from funds that ordinarily would be transferred to the provinces. Has the Government cut out $8 billion worth of waste? Has it identified $8 billion worth of expenditures that need not continue in order to provide Canadians with the level of service to which they have become accustomed? Has the Government found, lying around hidden in the tunnels and corridors of official Ottawa power, $8 billion worth of wasteful employees, expenditures and programs? No, Mr. Speaker.

The Minister is pounding himself on the chest for having transferred $8 billion of debt to the provinces. He took $8 billion of the federal deficit out of his pocket and passed it over to the provincial Governments. Then he rose in the House, pounded his chest and said: "Look how much better the bottom line is". What is the Government's attitude about that? The Minister of State for Finance (Mrs. McDougall), appearing before the finance committee, said that provinces are stuck with federal funding cuts.

I expected the Minister to rise today to give us a list of all those insidious, terrible, negative, wasteful programs that he had found during his search for fiscal responsibility and to lay them before the House of Commons and say: "Look what I found, look at these nasty, wasteful programs". However, there was not one single example given by the Minister of such a program. Why? Because he has not identified waste. He has not done his job. He has not avoided duplication. He has transferred a debt for what all Canadians regard as very essential services, health and education, out of federal jurisdiction and onto the backs of provincial Governments.

What does the Minister of State for Finance say about that? She said that we are stuck with those transfers and went on to say that the provinces should not complain too much because the provinces now enjoy the benefits of Canada's strong economic performance. I would like to ask Government Members if they really think that people in the Province of Alberta are dancing about in the cities' public parks and fountains enjoying the benefits of an improved economic performance. Do they believe that in the Province of British Columbia, 4,000 cedar shakes and shingles workers are

dancing about in the spring sunshine celebrating the benefits of an improved economic performance? Do they really believe that in the Province of Newfoundland where the unemployment rate is about 30 per cent that the people have given up their fishing boats to dance in the streets celebrating Ottawa's improved economic performance? Do they believe that in Atlantic Canada where economic growth has gone down and not up that people are celebrating the Government's improved economic performance and are saying to themselves: "Here we are in much better shape to carry the burden on behalf of the President of the Treasury Board"? No, Mr. Speaker.

Surprise of surprises, the people are not dancing in the streets. If they are dancing, they are dancing mad. They understand that the decision made by the Government to load onto the backs of the provinces $8 billion in additional expenditures ordinarily paid by the Government of Canada for health and education will have two results. They understand that there will be a tax increase in the provinces one way or other and they understand that there will be less money available for health and education.

As Canadians—not as Ontarians, not as British Columbians and not as Newfoundlanders but as Canadians—the people understand something else. They understand that we are now setting up health care and education services that will be unevenly applied across the land. The poorest of the provinces like Newfoundland will have the poorest health and education systems and the wealthiest provinces like Ontario will have the best health and education systems. There will be 10 different levels of Canadian citizenship across the country, all in the name of an exercise designed to allow the Minister to rise, pound his chest and say that the bottom line is better. However, he has not moved the bottom line one inch. He has cut back on essential programs and loaded up the provincial debts.

What else has the Government done? This Blue Book is not about numbers, it is about people. The Government has changed the tax system. It brought in the largest tax increase, both through sales taxes and personal incomes taxes, that Canada has seen in decades. Not only did the Government bring in the largest tax increase but it applied it unevenly as well. Those at the lower end of the income scale making $15,000 per year will pay about 35 per cent or 36 per cent more in aggregate taxes over the next four or five years and those at the higher end of the income tax scale who are making a couple of hundred thousand dollars per year are going to pay 2 per cent more in aggregate taxes over the next four or five years. That is another way the Minister has gotten rid of waste. That is more so-called waste which he has cut out, not on the backs of the provinces, but on the backs of Canada's poor citizens. It gets progressively worse as one goes from the top of the income scale to the bottom of it. Therefore, those who can afford it the least are paying the most.

• (1150)

Here is the Minister's Blue Book within which are contained those people who have been unfairly hit by the administration and perhaps the largest tax increase in Canadian history. What examples has the Government of Canada provided for those people who are being asked to pay more, those people who can afford it the least? First, it set up the largest Cabinet in Canadian history with 40 Members. Second, the Prime Minister (Mr. Mulroney) has had a phenomenal increase in his personal staff and office.

Mr. Dick: No.

Mr. Tobin: Yes, he has. Also a new political animal has been created known as chiefs of staff who get paid from $80,000 to $100,000 per year. That job description heretofore did not exist around this place. We call them the commissars.

What else has the Government done? In recent days we have found out that the Prime Minister has a Hercules aircraft with two trucks loaded aboard it full of video equipment—

Mr. Dick: As Trudeau did.

Mr. Tobin: As Trudeau did not have. For the benefit of the Hon. Member I will quote Michel Gratton, the Prime Minister's press secretary, who speaks for the Prime Minister. He said: "Recording teams frequently accompany the Prime Minister". He could not say how that compares with what happened under Liberal Prime Minister Pierre Trudeau and said: "I don't care". Is that not the message the Government of Canada is giving the people of the country? They do not care. They slap on the biggest single tax increase in Canadian history and cut back on essentials which symbolize the common thread that is held dear in every province and every region. I am referring to that measure of Canadian citizenship, that which says no matter where we live or what is our income, some things are common to us, such as access to good medical care and access to a good education. Even the Chief Justice of Canada, perhaps unwisely in retrospect, has spoken out. He expressed the concern that we will produce a generation of young people in Canada who will not be fit to compete in a highly technological and highly competitive world.

Mr. Dick: Because of the Trudeau Government.

Mr. Tobin: Because of the cut-backs. He has pleaded with the Government to rethink its course—

Mr. Dick: It is because of how you ran the country, not us.

The Acting Speaker (Mr. Paproski): Order, please. If Hon. Members have any questions or comments, I would appreciate it if they would save them for after the Hon. Member's speech. I did not hear from where that comment came—

Mr. Gauthier: It came from Paul Dick.

The Acting Speaker (Mr. Paproski): As Hon. Members know, it will be a long day, so let us try to keep it cool and have a nice debate.

Mr. Tobin: Thank you, Mr. Speaker. I knew you were enjoying the logical and coherent manner in which I was

presenting my remarks. I knew you did not want to be disturbed. I appreciate Your Honour's desire to understand.

The little slim book which the Minister is presenting to Canadians as a synopsis of his efforts represents some $116 billion. It also represents the nature of the administration which the Government is bringing to the people of Canada. Contained within that exercise is a look at the future of the country, a future about which I am sure Canadians who are fully cognizant of it would be greatly concerned.

What other great fiscal measures has the Government taken? It spent $1 billion bailing out a bank in a series of bank crises which the Government mismanaged into crisis propostions by not acting when it should have acted or by waiting until the bottom had fallen out. It represents another $1 billion of taxpayer expenditure.

Mr. Dick: The banks are dead.

Mr. Tobin: I hear the Hon. Member across the way. The banks will never die as long as there is a Tory Government in power, because the Tories always bail them out. They tell the people of Canada that they must be fiscally responsible and tighten their belts—

Mr. Dick: Mr. Speaker, I rise on a point of order. I think the Hon. Member might want to be given the opportunity not to misinform the House. He talked about banks being bailed out. They are dead. The people got the money, not the banks. Perhaps he would like to be honest for a change.

The Acting Speaker (Mr. Paproski): That is not a point of order.

Mr. Tobin: Mr. Speaker, that is the most incredible statement I have ever heard from a so-called learned Member of this Chamber. He said that the people got the money, not the banks. That reflects the mentality of the Government. It thinks that this little Blue Book is what the exercise today is all about, that the book looks good, and that it does not matter what is its impact upon people. The Hon. Member said that the bank, the building, never got the money. Never in the history of the country or in the history of commerce anywhere has a building managed to stuff money into its pockets. Of course the shareholders got the money, and that Government provided them with it.

Mr. Dick: That is a lie.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member should not use a word like that in the House of Commons.

Mr. Axworthy: Withdraw.

The Acting Speaker (Mr. Paproski): Would he please refrain from using a word like that and withdraw the statement? I would appreciate it if the Hon. Member would do that. We are just at the beginning of a long, long day, and I would hope Hon. Members would not use language like that in the House.

Mr. Dick: Mr. Speaker, I appreciate the fact that you have requested me to withdraw. I understand—

Mr. de Corneille: Withdraw. Nothing else.

Mr. Dick: —that the use of the word "lie" is inappropriate in the House.

Some Hon. Members: Order, order!

Mr. Dick: I feel it would be nice if he told the truth. The shareholders did not get any money. The depositors got the money, and he knows it, but I withdraw the word "lie".

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

Mr. Tobin: I hope this will not be taken from my time.

Mr. de Corneille: The Hon. Member did not withdraw when the microphone was on. He used this as an occasion to come forth with a diatribe. It is customary to withdraw the statement and nothing else.

The Acting Speaker (Mr. Paproski): I appreciate what the Hon. Member for Eglinton—Lawrence (Mr. de Corneille) is saying, but the Hon. Member did withdraw. I would hope that calmness would prevail from now on.

Mr. Tobin: Mr. Speaker, with the kind of undue sensitivity which is being experienced in the House today, I can only assume that Members visited their ridings on the weekend and got an ear full from their constituents. They are back here today and are obviously more sensitive than is usually the case. Ordinarily, if we can keep them here for a few weeks and keep them away from the Canadian public, they sit placidly and everything goes over their heads. However, today they seem to have an unusual degree of sensitivity. I suggest Hon. Members ought not to go home if it causes them to be that unruly in this place. They can stay here, and I will give them the same message as their constituents would give them personally.

I have referred to the bank fiasco and to the biggest Cabinet in Canadian history. I believe it was the Hon. Member for Kamloops—Shuswap (Mr. Riis) who referred to the new version of "The Life of Brian". I think it ought to be called "The Fool on the Hill". We have the President of the United States, with his lectern, watching "Bedtime for Bonzo". Now we have the Prime Minister, with his lectern, intending to watch his own video representation of "Bedtime for Bonzo" late at night, at a cost of $40,000 per shot for aircraft and video equipment. They cannot flaunt that kind of foolish, wasteful, vain expenditure in the face of Canadians on the one hand and cut back on their health care and their educational facilities on the other hand. At the same time they cannot impose upon Canadians, in particular middle and low-income Canadians, the biggest single tax increase in Canadian history. The Government should know that it is not fooling anyone

today with this transfer of debt off the back of the federal Government and on to the backs of provincial Governments and ordinary Canadians.

During the course of his remarks, the Minister mentioned the ministerial task force on privatization. It is evident to all Canadians—and nowhere is it more evident than it is to those Canadians who live in the rural parts of the country—that the Government has moved to a strict user-pay policy. The Government of Canada is saying to Canadians that no matter where they live, no matter what conditions under which they live, the only facilities or services they shall be offered by the Government are those for which they can pay. Also it is saying that if and when they cannot pay 100 per cent of the cost of those services and facilities, they shall not have them. That is what the Government is saying.

In Clause 4 of Bill C-75 respecting the Canada Shipping Act, the Government is saying to people who live in Canada's north that future ice-breaking and coast guard services which it provides shall be paid for by them. If you cannot afford those services, you shall not have them and if without them you cannot live comfortably in Canada's north, that is your problem.

• (1200)

The Government is saying to the fishermen of Atlantic Canada in Bill C-75, Clause 4, that you shall pay 100 per cent of the cost of the Coast Guard if you are in trouble at sea. If you think you cannot afford to pay the cost of the Coast Guard services, you better not call and take your chances on your own, because we will bill you if we come to rescue you. That is the kind of mentality the Government has adopted. It is a user-pay concept.

What is the result, Mr. Speaker? We have the Government of Canada contemplating a $500 million expenditure for a Canadian Coast Guard vessel to protect our sovereignty in the north because the Americans can plough the northern waters with the *Polar Sea* whenever they feel like it, that is, ever since this administration has been in office. This administration always gives the Americans the benefit of the doubt. The Government should be investing in the north and putting money into the Mackenzie to dredge and widen it so people who live in the north can better utilize their major means of transportation. Rather than getting rid of the extra fees and penalizing people who live in the north, the Government should be putting some money into providing services. The best claim to Canadian sovereignty we can have is by having Canadians live in the north, not by having a $500 million icebreaker.

The user-pay concept, which the Government is bringing forward that says only those who live in large population centres who have enough numbers, enough of a market mentality to justify government services, is putting constraints on many Canadians' sense of citizenship. It is saying to Canadians in Atlantic Canada that you are damned if you do not live in Toronto. It is saying to people who live in Alberta where the economy has seen a downturn you are damned as well if you do not live in Toronto.

Mr. Riis: It is the same in B.C.

Mr. Tobin: It is saying to the people in British Columbia, in the interior, on the coast and in the north that you are damned if you do not live in Toronto. Toronto is a very nice place to live. It is an extremely nice town. It is a city that I enjoy.

Mr. Nystrom: Are you sure?

Mr. Tobin: So too are all the other communities that make up the mosaic that is Canada. The Government must depart from the policy that says to those Canadians in the wealthiest provinces, you shall have health and education care, and to those who do not, if you cannot afford it yourselves you will not have it. The Government must depart from this policy that says to those who live in large population centres that, the numbers warrant service and you shall have service, and those who live in rural population zones shall not. If you pursue this course—

The Acting Speaker (Mr. Paproski): Order, please.

Mr. Tobin: I am nearly finished now, Mr. Speaker.

The Acting Speaker (Mr. Paproski): I would hope the Hon. Member is finished because there is still a ten minute period for questions and comments.

Mr. Tobin: If the Government sees the people of Canada as nothing more than a series of numbers in the little Blue Book then it will wreak havoc and strain the fabric that pulls the country together.

Mr. Hawkes: Mr. Speaker, I am pleased the Hon. Member mentioned the Province of Alberta and I am pleased he brought forward the topic of economic improvement. I am not at all surprised that he does not understand the difference between a shareholder and a depositor when it comes to a bank. Hopefully members of his caucus can educate him.

An Hon. Member: I doubt it.

Mr. Hawkes: If the Member is going to portray himself as someone who cares about the people of Alberta, can he stand in his place and tell us whether or not the economic indicators in Alberta today are better than they were in September 1984 when his Government left office? Are the economic indicators better today or are they worse today? Can he tell us that if he wants to portray himself as the protector of Albertans?

Mr. Tobin: First, Mr. Speaker, let me say that I do not want to portray myself as the protector of Albertans. I portray myself simply as I am, a humble Canadian who happens to come from Newfoundland and who happens to believe, unlike some Members in this place, that when we come to this Parliament, the Parliament of Canada, we come to speak for our own province and for the constituents who send us here,

but we come to speak for all Canadians as well. If the Member thinks that as a government Member, a Member responsible for inputting the policy to the executive branch of this administration, that he can deal with the problems in Alberta today, that his constituents want to hear him deal with the reality of Alberta today by making comparisons between now and 1982 or now and 1972 or now and 1962 or now and 1952 and so on, then let me enlighten him. Your constituents, my friend, are concerned about today's situation.

Mr. Hawkes: No.

Mr. Tobin: Your constituents are concerned with today's reality. Your constituents acknowledge, as I do and as most Members of Parliament do, that you now sit on the Government side of the House. That means you have a responsibility to do more than just bellow unintelligently from your seat. You have a responsibility to seek to manage the economy. What I say to you is, yes, I think the people living in Alberta today would find the situation worse, or as bad, or whatever the case may be as in previous years—

Mr. Nystrom: Worse.

Mr. Tobin: Quite frankly it is not relevant whether it is as bad or it is worse or ten times worse or only half as bad. What is relevant is that there is a problem. What is relevant is that the Minister of State for Finance is wrong when she says that Alberta can afford to have a cut-back in the Established Programs Financing for health care and for education because Alberta is in the middle of a boom. If the Member thinks Alberta is in the middle of a boom, perhaps he should listen to the Prime Minister who says that some Members— obviously those on that side—should get their heads out of the sand, because so far the tar sands are going nowhere in Alberta.

Mr. Nystrom: First, Mr. Speaker, there is no doubt that Alberta is a lot worse off now than it was two years ago.

Mr. Hawkes: No way.

Mr. Nystrom: It is much worse off.

The Acting Speaker (Mr. Paproski): Order, please. Questions or comments are to be put to the person who has just finished debating. I would appreciate if the banter on both sides would cease. Perhaps the Hon. Member could address his comments to the Member for Humber—Port au Port—St. Barbe (Mr. Tobin).

Mr. Nystrom: Mr. Speaker, I say to my friend from Newfoundland, coming from Saskatchewan, that things are a lot worse now in Saskatchewan and Alberta than they were two years ago. If somebody does not realize that, they are blind, deaf and dumb. The farm economy is collapsing because of international commodity prices. Resource prices in the forestry area, mining prices, gasoline, oil prices have all gone down. We are in a lot worse shape now than we were a year and a half ago. I think everyone in this House knows that.

The Hon. Member was chastised a little while ago in that that bank depositors did not gain from the billion dollar bail-out. He did not respond to that.

Mr. Hawkes: Bank shareholders.

Mr. Nystrom: Bank shareholders. Does the Member realize that bank shareholders were the major benefactors of the billion dollar bail-out of the banks by the Government?

Mr. Hawkes: Shareholders? They did not get a dime.

Mr. Nystrom: The banks shareholders are major benefactors because the majority of the deposits in the Northland Bank and in the Canadian Commercial Bank were by other banks and by other financial institutions in this country. When you have a billion dollar bail-out, the major benefactors are the shareholders in those private banks. Is my friend from Newfoundland aware of that?

Mr. Tobin: Yes that is right.

Mr. Nystrom: Not only Canadian bank shareholders but foreign bankers and American bankers were the benefactors of this $1 billion Tory—I better watch my rhetoric, Mr. Speaker—bungle. Once again the Government gave the money of the ordinary people to the bankers, to the depositors in those banks, the shareholders in the private banks, yet gave nothing at all in the way of a deficiency payment to the farmers of western Canada. We know where the Government's priorities are and that is why Saskatchewan and Alberta are a lot worse off now than before. That is why Tory times are tough times. That is why it is R. B. Bennett revisited. It took 50 years before the Tory Party came back in the west last time. It will take 50 years again when it is finished in the 1980s.

Mr. de Corneille: They will never come back.

Mr. Tobin: Mr. Speaker, I want to say to the Member who just spoke that that is why, when I heard these noises which were largely unintelligent—I do not mean unintelligent in terms of the people who made the noises, but when taken and examined in their total context did not make much sense—I did not respond, because the largest depositors were other financial institutions. The beneficiaries of those financial institutions were shareholders and many foreign companies as well.

• (1210)

Mr. Riis: Foreigners.

Mr. Tobin: That's right. Many foreign companies as well. When huge chunks of the Conservative Party came to the Conservative Government saying that as shareholders in an institution which had made deposits in the banks that were in trouble they were about to lose their shirts, the Government moved swiftly. It moved equally as swiftly in attempting to deindex senior citizens' pensions. However, the Government got the message on that one, not because it went out and put

its finger on the pulse of the land but because senior citizens came to Parliament Hill and laid down the law.

The Government is setting up a country in which the meaning of citizenship will be found on 10 different pieces of paper, depending on which province you are in. The Government is destroying the fundamental principle that all Canadians, no matter where they live, have equal access to certain services. By destroying health care and the education system of the country the Government is setting up 10 different levels of citizenship. Quite frankly, this Government's legacy will not be one of fiscal responsibility but of leaving the fabric which holds this country together tattered and torn.

Mr. Redway: Mr. Speaker, I would like to make a comment and ask a question on two different subjects. First, with respect to the comments relating to the past bank problems, Hon. Members are only too well aware that the Government's financial assistance went to pay those who had deposits in excess of the $60,000 insured limit. The major depositors in those banks were pension funds, credit unions, unions, municipalities, and charities. There were some deposits by other institutions, but the major ones were those I just mentioned.

The Government was criticized by members of the Opposition when it considered, in other cases in the past, not reimbursing those with deposits in excess of the insured limit. The Government was criticized for, in the words of the Opposition, "showing a lack of compassion" by allowing the poor pensioners, depositors in credit unions, muncipalities, charities, and trade unions to go down the tube. Quite rightly, the Opposition now feels that it is its duty to criticize something. Members have, therefore, put an entirely different interpretation on the facts in order that they can criticize. That is understandable because that is their role as members of the Opposition. However, they should not do it in such a way as to mislead the Canadian public.

I would like to ask a question about the comments of my hon. friend on transfers to provincial governments. My hon. friend indicated that there has been a change in the transfer of federal funds to provincial governments. As my hon. friend is well aware, the change is that the transfer payments to provinces will increase at the rate of 5 per cent in the future. This is at a time when the inflation rate in the country is 4 per cent or perhaps even less. The transfer payments to provinces by the federal Government will henceforth increase by 5 per cent. A few years ago when the Government which my hon. friend supported was in office that Government increased transfer payments by 7 per cent. That was at a time when inflation was at approximately 12 per cent. At that time inflation was higher than the transfer—

The Acting Speaker (Mr. Paproski): Does the Hon. Member have a question?

Mr. Redway: Yes, Mr. Speaker. Does my hon. friend not think it was shameful for the former Government to increase transfer payments to the provinces at a rate less than that of inflation? The present Government is increasing transfer payments to the provinces at a rate greater than inflation.

Mr. Tobin: Mr. Speaker, given all the interruptions during my speech I hope you will give me a minute or two to answer these two questions. I will make a quick comment on the banks. The Member wants to rewrite history. He is a revisionist. The fact of the matter is that everyone in Canada knows that the initial assistance which was provided by the Minister of State for Finance was provided as a result of a weekend meeting because the Prime Minister did not want to have bank problems become public during the middle of a federal-provincial economic meeting.

Without any analysis or study of the finances of the bank—the Hon. Member knows this and will nod his head in agreement if he is interested in hearing the facts—without any examination whatsoever of the books of the bank, the Government put together a financial package and told the opposition Parties in Parliament that the package would look after the problem. The Government said that everything was fine and both opposition Parties took the word of the Minister and the Government in the interests of those banks. That does not happen every day, but it happened then because the Opposition wanted those banks to be sustained and to be successful.

We subsequently learned that there had been no analysis whatsoever. The Government then moved to bail out foreign interests and the shareholders of other institutions. The Government knows full well that there would have been support on all sides of the House to support pensioners and other such people.

On the second question—

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member. I have given the Hon. Member an extra three or four minutes. I enjoy listening to the Hon. Member but we must keep a little decorum in the Chamber. Therefore, questions and comments are now terminated. The Hon. Member for Kamloops—Shuswap (Mr. Riis) has the floor on debate.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I could listen to the previous speaker for hours on end as he outlines how things are going in the country with the new Conservative Government.

Mr. Nystrom: Let's not get carried away.

Mr. Riis: Before I begin my formal comments I would like to indicate that it is interesting that over a weekend the Government made a commitment to bail out the uninsured depositors, most of which were very large financial institutions and many of which were foreign based. No country in the world has ever bailed out depositors to this extent before. The B.C. Teachers Investment Co-op lost its money when a financial institution got into trouble. I do not remember the federal Government offering to provide assistance. I do not

recall any initiative being provided by the Government in the form of support for the failed institution. I think it is very clear that if it is a handful of small depositors—

Mr. Hawkes: Mr. Speaker, I rise on a point of order. Is the Member implying that there were depositors in that Co-op? It is my understanding that there were no depositors and we, therefore, could not do the same thing.

The Acting Speaker (Mr. Paproski): I think the Hon. Member can ask that question when the Hon. Member finishes his speech.

Mr. Riis: That is a good idea, Mr. Speaker. I encourage the Hon. Member to ask that question at the end of my speech. I will certainly have a response for him.

This is the time of year when many people are planning to go to Europe and other areas for summer holidays. You can go to bookstores and buy travel books such as "Bermuda on $15 a Day", "France on $70 a Day" or whatever the case may be. The other day I noticed a new book which has been published by one of our esteemed colleagues. I think it is only fair to point this book out. It was written by the ex-Minister of the Environment, the Hon. Member for Rosemont (Mrs. Blais-Grenier). It is entitled "Europe on $5,000 a Day". This book is based on personal experience. She was there and knows the cost of renting chalets and limousines. She knows what it costs to take batteries of supporters with her. She thought she would benefit other Canadians by writing "Europe on $5,000 a Day".

This falls right on the heels of the pronouncement yesterday of the new Canadian film corporation, "Prime Minister Productions". Now we find out that wherever the Prime Minister (Mr. Mulroney) goes he has a film crew with him to film every gesture so that the "Life of Brian" will unfold for Canadians in the years ahead. Much to the chagrin, I would say, of the Monty Python group who are very concerned about this new development and the threat to their fine film.

• (1220)

This is not the beginning, this is the end of a long sequence of unbelievable abuses of public funds. During the election campaign the Prime Minister, time after time, railed at Prime Minister Pierre Elliott Trudeau and his huge staff in the Prime Minister's Office. Those people were being used for political purposes. It was a dastardly deed and an abuse of public spending. There were 60 people, after all, in the Prime Minister's Office. He would go back and explain that Mr. Pearson as Prime Minister had just a handful of people, but here is Prime Minister Trudeau who has expanded his office to include 60 people and all kinds of equipment and offices. The Prime Minister said that must be stopped. A lot of us thought that meant we must cut back on the number. As soon as he got into office he said he was going to change it. He was going to double the staff. He would have 120 people on his payroll as personal political advisers and hacks. That is not what we expected.

Then the Government comes along and says it is going to put the cap on Government spending. It is going to stop these excessive expenditures. When the Government said that, we actually thought it was going to reduce expenditures. No longer would there be excessive and silly expenditures. Therefore, let us look at the track record and see what some recent expenditures have been.

For example, we have the bank bail-out. When historians write the record of the Conservative Government of 1984 they will say that probably one of the silliest, indeed disasterous decisions which led to its downfall in 1988 was to bail out the uninsured depositors of the CCB and Northland banks. I do not think there is a single Canadian, let alone a financial adviser in this country, who would say that step was a reasonable one for the Government to take. I remember the President of the Bank of Montreal falling all over himself laughing in the corridors of this institution when he found out his bank was going to get millions of dollars because it was included as part of the bank bail-out. He said "I can't believe the Government of Canada is going to hand us this cheque when we didn't even ask for it."

Mr. Dick: Did they get it?

Mr. Riis: They are getting it.

Mr. Dick: No.

Mr. Riis: They are going to get it. As a matter of fact, they have decided to take the Government to court.

Mr. Dick: They are not getting it.

Mr. Riis: The Government promised it.

Mr. Dick: No.

Mr. Riis: I think the important point is this. No Government in the world has ever bailed out uninsured bank depositors to this extent, except the Conservative Government of Canada. It is funny how you can find $1 billion over a weekend when we have women's resource centres closing their doors and transitional homes can no longer function because they are not getting their budget of $35,000 a year to operate. Those are the kind of priorities we are dealing with. When the Government says it is going to put the lid on certain kinds of spending, that means certain selected areas of spending, and others, will be expanded.

The President of the Treasury Board (Mr. de Cotret) has been very straightforward with us today. I do not criticize him in my comments today. I want to make that perfectly clear. I believe he is honourably motivated and attempting to do the best job he can. However, I am going to criticize his Government and some of the decision-making going on outside of his office.

Just the other day we heard about the consultants being hired by all the committees. These consultants are getting contracts for a few months and they are not being paid $200 a

day or $300 a day or $500 a day, or even $800 a day like Macdonald. Some are being paid up to $1,000 a day, day after day after day. We are seeing more and more of that kind of spending. We may be laying off public servants, but when we look at the amount of money spent on contracts for friends and colleagues then we get a clear picture of how serious the Government is about cutting back.

We now have an opportunity to reflect for a moment or two on some of the myths which I think the Government has perpetuated over the last few months. The Government feels that government is like a business and should be run like a corporation, a shoe store chain or McDonald's. The President of the Treasury Board indicated he feels we should reward managers for productivity. The question is, how do you measure productivity in Government? I do not want to suggest for a moment that that is impossible, but the Minister says they do it in the private sector. Of course they do. It is very clear how you measure effectiveness and efficiency in the private sector; it is what the quarterly balance sheet tells you. However, it is a little different in Government.

There are other needs which Government must serve. The Government is charged with the responsibility of maintaining peace and security, and ensuring the respective rights and liberties of its citizens. It has to ensure greater justice among its citizens and act as a collective agent for the people in ensuring that the means of production serve the needs of the people. The purpose of Government is to be people-oriented in a sensible, wise and fiscally responsible way. I believe we have gotten out of control. When you run Canada like Ronald McDonald runs the McDonald's chain, then we have some real difficulties.

Another myth that the Government needs to be caught up on is the recognition of a deficit problem. The Government says we have a deficit problem, and we do. Then it goes on to say that Government spending is out of control. Probably in some areas Government spending is out of control. However, what the Government does not point to is the hidden spending which is beginning to accelerate. There are hundreds of millions, indeed billions of dollars in hidden spending called taxes we do not collect anymore. We have tax give-aways, loopholes, deferrals and incentives to the private corporate sector. They amount to billions and billions and billions of dollars each year that the Government fails to collect. That is one of the major causes of our deficit.

The Economic Council of Canada recently said that the principal cause of the federal Government's past and present fiscal plight has been the shortfall of revenue. During the past decade over-all expenditure growth had been relatively restrained. Look at some of the tax expenditures which have grown exponentially over the last 10 years. For example, the capital cost allowance and fast depreciation is now costing us $2.215 billion a year. I think it is fair to ask, are we getting good value for that expenditure? That is an incredible amount of money.

Then we go on to the special resource measures to encourage companies to explore for gas and oil. That is costing us $1.210 billion annually. The capital gains exemption costs $3.6 billion last year. On top of that, now that the Government has decided not to tax capital gains for individuals up to $500,000, there is an additional $1.2 billion cost to the taxpayer.

We have to think about this. When you look at all those write-offs and deductions and loopholes, what is the result? We are spending billions and billions and billions of dollars. May I humbly suggest that if the Government is serious about reducing the deficit, rather than hacking away at the single parents' family allowance payments each month, rather than hacking away at the Department of the Environment and laying off hundreds of people, rather than hacking away at the small grants to women's resource centres or transition houses or homes for battered women, support for Elizabeth Fry organizations and so on, rather than hack away at all of those programs, why not close off some of the major tax programs that provide us with perhaps limited return for unbelievable amounts of money.

• (1230)

The Minister of Finance (Mr. Wilson), in a speech to the Canadian Tax Foundation on November 28, 1984, said:

> Our recent figures indicate that the effect of tax incentives has been to reduce the average federal corporate income tax rate from 36 per cent to 15 per cent. When the benefits from special tax incentives are added together we are looking, in some instances, at an extraordinarily generous level of assistance.

Those are the words of the Minister of Finance referring to our corporate tax system, "extraordinarily generous". I wonder when we are asking Canadians generally to tighten their belts, to cut back wherever possible, to reduce their expenditures, if it is not reasonable to also ask the corporate sector which is receiving, by the Minister of Finance's own words, "extraordinarily generous levels of assistance" to also cut back.

As a matter of fact, Mr. Frazee of the Royal Bank of Canada recently stood up and said he was prepared to cut back on all of these excessive corporate generous tax programs and financial relief programs. I suspect that that is an area where the Government should be looking.

As my friend indicated earlier, increases in the sales tax and excise tax now are costing Canadian families dearly. I think if you were to take the time and add up all of the cost to the average Canadian family as a result of this new Government's budgets and economic statement—if you added up the sales tax, the excise tax, the increase in personal tax rates—it would come to $1,305 in additional costs per year per Canadian family. That is an awful lot of money that is coming now out of the families and the communities of Canada to enable the Government to continue with these "extraordinarily general levels of assistance" primarily to the corporate sector.

The best information we have now regarding the corporate tax rate dates back to 1983. That is the most up-to-date statistic that we have of a general nature. If you were to look at those figures you would notice that tens of thousands of

profitable businesses in Canada in 1983 did not pay a single penny in income tax. In many cases there are good and legitimate reasons for that. I would suggest that some of those tens of thousands of profitable businesses that paid no tax should be paying their fair share in order to relieve us of the deficit problem that faces our country.

Let me go on to refer to a few other items. I notice again that our Minister of Finance in a speech to the Canadian Economics Association in Montreal on May 30, 1985 had this famous quote: "No matter how we define the term Canada has an acute shortage of rich people". He indicated presumably by that that he wants to make more and more people richer. When you consider the tax changes that lead in that direction, when you consider the increase in sales tax, which is a very regressive tax, an increase in the excise tax, which again is a regressive tax, when you consider items such as the tax free capital gains provision, or the tax system, it looks as though the Minister is really trying to provide more opportunities for the wealthy of Canada. Unfortunately it is on the backs of ordinary working Canadians. This is the trend.

When the Government provides us now with its estimates of $116,740 million and asks us now to pass this because we ought to feel good about where the country is going and how the country is being managed, I have to look for some evidence of that. I have to look for evidence that things have improved significantly. I would not say that there have not been improvements. I would not say that there have not been improved processes. I would not say that the Government has turned a totally blind eye in reforming the tax system and other areas. When we ask ourselves as parliamentarians where Canada is going in the various sectors, where we going in terms of Canada's fishing industry, I wonder if the Members of the House could stand up and say, "Well, folks, here is where Canada is going in the next five or ten years with our fishing industry".

Let us take our textile industry. What is the future of the textile industry in Canada? Where are we going? Again, after two years in office I do not think that that is an unreasonable question for a Member of Parliament to be asking for some very clear direction.

Really what I see, as an Opposition parliamentarian, is the Liberal approach to governing Canada, modified in some ways, with more advantages going to some of the wealthier Canadians and more advantages going to the large corporate sector. By and large we have the same kind of direction, which in my mind is no direction that I can see. I do not see any clear pathway or clear strategy or clear blueprint or clear plan for the future. All I see is the Government muddling through, week by week, trying to work its way through and keep out of trouble, primarily, in the various sectors.

In closing, I simply want to say that a Government that makes as a priority the public relations and image, and so on, of our Prime Minister, and feels quite comfortable in spending money on creating the "Life of Brian" film: when we have Ministers of the Crown touring Europe and writing books on "Europe on $5,000 a Day", that is the kind of activity that really betrays the changes that have come as a result of a change in Government—very, very little, indeed.

Mr. McCrossan: Mr. Speaker, the Member he complained about the extravagance that was being shown by hiring consultants to committees at up to $1,000 a day. I wonder if the Member could explain why, in his role as NDP finance critic in the finance committee, he moved, or seconded, and voted for the hiring of these consultants to the finance committee?

Mr. Riis: I want to make it very clear that I am not suggesting that we never hire consultants in this country. I am not saying that hiring consultants is unimportant or is improper. I think it would be silly to advocate that. What I am referring to are reports that some of these consultants are being paid $1,000 a day.

An Hon. Member: Who?

Mr. Riis: I do not know the names of the consultants, but I could provide the information to the Hon. Member. It is public information. My concern is to get good advice on critical important issues, and if it cannot be done by our own library staff, or cannot be done by our own researchers—and I am not certain that that has been clarified—fine. How many experts in Canada are actually worth $1,000 a day for a long-term contract? That is the point I was trying to make; the excessive payment of consultants as opposed to simply the idea of a consultant.

Mr. Gauthier: Mr. Speaker, the Member spoke about the essence of Government and how one must differentiate between the private sector and the public sector. He was here when I asked the Minister responsible for the Treasury Board how we could reconcile these bonus payments to public servants, that is to people in the higher echelons who are not in unions. I asked what the criteria were for them to be paid bonuses for productivity.

If I understood him well, I think the Minister said that there was, indeed, a difference between a Government operation and a hamburger stand or a hamburger company, called McDonald's or something else. Indeed, we were talking about public service to Canadians rather than the bottom line, as some people like us to believe.

• (1240)

The Minister's arguments left great room for debate, and for understanding exactly what the philosophy of the Government is in administration. I have failed to come to grips with that, and I think the theme of the debate today should be to ask the Government about its philosophy behind the administering of those public funds. We are talking about some $116 billion and we would like to know the Government's basic philosophy for obtaining efficiency and effectiveness in the public service. I do not think anyone in the House would quarrel with the objective of having effective programs and an

efficient public service to carry out those programs. The Government's expenditure is not profit oriented but service oriented for Canadians in general.

Will the Hon. Member tell the House, with respect to his province or anywhere else in Canada in his experience, whether there has been any program in which incentives were given to managers to cut services provided to Canadians? That is what the Government is doing. It is telling the managers to cut the number of public servants or they will not get their bonus money. They are being told to cut the program to its bones and spend as little as they can afford. What is the Hon. Member's reaction to the philosophy of the Government regarding the difference between public sector and private sector management?

Mr. Riis: Mr. Speaker, I have some very strong feelings about the point raised by the Hon. Member. My views are a result of my experience as a Member of Parliament from British Columbia who has just seen the provincial Government actually decimate that province. Not only have the social programs been cut to the bone, half of the bones are missing. The British Columbia economy is on its knees because the R. B. Bennett approach to resolving the economic and social challenges facing that province was used to the extreme, with disastrous results. That provincial Government expected just that kind of activity from its senior public servants. They were expected to make serious cut-backs in the public service, and I suggest that the record is clear for anyone who wants to see how the Socreds have mismanaged the situation in that province so badly. Their approach is the last model that anyone would want to use, and that is why some of us are so concerned that we see a similar model being applied here, but not to the same extreme. Fortunately, only the Social Credit Government in British Columbia is that silly.

There is a certain similarity with the approach taken by the President of the Treasury Board. He agreed that one way to measure effectiveness is if one can reduce the public sector. The easiest way to reduce the discretionary spending is presumably by laying off public servants. If that is the measurement for effectiveness or efficiency, one simply has to lay off half of one's Department or cut half the services provided by the Department and one will receive rewards or bonuses of one kind or another. It is that type of mindless incentive program about which we are concerned.

I am not suggesting that it is not possible to implement an evaluation system whereby outstanding performance by a public servant can be rewarded, but we want to know the criteria. This is of concern to many people, particularly to some of us from British Columbia.

We are concerned about some steps already taken. For example, the Department of Environment spent $1 million on public relations while preparing to announce a few days later that it would cut half the Department. The Government set out to rationalize the shipbuilding industry of Canada, which is an honourable objective, but it chose the president of one of the major shipbuilding companies to head the rationalization of the shipbuilding industry in Canada. Surely that will not be seen as fair by other shipbuilding companies in the country. It is that kind of behaviour that concerns many of us, and that is why, when we are asked to vote on these Estimates of $116 billion, we are very cautious. We have not seen the kind of leadership and direction that we expected from a Government which was given such an overwhelming mandate by the people of Canada.

Mr. Redway: Mr. Speaker, I was most interested in listening to the Hon. Member's remarks. I was somewhat surprised that he referred to the deficit situation, because the Hon. Member does not often refer to the fact that we do have a $33 billion deficit. He talked about some of the things that should be done to deal with that deficit and I noted, of course, that he did not say anything about eliminating or reducing any government programs. That is understandable. However, his suggestions for the items he did comment on related specifically to what he and other members of his Party like to refer to as tax loopholes and how they should be closed. Of course, the Department of Finance refers to those tax loopholes as tax expenditures.

The Hon. Member is aware that the Government has taken a number of steps since it took office to close a variety of those so-called tax loopholes or to eliminate tax expenditures. Some of these include the elimination of the Scientific Research Tax Credit, the tax shelter for hotels, recreational vehicles and yachts. The Hon. Member is aware that the Government has moved to eliminate income splitting and has introduced the minimum tax. All of these measures are aimed at closing tax loopholes.

The Hon. Member also knows that last summer the Minister of Finance (Mr. Wilson) published a discussion paper dealing with these tax loopholes, or tax expenditures, and listed the various tax expenditures, indicating the amount of deferred taxes or taxes forgone as a result of those various loopholes or tax expenditures.

The Hon. Member referred to the $1,000 investment deduction.

The Acting Speaker (Mr. Paproski): If the Hon. Member does not come to his question, the Hon. Member for Kamloops—Shuswap (Mr. Riis) will not be able to reply.

Mr. Redway: The Hon. Member referred to that $1,000 deduction. He did not indicate whether he wants that eliminated. He did not refer to the fact that the biggest tax deferrals in those tax exemptions are registered retirement savings funds and pension funds.

I have heard a great deal from the Member and others in his Party about these tax loopholes or tax expenditures. I would be interested to know which ones he would like to see eliminated and whether he and his Party have responded to the Finance Minister's discussion paper, saying which loopholes they want eliminated and why?

Mr. Riis: Mr. Speaker, I have a short reply. I will make the Hon. Member one of the happiest people here today. The Hon. Member for York East (Mr. Redway) asked a very reasoned question. He wants to know what specific criticisms we have about the tax system.

The New Democratic Party has just completed what we call "Tax Probe 86". It is a probe into the ins and outs of the tax system of Canada at the personal level, the corporate level, and at the sales and excise tax level. We will be publishing our report soon and I will send him the first copy so that he will know precisely what the NDP will suggest that the Government do when it comes to cleaning up and making our tax system more just and fair.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, it is a pleasure to join in today's debate. At the outset, I want to expand on the Hon. Member's remarks about their tax probe. I recently received at my house a fund raising letter from the New Democratic Party. That letter was based on its tax probe. One of the statements made in that letter is that Canadians will spend an average of $300 more on taxes throughout the course of this year than they spent last year. While we could argue the accuracy of that statement, let me suggest that what is missing from the letter is that the average family in this country will be spending $4,000 on interest payments this year as a result of the debt incurred by the federal Government because of the NDP-Liberal alliance that tracks back to 1972. Families have wasted $4,000 on interest payments because of the Liberal policy of borrow, borrow, borrow with no responsibility.

• (1250)

What is also missing from that letter is the fact that interest rates have gone down a lot and many Canadian families are saving $100 and $150 a month on their mortgage payments because they finally elected a responsible Government which did not believe in "borrow, borrow, borrow, spend, spend, spend".

As we sit here and listen to all of the speeches made this morning by Members of the Opposition we heard that same theme, don't cut expenditures, go out and borrow more money. We'll pay the interest tomorrow. Who cares. The voters will love us if we give it away.

Mr. Riis: Mr. Speaker, I rise on a point of order. Just so we understand the Hon. Member clearly, he indicated a number of Hon. Members had suggested we go out and continue to "spend, spend, spend, borrow, borrow, borrow". I wonder if he would indicate the constituencies from which those Hon. Members come?

The Acting Speaker (Mr. Paproski): That is not a point of order. The Hon. Member will have an opportunity to ask that question during the period for questions and comments.

Mr. Hawkes: Thank you, Mr. Speaker. I would like to go back to the speech of the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) who stood in this Chamber on behalf of Albertans. Competing in me was a desire to laugh and a kind of churning in my stomach that any Liberal who was in this Chamber after the 1980 election presumes to try to convince anyone in the Province of Alberta that the Liberals give a damn about anyone in that province. I was in this Chamber when the Liberals tried to ram through a Constitution which would have made second-class citizens of all the people in western Canada; in fact, in eight provinces of this country. They kept insisting on it. The Hon. Member who made the speech this morning was doing that. I sat in this Chamber when a Budget and a set of Main Estimates were brought into the House and I rose and said it was a catastrophe for this country and an absolute catastrophe for the people of the Province of Alberta, but the Liberals proceeded to implement that policy with the help of the New Democratic Party.

The Hon. Member talks about people. We moved from a 4 per cent unemployment rate to amost 14 per cent based on a piece of federal policy. It was not because of falling commodity prices around the world. In fact, it was the opposite. It was simply the stubbornness and foolheadedness of the Liberal Party of Canada. Our mental hospitals were full and our prisons were full. The wards in our hospitals were full of battered children and battered wives. We had suicides and heart attacks. And this was all because of a piece of public policy brought into this Chamber by the Liberal Party.

The Hon. Member stands and talks about the bad situation in Alberta today. Well, Mr. Speaker, it is a lot worse now than it was six months ago. Within one year of getting rid of that bunch, the Province of Alberta had taken care of one third of the unemployment problem. Then commodity prices fell on oil and the cumulative effect of drought made the situation very difficult. But there are 31,000 more people working today than in September of 1984 in spite of that reality, in spite of those fallen commodity prices. The employment situation is 16 per cent better than it was in 1984. It was 33 per cent better some six months ago. We are not out of the woods. We still have a higher than average unemployment rate for our province and we are still working on it. But given that rapid drop in commodity prices and its importance to the economy of my province, what is there in the Main Estimates tells us a little bit about the change in attitude of Government which makes that fall slower than it might have been and better for people than it would have been? I suggest to you, Mr. Speaker, that it is the consistent notion of our Party that all Canadians are equal. There is no such thing as a first class Canadian and a second class Canadian.

I sat in this Chamber through those difficult years when that was a hard concept to hang onto. I mentioned the Constitution and the National Energy Program. If we take a simple thing like job creation, dollars spent by the federal Government for the creation of jobs, the Hon. Member for

Humber—Port au Port—St. Barbe should remember that in a Liberal Cabinet Minister's riding, the taxpayers of this country put up $586.50 per year for each unemployed person for job creation. But the unemployed in my riding in Alberta were not so lucky. The federal Treasury provided $12 per unemployed person despite the reality that we had an above average unemployment rate and that unemployment rate was created by the Liberal Government. The Liberals created the unemployment, it created the human misery and it gave $586.50 of public money for employment creation to umemployed people in a Liberal Cabinet Minister's riding and $12 to each unemployed person in a Conservative Member's riding. That was, that is, and I suggest in my lifetime will always be, the Liberal view of how the world goes round. The Liberals want power for power's sake. They want power for things it gives them personally and there is no coherent public policy view discernible. Whatever sells, do it. If we have to borrow today to get a vote, do it. If we have to pay for it tomorrow and if our children and grandchildren have to pay for it, but it will get us the vote so we can hang onto power, do it. That is the Liberal view.

I hope some of the grass roots Members of that Party over time will be successful in cleaning out the kinds of people who hold those views, because this country needs strong, divergent political Parties with divergent public policy views. We do not need political Parties whose sole reason for being is the procurement and continuation of power. That is what this country has had. That is what has caused us enormous difficulties. It led to separatism in the Province of Quebec. It led to separatism in my province. In the provincial election previous to the last one, the separatists in my province received close to 17 per cent of the vote. With the change of Government it went down to an infinitesimal portion of the vote, because all that the people of western Canada want to be is full and equal participants in this which is probably the finest country in the whole world. They want to be full and equal participants, not second class citizens in their own country. The Liberals would do me a favour if they did not stand up in this Chamber and insult every Albertan by trying to pretend they care a damn about anyone who lives in my province because they do not, they have not and they will not. I look forward to the continuation of my speech after lunch.

The Acting Speaker (Mr. Paproski): Before I call it one o'clock, I would like to say to the Hon. Member for Calgary West (Mr. Hawkes) that he will have 10 minutes left for debate plus the 10 minutes for questions and comments.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ENVIRONMENT CANADA

DESFOSSES STUDY REPORT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, at a time when Canadians are expecting more action from, and more responsibility, to be exercised by, the Department of the Environment one wonders why the Deputy Prime Minister (Mr. Nielsen) ordered the Desfosses study on ways to reduce or even dismantle the role of Environment Canada. This study has a devastating effect on the morale of the fine officials in Environment Canada and is of great concern to the public and to environmental organizations out in the field. Apparently the report suggests that the Department be stripped of most of its responsibilities and that it become a junior ministry without the power to make and enforce laws.

I urge the Deputy Prime Minister to come clean with us on this matter, to table this study, and to give an undertaking that the Department of the Environment will be restored to its original strength before the savage cuts of November, 1984.

* * *

TRADE

U.S. TARIFF ON CANADIAN CEDAR SHAKES AND SHINGLES—EFFECT ON EMPLOYMENT IN BRITISH COLUMBIA

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, recent casualty statistics from the shakes and shingles campaign of the Canada-U.S. trade war now number more than 1,500 and include: Bob Sidhu, John Bruner, Mike Fitzgerald, Andy Papp, Gerry Bullock, Bob Tufts, Wess Neetz, Greg Bollen, Ron Veres, George Gage, Dennis Neetz, Steve Clutier, Rob Stewart, Don Chesnick, Rob Andel, Jeff Bailey, Ken Grunow, Derek Saliken, Guy Frigon, Gordon Willard, Mike Styran, Bob Van Dickson, Mike Hayes, Randy Hayes, Baldeep Nagara, Andy McLatchy, Brian Thompson, Gerald Walsyk, Rick Neveu, Ed Salman, Parmjit Mann, Murray Etter, Harbans Gill, Gill Rutledge—

Mr. Speaker: Order, please. Sixty seconds.

* * *

SPORTS

NATIONAL TEAM'S PARTICIPATION IN WORLD CUP SOCCER TOURNAMENT

Mr. Bob Hicks (Scarborough East): Mr. Speaker, as our soccer team disbands and returns home from the World Cup in

Mexico it is appropriate to recognize the tremendous contribution this team has made to Canada's international sporting image.

As a first time qualifier in this "Olympian" event, our team went to Mexico as cannon fodder. Everyone argued that the Canadians would be no match in their tough division. Instead, the Canadian team held three of the greatest soccer nations to a total of only five goals. As a consequence it gained the respect and admiration of its opponents, as well as of the soccer world.

The Canadian team's commitment was matched at home by our fans, our corporate community and, most especially, by Minister of State for Fitness and Amateur Sport (Mr. Jelinek), who went out on a limb and financially backed the team.

The Canadian team identified Canada as a force to be reckoned with, and will ensure further development of this fast growing sport in Canada.

* * *

VOLUNTARY ORGANIZATIONS

CANADIAN CYSTIC FIBROSIS FOUNDATION—SUPPORT GIVEN BY OTTAWA ROUGH RIDER'S CLUB

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, yesterday the Canadian Cystic Fibrosis Foundation made history in Ottawa. I, along with hundreds of other businesspersons, participated in the Ottawa Rough Riders' 65 Roses Sports Club Kick-off Luncheon.

The name of the club came from a youngster who was asked why his sister coughed all the time. He could not pronounce "cystic fibrosis" so he said the coughing occurred because his sister had "65 roses". The phrase has since been used across North America as the rallying call in the fight against this dreaded disease.

The Ottawa Rough Riders are the first CFL team to be associated with 65 Roses. An unbelievable 81 memberships of $1,000 were pledged, the first time in the seven-year history of the 57 clubs that a founding meeting generated over 65 members.

Mila Mulroney, Honorary Chairperson of the Canadian Cystic Fibrosis Foundation, Rick Sowieta of the Rough Riders, Mayor Jim Durrell, and Robbie Thompson, the National CF Poster Child, can all be proud of the continued and remarkable generosity of our national capital region.

S.O. 21

MEMBERS OF PARLIAMENT

GOVERNMENT AIRCRAFT—STATEMENT MADE BY DEPUTY PRIME MINISTER

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, yesterday in the House the Deputy Prime Minister (Mr. Nielsen), in answer to a question from the Hon. Member for Ottawa—Vanier (Mr. Gauthier), stated that three years ago when I was Minister of Transport I was involved in a incident in which he claims I was using a Government aircraft for political purposes, along with two of my colleagues. That is simply not the fact.

I want to stand today to correct the record and to say that I was somewhat disturbed by the fact that the Deputy Prime Minister did not have the parliamentary courtesy to stay in the House and clarify that matter when I was here.

History is full of petty tyrants who have used the big lie technique to get their way. Fortunately, history also tells us that petty tyrants are deposed when people see through that big lie. Mr. Speaker, that can happen none too soon in this country when we get rid of the use of that tactic by too many of our government Members and Ministers.

* * *

[*Translation*]

EMPLOYMENT

GOVERNMENT PERFORMANCE

Mr. Gilles Bernier (Beauce): Mr. Speaker, the latest Statistics Canada release on unemployment indicates a new drop in the number of unemployed Canadians in the month of May.

Indeed, the number of unemployed workers in Canada has declined by 102,000 during the past twelve months. Unemployment figures in Quebec for May 1985 were 385,000 as compared with 340,000 last month, a decrease of 45,000. The unemployment rate now stands at 10.6 per cent, the lowest level in six years.

Unfortunately such good news do not always make the headlines, and our Opposition colleagues do not mention them either. Still, the 45,000 men and women who did go back to work last month have nothing but praise for this Government's sound economic policies, and we have every intention of continuing our efforts to fight unemployment.

In my riding of Beauce, Mr. Speaker, the regional media do report this kind of good news.

S.O. 21

• (1405)

[*English*]

ABORIGINAL RIGHTS

LAND CLAIM POLICY RECOMMENDATIONS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, over the past five weeks aboriginal leaders from across Canada have joined forces to work for a new land claim policy. The present policy has failed with only one agreement signed since it was introduced in 1981.

Since recommendations for a new policy will soon go to Cabinet, aboriginal leaders want to meet with members of the Cabinet to express their position. They have not been given this chance. Despite requests for meetings with over 10 cabinet Ministers, only one, the Minister of State for Forestry (Mr. Merrithew), has managed to receive the group. Meetings with four other Ministers have been cancelled in the last two days, while other Ministers have refused to set a time.

Aboriginal peoples want their voices heard before the Government makes up its mind. They object to the present policy that requires them to give up their rights as aboriginal peoples before the Government will sign a land claim agreement. Land claim policy should allow aboriginal people to participate fully in Canadian society. That participation should begin with cabinet members meeting directly with aboriginal leaders to hear their concerns.

* * *

[*Translation*]

YOUTH

JOB PROGRAMS FOR STUDENTS—GOVERNMENT POSITION

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, under the Challenge 86 Summer Employment/Experience Development program to which $210 million have been allocated, 241 applications have been approved in my riding of Drummond.

Now that these applications have been accepted, 365 jobs will be created in my riding thanks to $461,280 salary grants made by the federal Government, almost $100,000 more than in 1985.

In addition, 1986 is an official census year and we have created 113 jobs for assistant census takers and sector commissioners in my riding. Their total payroll amounts to $150,000.

These projects give students an opportunity to gain practical working experience which will stand them in good stead when they join the labour market in a few years.

I am particularly pleased to be able to participate in job creation for young people in my riding through this program launched by the Conservative Government.

[*English*]

POLITICAL PARTIES

CANADA-UNITED STATES TRADE NEGOTIATIONS—POSITION OF LIBERAL PARTY

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, over the weekend the President of the Liberal Party gave us her version of how the federal Government should proceed with the trade talks. In the past few weeks we have also heard from the Leader of the Liberal Party (Mr. Turner), the trade critic, and the external affairs critic. The funny thing is that it seems that no one is saying the same thing.

I would hazard a guess that pretty soon there will be about 39 different views from members of the Liberal Party on these talks. They must think that it is quantity and not quality which Canadian people are looking for in this issue.

The Party's external affairs critic cautiously supports the trade talks. The trade critic says he does not want us to make any compromises during the negotiations. The Leader of the Liberal Party opposes the talks one day and supports them the next. He also says that he would like to settle this issue in about five years. I suppose that will give him enough time to collect his thoughts on the matter.

This side-step—sorry, two-step—dance by members of the Liberal Party is getting very tiresome. I would suggest that members of the Liberal Party take the summer months off to come up with a consistent policy on what is probably the most important issue facing Canada. I say, Mr. Speaker—

Mr. Speaker: Order, please. Sixty seconds.

* * *

INSURANCE

CANCELLATION OF ATHLETIC RACES DUE TO LIABILITY COVERAGE DIFFICULTIES

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, finding it impossible to find second party liability insurance, the Ottawa region has had to cancel two races. The Rideau Centre Men's Five-Miler, scheduled for June 15, as well as the Digital Canada Day Five-Kilometre Run, scheduled for July 1, have both been scrapped by organizers.

• (1410)

"It wasn't a question of cost", said Anne Wardlaw, race director of the Rideau Centre race and a member of the organizing committee for the Canada Day event. "We can't even get a quote from any insurance company", she said.

The Rideau Centre race has been an annual event for the past four years, and this would have been the third year for the Digital race.

When will the Government intervene in this matter? We have waited a long time for some legislation to ensure that sports competition events run freely.

* * *

[*Translation*]

TRADE

FREE TRADE—IMPORTANCE OF SITUATION

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, yesterday in the House we debated an Opposition motion condemning the Government for its alleged lack of interest in workers in the shakes and shingles and softwood industries.

Mr. Speaker, once again, the Opposition parties have shown their incoherence and their failure to understand Canada's trade problems.

It was the Liberals who did not include shakes and shingles and lumber in the GATT agreement. It was the Liberals who kept Canadian trade in a position of inferiority by failing to protect our products in other agreements with Japan and Europe. And what is more, they are equating free trade with the recent trade incidents with the United States.

Mr. Speaker, today we have a duty to inform the Opposition and Canadians about the advantages of free trade negotiations that will lead to trade agreements between Canada and the United States that are fair to, and protect the interests of, both Canadians and Americans.

* * *

[*English*]

SPORTS

NATIONAL TEAM'S PARTICIPATION IN WORLD CUP SOCCER TOURNAMENT

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I want to say a few words this afternoon about Canada's national soccer team whose members overcame immense obstacles to represent our country for the first time ever at the World Cup tournament, and about how they represented us.

They may not have won a game, but they won the respect of their opponents. They won the recognition of the international soccer community, and they won the admiration of all Canadians for the way they played.

It was the only team in the tournament which does not have a domestic professional soccer league as a base. In this context their efforts are even more remarkable. With determination, with skill, and with excellent strategy they proved that they deserve a place among soccer's best.

It was a difficult task even to bring the team together, let alone to find the necessary funding to carry it through the tournament. The coaches, managers, and all off-field personnel also deserve a lot of credit for the team's success.

Perhaps most important, the team has placed soccer on the map in Canada. It is to be hoped that its efforts will go a long way in encouraging the further development of this sport in Canada so that our first visit to the World Cup will be the first of many.

* * *

[*Translation*]

FINANCE

REGISTERED SHARES PROGRAM

Mr. Guy St. Julien (Abitibi): Mr. Speaker, the Canadian and Quebec flow-through share system provides tax shelters that benefit the mining sector in Abitibi, by creating and maintaining employment and thus helping to develop this remote area. Thanks to recent finds, the system provides for a good source of revenue for the Government, through income and other taxes.

Mr. Speaker, the Quebec Minister responsible for Mines, Raymond Savoie, warned Quebec prospectors at a dinner with their association in Val d'Or on May 10, 1986, when he said: There has been some abuse with respect to flow-through shares, not much, but this leads to rumours that may be damaging. I urge you to be careful and to be responsible in your operations. I am willing to hold the fort, but I can't hold it alone.

Mr. Speaker, I was elected to manage the Government's business in Abitibi, and we must all protect the flow-through share system in order to eliminate the abuses of that system in Abitibi.

* * *

[*English*]

PORNOGRAPHY

ANNOUNCEMENT OF NEW LEGISLATION

Mr. John Reimer (Kitchener): Mr. Speaker, the Government is to be congratulated for today's announcement to go beyond the Badgley and Fraser reports and to introduce tough new legislation to deal with pornography.

This joint announcement by the Justice, Health, and Youth Ministers reflects the increasing concern among Canadians about the objectionable nature and wide variety of material which distorts human sexuality and undermines human dignity.

Particularly welcome are those changes which will prohibit the production, sale, rental, distribution, and even possession of that which depicts sexually explicit acts, violent and degrading behaviour, and the sexual exploitation of children. This action is a clear signal that the selfish and perverted interests of a few will no longer have free reign to warp the minds of our young people and the moral fibre of Canadian society at large.

I am sure that the many residents of Kitchener who have written to me expressing their serious concerns about pornography will be pleased by these comprehensive measures.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF WESTMINSTER ROADS STUDY GROUP

Mr. Speaker: May I draw the attention of Hon Members to the presence in the gallery today of the Parliamentary Roads Study Group from Westminster, led by Mr. Peter Fry, Member of Parliament, and by Mr. Roy Hughes, Member of Parliament.

Some Hon. Members: Hear, hear!

• (1415)

ORAL QUESTION PERIOD

[*English*]

MEDICAL CARE

AMOUNT OF FEDERAL FUNDING

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Minister of National Health and Welfare. The Minister of Health said today that he does not want to dictate to the Province of Ontario how to resolve health care problems. Meanwhile the federal Government has put immense pressure on provincial Governments by reducing federal transfer payments by about $8 billion over the next few years.

The Minister knows that by the year 1990 we will have three million senior citizens, an increase of one-third over the number of people in that category in 1980. How does the Minister expect the provinces to develop and deliver adequate medical care to our growing and aging population when the federal Government has so severely and brutally restricted and cut transfer payments to the provinces?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the first point is that the federal Government has not cut transfer payments to the provinces. Bill C-96 not only fully maintains transfer payments in place but also it has a substantial increase in it. Over a five-year period from the previous five-year period there is an increase in transfer from $65 billion for the two programs to $90 billion.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): Second, Bill C-96 has included in it a provision for inflation protection. If the right hon. gentleman takes a look at the accounts of Canada he will find that other than with ODA and defence EPF is rising as rapidly as those others, so concerning that aspect the right hon. gentleman is wrong. Does the right hon. gentleman not support the Canada Health Act? Is he asking for amendments?

MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we fully support the Canada Health Act. The law presently before Parliament will cut by $8 billion what the provinces would otherwise have expected. The Minister talks about keeping abreast with inflation. He knows that because of the increase in our aging population, health costs will rise faster than the rate of inflation. What does the Minister of National Health and Welfare expect the provinces to do? Does he expect them to close down hospitals, restrict research and development, or is the Minister going to force them into extra billing and user fees?

Hon. Jake Epp (Minister of National Health and Welfare): No, Mr. Speaker, none of the above. I don't look at our health care costs or our health system in those negative forms. The right hon. gentleman is correct when he says that there will be a cost impact because of aging population, because of technology, and because of new diseases. That is why, for example, as we sit down with the provinces, those issues are important.

If the hon. gentleman takes a look at the federal Government's share of health care costs and funding of the health care costs, that has not gone down. If the right hon. gentleman takes a look at Bill C-96 he will find that the funding does not go down. If he takes a look at what the provinces get in terms of the total block funding of health care and post-secondary education, the right hon. gentleman will find that the federal Government is paying quite a bit more than its share relative to that of the provinces.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

[*Translation*]

BUDGETARY CUT-BACKS AFFECTING MEDICARE—NEEDS OF THE ELDERLY—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the provinces do not agree with the Minister's analysis and neither do the elderly, whose numbers are expected to increase to 3 million between now and 1990.

I will repeat my question: How can we expect to meet the needs of our aging population if the Government decides to cut its spending on medicare? I don't need convincing. I think the

Minister ought to try and convince his colleague, the Minister of Finance, of the importance of this question.

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, again I would have to stress to the right hon. gentleman that the federal Government is not cutting back on its share of federal moneys which the provinces have to spend for health care because the provinces have jurisdiction in health care. The federal Government's expenditure under the legislation before us, the Budget of the Minister of Finance, is going from $65 billion over the last five years to $90 billion. That is up. That is not down. It is up. Additionally, if the right hon. gentleman takes a look at inflation protection, there is full protection under Bill C-96.

• (1420)

I will agree with the hon. gentleman and all Members of the House that our health care system will also have to adjust. In that respect there is a responsibility of the federal Government and the provincial Governments to come up with a solution collectively, as health care has generally been addressed, to the problem of the aging population and new technologies. I suggest that the EPF is not an answer to the question he asked.

* * *

TRADE

LUMBER EXPORTS—POSITION OF UNITED STATES PRESIDENT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Yesterday in the House in response to a question the Minister stated that the commitment which the President of the United States, Mr. Reagan, made in a letter he sent to Senator Packwood, in which he expressed support for the efforts of the U.S. lumber industry, was at variance with what the Canadian Government understood to be the conditions under the Quebec Accord.

Is the Minister now saying that the President of the United States says one thing for domestic purposes and another thing to its very close ally and friend, Canada? Is he really saying that there are two different positions on this? Will he clarify his remarks and not leave this very serious charge on the public record?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, of course I am not saying that.

Mr. Blackburn (Brant): Now sit down.

Mr. Clark (Yellowhead): The Member for Winnipeg—Fort Garry was quoting a gentleman named Santos as the speaker for the U.S. administration. We always take the Member for Winnipeg—Fort Garry seriously, however wrong that might be. We have checked with the White House and are advised by its spokesman that Santos was wrong and does not speak for the U.S. administration.

Ms. Copps: Oh, I see. By letter?

MINISTER'S STATEMENT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, the Minister is mistaken. I was not quoting Mr. Santos. I was quoting the Hon. Joe Clark who is the Secretary of State for External Affairs. He said, as reported at page 14112 of *Hansard*, that the President might say things for domestic reasons, but they are not in accord with what we had to say.

In his own statement the Minister said that the President made these commitments for his own domestic reasons. Are you now saying that there are two different lines of argument? Will the Minister clarify the record? If not, he will leave a very serious charge against the President of the United States.

Mr. Guilbault (Saint-Jacques): Santos will answer the question.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am not saying that, and that is clear on the record. The Opposition—

Mr. Turner (Vancouver Quadra): That's what you said yesterday.

Mr. Clark (Yellowhead): —unable to find any common line themselves, have now begun the practice of quoting, one by one, the 240 million Americans who might have some view on the trade negotiations.

Mr. Axworthy: I am quoting you.

Mr. Clark (Yellowhead): All I can say is that I am pleased we are not dealing with China.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order.

Some Hon. Members: More, more.

Mr. Speaker: Order, please.

CLAIM MADE BY U.S. SENATE COMMITTEE OFFICIAL

Hon. Edward Broadbent (Oshawa): Mr. Speaker, now that we have had our little joke I will direct a question to the Prime Minister, who likes to indulge in this kind of thing, and see what he says.

Some Hon. Members: Oh, oh!

Mr. Broadbent: The gentleman referred to by the Secretary of State for External Affairs, Mr. Santos, may not speak for the administration of the United States, but he is a senior counsel to the Senate Finance Committee which has a crucial role in the ultimate trade decision. Has the Prime Minister

checked out with President Reagan or Secretary of State Shultz the claim made by Santos that, no matter what the Department of Commerce decides, President Reagan will intervene at some point to take another whack at Canadian lumber?

Right Hon. Brian Mulroney (Prime Minister): No, Mr. Speaker, we are guided by the administration and the relationships which necessarily exist. I am sure that there are all kinds of opinions floating around. We cannot check them all out and be held responsible for opinions put out by either Mr. Santos or Bob White.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, the Prime Minister's caucus may think this is funny but more than 25 million Canadians are interested in the well-being of this country. This is not a joke.

Some Hon. Members: Hear, hear!

INTERESTS OF CANADIAN WORKERS

Hon. Edward Broadbent (Oshawa): Mr. Santos, senior counsel to the Finance Committee, said that there has been a private deal made between President Reagan and certain key Senators. The President reversed his commitment to the Prime Minister in terms of the Quebec Accord. Therefore, when the Prime Minister recently wrote his "Dear Ron" letter to the President why did he not make a special appeal for consideration of the legitimate interests of all those Canadians working in the wood products sector?

• (1425)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I must say again, as the Secretary of State indicated, that no one knows Mr. Santos. We have not—

Mr. Broadbent: Did he say no one knows him?

Mr. Axworthy: He is the senior trade counsel.

Mr. Mulroney: That is what I said.

Mr. Broadbent: No one knows him?

Mr. Mulroney: That is what I said. I do not know him. I have not heard from him and I doubt if I will hear from him again. Am I supposed to be intimate in some way with him?

Mr. Broadbent: No, you are supposed to know who he is.

Mr. Mulroney: The Secretary of State—

Ms. Copps: He doesn't know him.

Mr. Mulroney: It is nice to hear that Nadia Comaneci is back.

Mr. Speaker: No, please. Does the Prime Minister want to finish his answer, please?

Mr. Mulroney: I tried to tell my hon. friend that the response was fully given by the Secretary of State for—

Mr. Marchi: Send Joe in, at least he is funny.

Mr. Mulroney: I know the Liberals do not want an answer but I will try to respond to my hon. friend, the Leader of the NDP.

The case concerning the workers in British Columbia was made fully on a number of occasions and will continue to be fully defended by the Secretary of State when he convenes a very important meeting of all interested parties in Vancouver on Friday.

CLAIM MADE BY U.S. OFFICIAL

Hon. Edward Broadbent (Oshawa): Mr. Speaker, as the Prime Minister knows, the question is quite serious. It was the Secretary of State for External Affairs who said yesterday that the President of the United States says certain things for domestic purposes and certain other things regarding his commitment to Canada. Mr. Santos, senior counsel to the U.S. Senate Finance Committee, has claimed that President Reagan made a commitment to, in effect, overrule the quasi-judicial proceedings now under way. Therefore, will the Prime Minister contact President Reagan and get him to stand by the commitment he made in the Quebec Accord? It is a serious matter.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it is indeed a serious matter. That is why there has to be some question raised as to why the Opposition is going through the U.S. Government phone book trying to pluck out names and quote them. With respect to Mr. Santos, who was the basis of the continuing CLC case yesterday against the trade talks, we checked with the White House. We thought that perhaps in this unusual circumstance the Leader of the NDP knew something that the rest of the world did not know. The response from the White House is, and I quote: "Santos was wrong and he does not speak for the United States administration". Therefore the NDP is left in the situation where, in order to continue its blind opposition to the trade initiative, it is going to have to invent some other statement from somebody else nobody in this House has heard of.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Some Hon. Members: Bye, bye, Ed!

Mr. Speaker: Order, please.

GOVERNMENT EXPENDITURES

USE OF HERCULES AIRCRAFT DURING PRIME MINISTER'S TRAVELS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Prime Minister. He will know that according to a military spokesman the DND Hercules aircraft is used primarily for moving freight between military bases, troop transport in Europe, moving equipment to Pine Tree, and for search and rescue as well. It has never been used for the kind of civilian purpose for which the Prime Minister commandeered it. Will he give this House the assurance that the DND Hercules aircraft will never be used again as a pack-horse for the Prime Minister in his attempt to make his version of *Bedtime for Bonzo*?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman is quite inaccurate when he tries to paint these circumstances as being something unusual. They are not unusual at all. As a matter of fact they stem from a practice put in place by Prime Minister Trudeau in 1978, a practice with which I am sure the Hon. Member's Right Hon. Leader is very familiar.

• (1430)

GOVERNMENT POSITION

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the Deputy Prime Minister knows that the former Prime Minister is not in the habit of having 15 attendants being lugged around to take pictures of him so he can copy his friend in the White House and watch reruns of old movies. Will the Government give an assurance that the Hercules aircraft, the DND vehicle, will not be abused as a pack-horse to make the Prime Minister's version of the *Life of Brian* or *Bedtime for Bonzo*, and will the taxpayers be compensated for the cost of abusing this equipment to make home movies for the Prime Minister and the PC Party?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I see the right hon. gentleman, the Leader of the Opposition, applauding. He knows, if he has not told his caucus, that this is a well established practice that goes back to 1978 when it was put in place by Prime Minister Trudeau.

Mr. Turner (Vancouver Quadra): Come on!

Mr. Nielsen: He says, "Come on". The Right Hon. Leader of the Opposition I am sure recalls that the same kind of services were used by himself during the last election campaign.

Some Hon. Members: Hear, hear!

ABORIGINAL RIGHTS

LAND CLAIMS POLICY

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I would like to welcome the Hon. Minister of Indian Affairs and Northern Development back from Russia.

Some Hon. Members: Hear, hear!

Mr. Manly: In light of the failure of the present land claims policy where only one agreement has been signed since it was introduced in 1981, aboriginal leaders have a great interest in proposals that the Minister plans to bring before Cabinet. They hope that these will be based on the Coolican report.

Since these leaders have wanted to meet with cabinet Ministers, the Deputy Prime Minister has refused to meet with them, four other cabinet Ministers—

Mr. Speaker: Does the Hon. Member have a question?

Mr. Manly: Since four other cabinet Ministers have turned down requests for meetings I would like to ask the Minister if he will lobby with his cabinet colleagues to make sure that they will honour commitments they have made with the aboriginal leaders on a new land claims policy.

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, let me advise the Hon. Member that the matter of comprehensive land claims is before the Cabinet and will be dealt with in the appropriate order. It will be done in a way which will be consistent, in my view, with the interests and needs of Indian people and all Canadians.

EXTINGUISHMENT CLAUSE INQUIRY

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, it is important that the Minister make sure that his cabinet colleagues meet with the aboriginal leaders so they can explain their policy. Will the Minister assure the House and the aboriginal peoples that their number one request, the extinguishment clause which violates the spirit of the Constitution recognizing aboriginal rights, will not be a part of the proposal he brings to Cabinet?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, the recommendations with respect to the change in comprehensive claim policies are very, very extensive and very complex. I can assure him that the appropriate consideration by all members of Cabinet will be made before the determination of the policy.

Oral Questions

[*Translation*]

THE PRIME MINISTER

COST OF UTILIZATION OF HERCULES AIRCRAFT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Prime Minister. I would like to know whether he is willing to table today in the House the cost of all the Hercules flights that were made so he could star in some home movies that are nothing but propaganda for the Progressive Conservative Party. Is he prepared to table the cost of those trips in the House?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Well, the Hon. Member may be unaware of the fact that the approval with respect to the use of government aircraft is my responsibility. I give her the same answer that I gave to her colleague a moment ago, that the practice of using government aircraft and the PCO technical services was established in 1978 by Prime Minister Trudeau—including video and other such services—and indeed such services were used by the Right Hon. Leader of the Opposition, the Hon. Member's own Leader, when he was in office.

TRAVEL DESTINATIONS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, if the Deputy Prime Minister is not prepared to admit that the video abuse of the Hercules was absolutely unconscionable, I would like to ask the Prime Minister if he does not feel it is passing strange that according to government documents examined today government jets have taken Mr. Mulroney and his family more often to West Palm Beach—

Mr. Speaker: Order.

Ms. Copps: The government jets have been used more often to go back and forth to West Palm Beach than they have to Baie Comeau.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): With respect to the first part of the question, the role of technical services in PCO is to provide effective technical support to PMO, PCO, FPRO, including the design, procurement, installation, maintenance, testing and operation of audio, visual, video and digital analogue communications facility systems and services.

With respect to the use of government aircraft she obviously was not here yesterday when I compared the 18-month period in office of this Government with the last 12 months of the last Government. The number of flights flown have been reduced by 22 per cent. The number of hours flown have been reduced by 23 per cent, and a saving of two and a half million dollars has resulted.

Some Hon. Members: Hear, hear!

NATIONAL DEFENCE

USE OF MILITARY AIRCRAFT—WORLD WAR I VETERANS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I would like to direct my question to the Minister of National Defence. A World War I fighter pilot 91 years of age wants to know why he and his fellow World War I airmen were denied by his Ministry, for the first time in Canadian history, the use of military aircraft to enable these few World War I vets to attend their annual reunion in Canada?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): If the hon. gentleman would forward to me particulars of that allegation I will ensure that he has a full and detailed response. The use of government aircraft is governed by guidelines that are in place. He knows it, and he and other members of his Party have used that service in the past. The guidelines and the circumstances that he described would have to be looked at in the light of those circumstances. So, please, let me have them.

MINISTER'S POSITION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, is the Minister of National Defence saying it is quite appropriate to have military aircraft used for the filming of the *Life of Brian*, but not to help the few World War I fighter pilots who want to meet once a year in various cities in this country? Is that his priority?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): That is absolutely false. The hon. gentleman should know it. He himself, along with his family, has used military aircraft to go from this place to his own home province.

* * *

ENERGY

DEVELOPMENT OF HIBERNIA AND TAR SANDS PROJECTS

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Prime Minister. Since the Chairman of Petro-Canada, Mr. Hopper, admitted last night that both Hibernia and the tar sands are going to need financial assistance from the Government if they are to be developed, will the Government provide this financial assistance so that they can be brought onstream and be developed? If so, when?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, if I might reply to the Hon. Member on that, discussions are ongoing with the operator of Hibernia and both levels of government, both our colleagues in the provincial Government in Newfoundland and the Canadian Government. There was a meeting as recently as a week ago. Ongoing discussions are

taking place to check the various numbers that are involved in the bringing on stream of Hibernia, and the companies now are investigating what is required to bring that onstream. These talks are going on very, very well and we are very confident that Hibernia will be brought onstream.

[*Translation*]

GOVERNMENT POSITION

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I have a supplementary for the Prime Minister. Mr. Hopper also stated that by 1992 or 1993 all Quebec's requirements will be met by oil imports, unless we develop our resources now.

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

Mr. MacLellan: Does the Government intend to drop security of supply, or is it going to act now to start up these projects before it's too late?

[*English*]

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, first of all I must point out to the Hon. Member that this Government has never said it is abandoning security of supply. Quite to the contrary. That is why we are having these discussions. They are ongoing, they are current, and I know they will have a positive result.

* * *

• (1440)

CANADIAN JOBS STRATEGY

EMPLOYMENT FOR PERSONS OVER FORTY YEARS OF AGE

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. With the introduction of the new Canadian Jobs Strategy in one-industry towns where individuals who have worked for a number of years are being laid off due to high-tech or changes in the resource base, will the Minister tell the House her plans for Canadians in the 40 and over age group?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I thank the Hon. Member for Timiskaming for his question with regard to older workers. It is a subject of concern that has been raised by a number of Members in the House. The Canadian Jobs Strategy programs at the moment include some 14,000 people who are in the older worker category. As well, there are specific projects which are directed to them, such as the one in Hamilton, the Citizen's Action Group of Hamilton, that is looking at the problems of older workers in that area. As well, we have Outreach projects directed to those who are over 50. I want to mention as well that in his Budget the Minister of Finance allocated some $125 million for an older workers program. These and other initiatives will continue to be taken.

Mr. Speaker: Order. The Hon. Minister is verging on a statement.

* * *

ENVIRONMENT CANADA

FUTURE OF DEPARTMENT

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. Concerns have been expressed recently about the possible demotion of the Department of the Environment to a junior Department, and stripping that Department of responsibilities it now has for the environment. As the person in charge of the Government and Cabinet, will the Prime Minister assure the House that there will be no demotion of the Department of the Environment or stripping away of its responsibilities so that he can allay the widespread concern that exists within the environmental community as a result of that proposal?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if there are concerns, they would be completely unfounded. I believe it is generally regarded that the Minister of the Environment is doing an exceptional job and reflecting a high priority that the Government gives to all environmental matters.

DEPARTMENT'S RESPONSIBILITIES

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I am glad to hear that the Prime Minister values the environment. I hope that is the assurance I was looking for, although it is not as carefully worded as I would like. Will he consider not only not demoting the Department of the Environment but elevating it to the level where environmental decisions, whether they concern agriculture, transport or whatever, are made by the Department of the Environment and not the Departments that deal with the users of particular chemicals or substances that are involved?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it would be hard for this Party to elevate the Department of the Environment because, in our judgment, it is where it ought to be—sky high in our priorities.

* * *

GOVERNMENT EXPENDITURES

USE OF GOVERNMENT AIRCRAFT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I want to put a question to the Deputy Prime Minister. He knows that the one occasion that I had to use

government aircraft while I was Prime Minister was to visit the Queen. That was a Jetstar. There never was a Hercules aircraft used, to our knowledge, for support. During the election there were two technicians with me to keep me in touch with the Government of Canada. Their travel was paid for by the Liberal Party during the election. I want to ask him to produce proof to substantiate the charge he made against me in the House of Commons.

Some Hon. Members: Hear, hear!

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I am very sorry that the right hon. gentleman takes my remarks as being a charge against him. All that I was doing—

Some Hon. Members: Oh, oh!

Mr. Gauthier: It certainly looked like it.

Mr. Tobin: The usual buffoonery.

Mr. Nielsen: —was to recount for the edifiction of his Members that the technical services established in the Privy Council Office were established by his predecessor, Prime Minister Trudeau, in 1978. Those services have been used since that time by that Prime Minister, by the right hon. gentleman, and in the same way those services are being utilized by the Prime Minister now in office.

REQUEST FOR VERIFICATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, that is not the impression he meant to give here. He talked about supporting Hercules aircraft such as the Prime Minister is using for his own video ego massage. That is not the type of thing we did. I want him also to produce the proof. Mr. Trudeau may have made some authorization for some technical support staff. Show the House when Mr. Trudeau ever took along a Hercules for his own ego gratification, with supporting video staff. Support that.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, it is not a question of the aircraft—

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): What a phoney. What a sleaze artist you are.

Mr. Speaker: Order, please.

Mr. Turner (Vancouver Quadra): The Prime Minister condoned it. Sitting beside him.

Mr. Hnatyshyn: Take it easy. Be a hero for once.

Mr. Speaker: Order.

Mr. Turner (Vancouver Quadra): What a sleaze.

Mr. Speaker: Order. Need I caution—the Deputy Prime Minister may finish his answer.

Mr. Nielsen: It is a question of the establishment of technical services in PCO to provide those services that I have described.

Mr. Tobin: Hang your head in shame.

Mr. Nielsen: The Armed Forces have a fleet of a wide range of aircraft that are available for use for non-military purposes to the Prime Minister's Office, going back to 1978 in this particular instance, and for Members of Parliament, for its committees, and for other designated purposes other than military. There is nothing unusual, with respect to the aircraft or the type of services that were utilized in this instance, from the 1978 policy set by Prime Minister Trudeau.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Churchill.

Mr. Axworthy: Applause, fellows. Come on, guys.

Ms. Copps: Fall guy for the Prime Minister.

Mr. Speaker: Order, please. The Hon. Member for Churchill has the floor.

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LABOUR RELATIONS

REQUEST THAT INTERNATIONAL LABOUR ORGANIZATION INVESTIGATE ALBERTA LAWS

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Labour. He is going to Geneva next week to attend the International Labour Organization meeting. Will he support the request of the Canadian Labour Congress and ask the ILO to investigate the Alberta laws which are presently creating problems such as the Gainers strike?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, the Hon. Member could be of assistance if he could inform me of any convention that may allow the ILO to conduct that investigation.

Some Hon. Members: Oh, oh.

Mr. Murphy: It is unusual that the Minister asks me a question.

REQUEST FOR MINISTERIAL ASSISTANCE

Mr. Rod Murphy (Churchill): Mr. Speaker, I believe the Minister is aware that there is a convention enabling unions to negotiate a collective agreement without undue interference. Will the Minister use his good offices to try to resolve that problem, whether he does so in Geneva or whether he is willing

to do so in the Province of Alberta? I am asking whether he is willing to do that?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, in the future, as in the past, the Government of Canada, with the support of the ILO by this Government, will be open to any suggestion from the ILO. As the Hon. Member is aware, there was a study team from the ILO here last year that had the full support of the provincial Governments of the provinces where they did those studies, as well as the full support of the Canadian Government in carrying out those studies.

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CONSUMER AND CORPORATE AFFAIRS

PRICE OF GASOLINE—REFINERIES' SHARE

Mr. John Reimer (Kitchener): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. It concerns the price that consumers are paying for a litre of gas. In view of the fact that the crude oil portion has decreased, how can one justify that the refinery share has increased from 8.8 cents per litre in January to 11.3 cents in May, an increase of 2.5 cents, or 28 per cent? Is not this action a cruel, hidden rip-off of the consumer when prices were falling?

Some Hon. Members: Hear, hear!

Mr. Blackburn (Brant): That is not how you get into the Cabinet, John.

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, the Member knows that the Government does not set the gasoline prices. However, if he has evidence of any infraction I will be glad to relay it to the Director under the Combines Investigation Act. I want to remind him that the Restrictive Trade Practices Commission is looking into this matter and should release its report shortly.

* * *

REFUGEES

DEPARTMENT'S LETTER TO PROSPECTIVE REFUGEE STATUS APPLICANTS

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister of State for Immigration. I have a copy of a leaked departmental letter that was sent to individuals, including accused murderers and drug traffickers, which states that: "Since you are the subject of an arrest dated on or before May 21, you are eligible for consideration under this review if you declare an intent to claim refugee status." Why did his colleague, the Minister of Employment and Immigration, say in the House yesterday that: "—this review will include no one with regard to criminality."? Why are you inviting such individuals to Canada? And why don't you come clean with the facts?

• (1450)

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, the Hon. Member's statement does not do justice to the facts. He was briefed in the standing committee last week regarding the purpose of these letters. Let me reiterate to the Hon. Member, the letter was sent only to those who are subject to an inquiry. The purpose of the letter is only to determine whether those people who are in one way or another in violation of the Immigration Act have any intention to claim refugee status at their inquiry. No one here with any security concerns or health considerations will benefit from this review.

Mr. Speaker: Supplementary question through the Chair, please.

MINISTER'S POSITION

Mr. Sergio Marchi (York West): Mr. Speaker, it is very clear, and I have documents to prove that drug traffickers, murderers and break-and-enter artists are receiving an invitation to participate in the review. I would like to ask the Minister, since he is trying to separate immigration from refugee claimants, why he is extending an invitation to participate in the review to individuals who have not filed refugee claims and are not refugees. Why does he not deal with the legitimate cases in the 22,000 backlog and not fiddle around with criminals and hard-core individuals?

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, I would invite the Hon. Member to be part of a positive communication about the intention of this Government which is being widely and positively received. Let me again say to the Hon. Member, and to Hon. Members of this House, that persons illegally in Canada who have evaded removal actions for months or for years are not eligible for the review.

Mr. Marchi: Why did you send them a letter, then? Why send them a letter?

* * *

CANADA POST CORPORATION

REMOVAL OF LABOUR REPRESENTATIVE FROM BOARD OF DIRECTORS

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is directed to the Minister responsible for the Post Office. Why has the Minister ended the term of a member of the Board of the Post Office shortly after having written him in a personal and confidential letter saying: "Canada Post Corporation has benefited from your outstanding contribution"? Is the Minister simply trying to eliminate any critics of cost-cutting options at Canada Post, such as his own

announced intention to use mailboxes in suburban communities?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I would suggest that the policy of this Government is quite simply to review the mandates of Crown corporations as they expire and to make changes at the appropriate time. I can assure my colleague that this policy has always been enforced, that it will continue to be enforced and that, as far as I am concerned, there has been no change in that respect.

REQUEST FOR EXPLANATION OF UNION REPRESENTATIVE'S REMOVAL

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I find it difficult to understand why the Minister would remove a union representative who has a clean record. Did the Minister adopt the old Athenian tradition and kill the messenger because he did not like the message?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): On the contrary, Mr. Speaker, I think it is our responsibility. Two seats are reserved for union representatives and, in my opinion, this policy has not been changed. I will make sure that, at the appropriate time, union representatives sit on the management committee.

* * *

STATUS OF WOMEN

RESULTS OF MINISTER'S MEETING WITH PROVINCIAL COUNTERPARTS

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, I would like to ask a question to the Minister for the status of women. Last week, the Minister met with his provincial counterparts to discuss issues related to the status of women in Canada. Could the Minister tell us today what were the results of this meeting last week?

[*English*]

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, I would like to report to the House and particularly to the Hon. Member who I know is interested in issues relating to women. On the many issues discussed at the federal-provincial conference there were two significant decisions; first, the tabling of 11 reports on wife battering showing what action is now being taken and what actions Governments must take in the next two years; second, the need for action on issues of immigrant and refugee women. We also dealt with the establishment of data collection in order to know who are our native born Canadians and who are our immigrants. The important issue of language training and the certification of immigrant women who have technical or university training was also discussed.

[*Translation*]

GOVERNMENT POLICIES

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I would like to direct my question to the Minister for the Status of Women. In view of the reply we have just heard, I would simply like to know whether the Minister can tell us if he has other studies to propose or whether the Government will instead take some action. What specific policies can you propose following last week's meeting?

[*English*]

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, I presume the Hon. Member is referring to the serious matter of wife battering and family violence. In relation to that, as the Hon. Member will know, federal-provincial territorial Ministers have had a study going on for two years. The result is a report to Governments showing specifically what services are available and pin-pointing what must be done in each jurisdiction during the next two years.

Obviously that direction has to be undertaken by Governments and, in many cases, needs to be done co-operatively.

[*Translation*]

GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I would like to ask a supplementary about these studies requested two years ago.

My question is this: What does the Government plan to do about these issues? What are your action plans? Not more studies! What do you have to suggest? Why are you dragging your feet?

[*English*]

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, as the Hon. Member knows, the Ministers responsible for the status of women are advocate Ministers. They now have ammunition to take to the cabinet table what is now needed in terms of transition housing, for example, and what is needed in terms of long-term housing. For those who take part in programs for counselling battered women, there are a whole range of areas about the criminality and the importance of laying charges against those who batter. The plan which is outlined in the reports is a blueprint for all Governments. I would encourage the Hon. Member to be in touch with provincial Governments of her Party's persuasion as we will be in touch with cabinet colleagues on these issues.

* * *

CHILD CARE

COMMITTEE STUDY

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister of Finance. As he probably

knows, the Special Committee on Child Care is concluding hearings with hundreds of witnesses from across Canada. Since the evidence is overwhelming that federal leadership is needed, will the Minister assure Canadians that he is planning now to priorize funds from general revenue to help improve child care across Canada for 1987?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member has sat on that task force. She knows the hearings for witnesses are pretty well now completed. The task force, as I understand it, will now be writing its report. I am sure as a member of the task force she will want to be part of the recommendations first and give its position both to the Government and to Parliament generally.

REQUEST FOR FUNDING COMMITMENT

Ms. Margaret Mitchell (Vancouver East): My question is directed to the Minister of Finance. The committee recommendations, regardless of what they are, cannot be implemented if we do not have funds. Will the Minister of Finance commit funds now in his Budget planning for 1987 so we will be able to take some steps to improve the situation? And will he take the funds out of general revenue, not family benefits?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we have a process in this House where we have committees preparing reports. The recommendations are then presented. Following that, the Government of Canada will make responses to those reports. When we see the report and the recommendations, and when we see the full impact of what the report says, at that time we will be able to make a proper judgment.

Ms. Mitchell: You are planning your Budget now, Mike.

* * *

CANADA POST CORPORATION

USE OF COMMUNITY MAILBOXES

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is addressed to the Minister responsible for Canada Post. The Minister, speaking at an annual convention of the Consumers Association of Canada, said: "Community mailboxes are not liked but they are going to be a fact of life". Is he telling Canadians that he supports green community mailboxes and discriminating against 25,000 households in new urban districts? Is he supporting that system?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, the Hon. Member knows quite well that the Minister of Finance asked the Canada Post Corporation to become financially self-sufficient as soon as possible and that we therefore had to ensure that these recommendations would be made at the same time as we would improve the postal service.

These are two criteria which we must consider before recommending solutions to Cabinet and making a public announcement.

Mr. Speaker: Yes, a very brief supplementary, if you please.

HOME MAIL DELIVERY

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, how can the Minister pretend that the Canada Post Corporation is looking at home delivery problems when, last year alone, the Minister responsible refused this service to over 25,000 households?

How can you say that you are considering the matter when the decision has already been made?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I can assure the Hon. Member that no decision has been made.

We are looking at alternative solutions, and when a decision is made, we shall announce it publicly in the House.

* * *

• (1500)

[*English*]

Mr. Speaker: May I say to the House that the Chair is a little concerned about the growing use of "you" as opposed to questions being posed through the Chair. I wish to remind Hon. Members of that.

* * *

HOUSE OF COMMONS

TWENTY-NINE YEARS OF CONTINUOUS SERVICE AS MEMBERS OF THE HOUSE OF COMMONS—MR. CROUSE—MR. COATES

Mr. Speaker: I would like to remind Hon. Members that on June 10, 1957, two Members were elected to the House and have served continuously for 29 years. They are the Hon. Member for South Shore (Mr. Crouse) and the Hon. Member for Cumberland—Colchester (Mr. Coates).

Some Hon. Members: Hear, hear!

Supply

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—CONCURRENCE IN THE MAIN ESTIMATES FOR THE FISCAL YEAR ENDING MARCH 31, 1987

The House resumed consideration of the motion of Mr. de Cotret:

That the Main Estimates for the fiscal year ending March 31, 1987, laid upon the Table, Thursday, February 27, 1986, be concurred in.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, it is a pleasure to be able to continue for another 10 minutes on the topic of the Main Estimates. These Main Estimates are similar to the ones which were presented a year ago, but those two sets are completely different from those that were presented to the House for some years in a row. There are several differences which are important to underline.

The most important feature of these Main Estimates is that they are real. There is a reality base to the spending plans of the Government. When the Liberals were in power and we were in opposition we stood up time after time and said that the Main Estimates were not real. Usually some two years later we would see the real numbers from the Public Accounts Committee. We would find that the Government had spent 15 per cent or 20 per cent more than it said it would spend in the Main Estimates. It would receive less revenue than it said it would receive and it would spend more money than it said it would spend. That is how this country got itself into such a financial mess.

I would like to pay public tribute to the President of the Treasury Board (Mr. de Cotret) for the accuracy of his last Main Estimates. I anticipate the accuracy of the present Main Estimates. I suspect that when we stand in the House two years from now looking back on this set of Main Estimates we will see that if they err in any way, they will err in terms of over-estimated expenditures as opposed to under-estimated expenditures. That is important for the future of the country.

Within these Main Estimates are estimates for each of the Departments of Government. In the little bit of time I have left I would like to review with the House some positive changes in public policy that form a part of these Estimates. I would like to contrast my view with the view of the members of the Official Opposition and the New Democratic Party.

I would like to talk about the issue of unemployment, and in particular youth unemployment. Those of use who have served in this Chamber and who have served on some of the committees of the House have long been aware, in a real sense, of the tragedy that is represented by youth unemployment. We saw the phenomenon grow throughout the 1980s up until 1984. We have seen a significant reduction in those figures since the country had the wisdom to change Governments in 1984. The youth unemployment rate is now falling rather than rising. However, it is still a tragedy. There are far too many young people who cannot obtain that first job which gives them the experience that leads to a permanent full-time job and, ultimately, to a career.

The Minister of Employment and Immigration (Miss MacDonald) announced a change in philosophy soon after she took office. She said that she would take the money which the Chamber votes for employment-creation programs and, in particular, youth employment-creation programs, and try to stretch it so as to encompass more young people. The Minister said that she would try to make that work experience a more positive work experience.

Last summer under the SEED Program, the Minister took roughly the same amount of money that was available in 1984, the last year that the Liberals were in charge, and used it to create over 100,000 jobs. The previous administration created only 65,000 jobs. That is a 50 per cent plus improvement. The characteristics of the jobs were different. First, they were different in terms of wages. On average, wages were higher for those young people. The jobs tended to last 10 per cent longer. The other characteristic with respect to these jobs that was different was that the large majority of them provided career-related work experience.

When one talks about a young person trying to break into the Canadian labour market, the biggest barrier faced is the reality that he or she has no related work experience and therefore no letter of reference from a previous employer. The Minister changed all that. Some 50 per cent more young people were working, most of them in a career-related job in which they could obtain that so important first letter of reference. These letters allow a future long-term employer to see that this young person has met the criteria, knows how to work and has skills related to the type of job being sought. That was a very positive development. Yet when we stand in the Chamber and when we sit in committee we find that both opposition Parties continue to quarrel with the Minister as if there were something wrong with young people obtaining career-related work. It is as if there is something wrong in providing more jobs of longer duration and with better wages with the expenditure of the same amount of money.

Common sense makes us ask, where is the logic in the criticism which we hear in this Chamber day after day? One of the programs affecting youth which the Government decided to cut was Katimavik. There was quite a debate in this Chamber in that respect. There was even a hunger strike in the Senate. I phoned the offices of Katimavik and found out that in 1984-85, the last year for which figures were available, $48 million was devoted to the program. I found out that there were 4,092 young people who started in the program. If one divides the two numbers one into the other one comes up with the figure $11,730 per young person for a nine-month experience. However, only 2,823 young people finished. If one divides that figure into the other one comes up with $17,003 per young person for a nine-month experience. Does it make common sense to spend $2,000 a month on a very small group of young people who are selected essentially at random? These

young people do not have special problems, learning difficulties or handicaps. There is nothing indicating that they need something very different from most young people. Through the Katimavik Program, we were spending amounts of money that far exceeded the poverty level for a family of four on each of those young people chosen at random to participate in the program.

• (1510)

That same expenditure of dollars could provide five or six times as many jobs for young people. Those could be career-related jobs and young people could receive their first letters of reference and get started on their careers. I am proud to rise in the House to support the Estimates leading to public policy designed to spend money in a much smarter and better way for the public good.

Mr. Redway: Mr. Speaker, the Hon. Member commented on youth employment programs and indicated that there has been a good deal of criticism of those programs by the Opposition and others. Some of that criticism has been levelled at student summer employment programs and particularly at the Challenge '86 Program. A good deal of the funding in Challenge '86 is directed partly to the private sector, partly to municipalities and partly to non-profit organizations to provide jobs. This year a shift seems to have taken place and more money is being spent assisting the private sector to provide jobs. As you know, Mr. Speaker, part of the criticism has dealt with the fact that the private sector is able to provide its own money to create jobs for students during the summer and part of the criticism coming from the non-profit sector has been directed at the fact that a lot of the jobs being created for the summer in private industry are not actually career related. As a result, the non-profit sector has been losing funding which it had spent in the past on creating programs for students to get career-related job training for that type of job.

What is the Hon. Member's opinion of this criticism? Does he think it is valid?

Mr. Hawkes: Mr. Speaker, I thank the Hon. Member for the question. I recognize that the Hon. Member is new to this Chamber and was not here when the former Liberal Government used all the employment-creation programs for virtually one purpose and one purpose only, and that was to help individual Members get re-elected. There was no attempt made to ensure that young people got jobs that were career related and there was not an even distribution of jobs for young people across the country. If a young person happened to live in the riding of a Liberal cabinet Minister, he was a first-class citizen and had a better shot at a job than one who did not live there. If a young person was helping a Liberal cabinet Minister get re-elected, he had an even better shot at the job.

We have made all Canadian young people equal when applying for jobs. We have launched advertising campaigns designed to get prospective employers, private or public, to put forward projects that would to the greatest extent possible provide career-related opportunities for young people.

I think we have to acknowledge that within the Canadian labour force, some 85 per cent of jobs are in the private sector. The job picture for young people this summer is that about 35 per cent to 40 per cent of the jobs, depending on the part of the country, are in the private sector. Yet 85 per cent of those young people are likely to end up with jobs in the private sector. I think we have quite a ways to go in trying to provide career-related experience.

Part of the problem with the old program was the pork-barrelling that was the dominant public policy philosophy. I think we have left behind that pork-barrelling philosophy. It is clear in our minds that it is the young people and the reality that they cannot get a first job that is important. Young people have a tough time getting started on a career and our public policy is dominated by the reality that we are helping young people get that first job and that letter of reference so that they may move forward on a career-related path. I support that change in philosophy 1,001 per cent.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, it has been a long time since I heard such an inane and empty answer as the one given by the Hon. Member for Calgary West (Mr. Hawkes). It is just pathetic to hear him describe—

Mr. Hawkes: It's real, Charles. That's what it was all about for four years.

Mr. Caccia: —the programs the Government has quickly torpedoed with such phoney reasons.

Mr. Hawkes: Not phoney, real.

Mr. Caccia: It just makes my blood boil with rage. To describe Katimavik as a form of pork-barrelling, as the Hon. Member did a moment ago, is to display such a degree of ignorance and insensitivity to the necessity of a program—

Mr. Hawkes: Your people picked all the employees.

Mr. Caccia: He does not want to hear the music. I can well understand why he is leaving the Chamber. He just cannot stand the heat.

If anything, Katimavik provided Canadian youth an opportunity to learn about life and about active involvement in our communities. It provided them an opportunity to learn about the other official language and to serve a period of apprenticeship preceding the seeking and finding of permanent employment. It has been the envy of and admired by a number of Governments in many parts of the western world. Katimavik became well known because it was seen that Canada had found a good formula designed to provide a transition period for young people who had left school and not yet found employment. It provided young people an opportunity to serve the community and the country in such a manner.

The Hon. Member for Calgary West complained about the fact that Katimavik cost some $11,000 per youth and he then engaged in quite an elaborate accounting process. The fact remains that these are social costs. These are actually social investments and they are desirable. As you know, Mr. Speaker, there is a high level of unemployment among youth in Canada and any effort that is made by way of Katimavik or any other scheme to assist youth in a transitional way to adapt and integrate into adult society is a good scheme and should be supported.

It is shameful to hear this kind of nonsense coming from government Members who have described Katimavik in those terms and have added insult to injury by describing it as a pork-barrelling employment project. It is also insulting to a study on youth that was conducted by the other Chamber. Among other things, it made the point that if we needed anything, we needed an expanded, reinforced, and perhaps a better Katimavik than the one we have had so far. If it is found that the ratio of investment to benefits or that certain projects were weak, let us improve them and learn from past experience. However, let us not, to use an analogy, throw out the baby with the bath water. We had found a good formula in Katimavik, one which ought to be reinforced rather than denigrated or even thrown away. Up to this point today, the Government has not come forward with an alternative to Katimavik. We are awaiting an answer in that regard. Our youth, particularly those who are unemployed, are expecting a reply from the Government on what it intends to do to fill the vacuum left as a result of the cancellation of Katimavik.

• (1520)

My intervention in this debate is not meant to reply to the nonsense put forward by the Hon. Member for Calgary West. I was glad to hear the Hon. Member for York East (Mr. Redway) express a well modulated but nevertheless gently critical approach to the employment program of the Government through Challenge '86. I share his concern. I must say that the way in which he formulated his question indicated that it was well thought out.

It is becoming clear that the Government does not seem to realize that the intention of Challenge '86 is to create jobs at the present time in the private sector with employers who would apparently create those jobs, at the expense of voluntary organizations such as St. John Ambulance. For the benefit of those who may be interested, I refer to a letter which that organization sent to every Member of Parliament, expressing its profound disappointment in the fact that its application was not accepted. It is as if that organization did not create jobs, as if it was an organization which did not provide valuable community activities and experience for young people.

At the present time it would appear that under Challenge '86 the tendency is to ignore the public sector, voluntary agencies, and all those organizations intent upon creating jobs to serve the community. The focus is aimed mostly at jobs in business. In any event, that was not my purpose for rising today. I am still reacting with some degree of rage to the intervention of the Hon. Member for Calgary West.

I should like to speak about the environment and the amounts in this Bill which will be approved. In particular I should like to refer to $2 million which was approved by the Government. The first $1 million is for an advertising campaign on misfuelling. Mr. Speaker, you are about to hear me talk about misfuelling for the fifth time. I do not envy you, but it is an indication of the stubbornness of the Government. The other $1 million was spent during Environment Week on a number of public relations activities mostly involving songs and balloons, which were not accompanied by decisions, measures, or announcements of substance.

First I will tackle the question of the advertising campaign on misfuelling. I presume the President of the Treasury Board (Mr. de Cotret), who is honouring us with his presence today in the House, must have had a say in approving it. This $1 million measure is aimed at motorists, to discourage them from misfuelling at the pumps. These days there is a tendency at the pumps for people to buy leaded gasoline for cars which are intended to run on unleaded gasoline. In so doing, those purchasers engage in a practice which in the long term ruins the engines of the automobiles they drive. Also, the combustion of that gasoline adds to the level of NOx emissions, in scientific jargon, which find their way into the atmosphere and ultimately add to the acidity of precipitation.

The concern with misfuelling is an understandable one. I commend the Government for being concerned about it. However, where we disagree profoundly is the technique used by the Government in tackling the problem. It feels that a $1 million campaign against misfuelling will deliver the desired results. I contend—and I raised this when we debated second and third reading stages of Bill C-80—that the way to tackle the matter would be for the Minister of Finance (Mr. Wilson) to revise the federal taxes imposed upon gasoline in such a way that the price at the pumps for unleaded and leaded gasoline would be equal. In my estimation that would be the way to remove the incentive which exists at the present time for some motorists to buy leaded gasoline when they should not buy it. Therefore, it requires a fiscal measure. It requires deliberate action on the part of the Government to remove the market force behind the formulation of the price at the pumps which makes leaded gasoline more attractive.

At this stage, leaded gasoline is 3 cents cheaper than unleaded gasoline, whereas a year ago it was some 2.5 cents cheaper; earlier it was even less. We have seen an increase in the gap between the price of leaded and the price of unleaded gasoline that I can only attribute, in the usual non-partisan manner for which I am known, to the regime of the Progressive Conservative Party. I cannot find any other explanation; perhaps other Members would have a better one.

This brings me back to the necessity of registering with the Government that $1 million in an advertising campaign, as well meant as it may be, will not deliver the goods or achieve the desired result. The desired result will be achieved when the

Government, perhaps in co-operation with provincial Governments that also have a say in the formulation of taxes on gasoline, brings about a taxation regime whereby consumers will find the same pricing level between unleaded and leaded gasoline at the pumps.

If my suggestion sounds somewhat outlandish or idealistic, if it sounds as if the Hon. Member for Davenport is on a marginal and tangential kick at the impossible, I should like to allay those fears by saying that three countries have already adopted such a policy. Two countries, Denmark and Austria, offer leaded and unleaded gasoline at the same price. As of April 1 the unheard of happened, namely, Holland took the unusual step of offering unleaded gasoline at a price below that of leaded gasoline for environmental reasons. Environmental reasons are really health reasons or reasons related to our resources, to the damage which is caused in the long term by the acidity of rain. The entire thrust of that fiscal policy in Holland is to make it more attractive for consumers to purchase unleaded gasoline.

Not only has Holland done that, it has also looked at the taxation on new cars, the tax applied by the Dutch Government on the price of cars. It is now weighted in favour of environmentally friendly models and against cars which do not have catalytic converters or other built-in gadgets intended to protect the environment.

This policy thrust is beginning to shape up in certain countries. I bring it to the attention of the Government once again because I think it is using outdated modes of making an impact upon public behaviour by engaging in advertising campaigns. The ads began to appear yesterday. I saw the first one in *The Globe and Mail* and in *Le Devoir*. It is a nice ad, in English and in French. Beyond that, I think it will just remain what it is, an ad in the newspaper.

• (1530)

If the Government is serious about the environment, it will have to do something more than just engage in advertising campaigns. It will have to show its political will through a taxation system that favours the purchase of unleaded gasoline and the purchase of cars equipped with converters and other equipment meant to protect the environment. Thus we can reduce the formation of acidic substances which find their way into the atmosphere and fall to earth. These substances get into our forests, our streams and our crops by way of rain and snow precipitation.

The other thrust of my criticism of the Government is the spending of another $1 million, this time not on direct advertising but through activities which took place last week to celebrate Environment Week. You know what they are, Mr. Speaker. They go from balloons to songs and other public relations matters. I would not object if that were accompanied by something of substance. But those measures have been the only measures put forward by the Government to celebrate Environment Week. That is not good enough, for heaven's sake. If the Government had come forward with a number of measures intended to restore and strengthen the role of Environment Canada and to heighten environmental interest in the public, I would have said all right, that is good. But we did not hear one word on a number of initiatives that ought to have been addressed one way or the other. I will give a few examples.

There is still silence on the part of the Government on reinstating the Guelph Toxicology Centre, a program cancelled by the Minister of Finance (Mr. Wilson) in November, 1984. Yet we all know that toxic chemicals are the subject of increasing public concern for a number of reasons, best expressed by a number of scientific reports that saw the light of day in 1985 and again in 1986.

There has been no word on the part of the Government about reinforcing the role of the Canadian Wildlife Service which, as you will recall, Mr. Speaker, was cut by 27 per cent in November, 1984 and which performed a very important role in monitoring health effects in wildlife, thus giving us an indication as to the impact on human health over the long term. There has been no restoration of the strength of the Environmental Protection Services in the Department of the Environment which had cuts of several million dollars in 1984.

Parks Canada had its centennial last year. I would have thought Environment Week would have been a good week for a statement on expanding and strengthening our national parks system. There are a number of things waiting to be done. For instance, a marine parks system is ready to go any time the Government wishes to give it the green light. Yet that project has been sitting since 1984. It was ready in 1984 at the time when the election was called. There is silence, and now and then we hear a little peep. There has been no indication of the intentions for Parks Canada by strengthening and expanding the parks system in its second century.

This leads me to another observation. Environment Week lent an opportunity for the Government to give a signal about its intention in the field of scientific research. We should have had a signal that the Government would strengthen and increase subsidies for scientific research, particularly in the field of toxicology, which is, in a way, connected with the Guelph Toxicology Centre but on a broader base. It was interesting two days ago to see the Member from Saskatoon rise under Standing Order 21 sounding his anguish. He said it was all right to cut the deficit but, he said, and it was a big but, let us find money to complete the construction of the Toxicology Centre in Saskatoon. The Member was right, Mr. Speaker. He was expressing a viewpoint shared by a number of people in this House and outside. This nonsense of cutting the deficit at the expense of basic vital public interest has no place in a modern and civilized society and in a modern Government as we consider the Government of Canada to be.

Mr. Nystrom: Modern?

Mr. Caccia: We always give it the benefit of the doubt.

Environment Week was also an opportunity for the Government to say something about renewable energy and recycling, yet there was total silence on both fronts. Recycling has been wiped off the table since November, 1984. The federal Government does not say a word about it. This is a very important area of conservation. Renewable energy has also disappeared completely in the long or short-term planning of the Government. There is complete silence. Environment Week would have been the ideal week to say something about recycling and renewable energy.

There has been continuous and repetitive criticism of the Minister of the Environment (Mr. McMillan) on muzzling scientists. Scientists have been criticized or muzzled by the Minister in the last six or seven months on a number of occasions. Environment Week would have been an opportunity for him to make a positive statement about the important role scientists have, along with the removal of any control and censorship of what scientists in Environment Canada have to say on a number of crucial issues.

In May, 1985—

The Acting Speaker (Mr. Paproski): Order, please. I regret but the Hon. Member's time has expired. There is a period for questions and comments.

Mr. Redway: Mr. Speaker, I share the concern, the quite honest concern I know the Hon. Member has, with respect to the environment and its problems. I was most interested in the Hon. Member's comments relating to misfueling and that whole aspect of trying to move people away from leaded gasoline to non-leaded gasoline. The Hon. Member knows very well that he was the Minister of the Environment in the former Government. I know that with his dedication to environmental matters he pressed his colleagues in the former Government to get things done to improve the environment. I would like to know why, with the great interest and the commitment the Hon. Member has to environmental matters, he was unable to get the Government, of which he was a member and in fact was the Minister of the Environment, to commit money to cleaning up the acid rain emissions coming from plants in Ontario and Quebec, specifically, Inco, Noranda and Falconbridge. Why was he unable to do that, and yet the present Government has made that commitment and is in the process of doing it? Why was the Hon. Member unable to take steps himself to phase out leaded gasoline and to impose the sorts of taxes he is suggesting here? Why is it that with the dedication he had to the environment he and his Government were unable to do those things when they have been done by the present Government?

• (1540)

Mr. Caccia: The answer is very simple. The present Government has been able to do that which it has done because it found everything ready to implement as a result of two agreements with the provinces. I can even give the Hon. Member the dates of them, if he likes. He need only look at the clippings of the time to see the confirmation of this in the media. In March, 1985, we made an agreement with the provinces to go ahead without the concurrence of the United States to reduce emissions by non-ferrous metals in all the provinces which are affected by those types of emissions. A public official statement was made in March, 1984. In June, 1984, the first meeting took place to implement that policy. At that time the discussion about the allocation of funds began. Discussion also began at that time on the report of the Department of Energy, Mines and Resources on non-ferrous metals with regard to what the allocation would be and what the total cost of the modernization of those industries affected would be.

In that way the wheel was set in motion. When the new Government came into power, it found the wheels turning at a reasonably well-oiled speed. I invite the Hon. Member to look at the newspaper clippings of the day. These things were reported as front page material.

With regard to leaded gasoline, in December, 1983, we introduced a measure to bring lead in gasoline in Canada to the standards adopted by the EPA in the United States at that time. This was five months before the EPA in the United States introduced new standards which were much better. Had I known that the EPA was moving in that direction, perhaps we would have introduced much more stringent levels than the ones we announced in December, 1983.

Finally, with regard to misfueling, I think the Hon. Member is right. More could have been done at that time. My time and energy were spent in the process of setting up the consultation mechanism needed with industry and unions to arrive at a decision as to which new cars and models would be affected by the introduction of catalytic converters. In the summer of 1984 dates were set for consultations which took place in the fall of that year which allowed the present Government to make the announcement affecting 1988 cars.

The Hon. Member will appreciate that things do not happen overnight. They happen as a result of continuous, constructive effort. In that sense history repeats itself. One Government benefits from the work done by the previous Government.

Mr. Gurbin: Mr. Speaker, I want to give the Member for Davenport (Mr. Caccia) an A for effort for trying to explain the lack of any real success in any way during the time that he was Minister of the Environment. It is regrettable. No one questions his desire to have done something, but the reality is that nothing of substance was accomplished.

I have two short comments to make and then one specific question to ask. Particularly with regard to lead, the specific thing he did accomplish was having Gazetted a standard for lead. That was in 1983 and will not come into effect until January of 1987. In a four-year period the Member succeeded in suggesting that we move from .78 grams per litre to .29 grams per litre. The reality is that the level remains at about .44 grams per litre. It took him four years to even think about that, and that was the only thing of substance he was able to

accomplish during his tenure in charge of the environment of Canada. That is regrettable.

My second point relates to toxics. The Member will not have a chance to respond if I get into this too much. There is one specific example I can use. The toxicology fund of the Canadian Wildlife Service has received over $700,000 new government dollars since its inception last year. It has received an equal amount from industry and has over 21 programs. That represents $1.5 million worth of new research on behalf of wildlife in Canada. That is an example of specific additional efforts which were not even considered or thought of, and certainly not recognized, by the Member for Davenport.

My specific question is with regard to recycling. This is an example of the rhetoric of the Member for Davenport. The national recycling plan which has been sought by the recycling industry of Canada can do much to help many environmental objectives in Canada. This is something that has been actively discussed and would be part of the municipal action plan which we hope will be announced next October by the Minister responsible for the Canadian resource council and the Minister of the Environment (Mr. McMillan).

Mr. Caccia: Mr. Speaker, it is very hard to educate the Parliamentary Secretary with regard to what happened when I was in office. If he likes to engage in little fairy tales, that is his choice. I hope that one day he will grow up and look at the facts as they are rather than as he would like to see them in the distorted optics which seem to characterize his strange mentality.

With regard to his last point, the fact of the matter is that recycling was entirely wiped from the face of the federal political scene in November, 1984. I refer the Parliamentary Secretary to the statement which was made in this House in November, 1984.

With regard to the lack of real progress on lead, the announcement was made in December, 1983, to come into effect in January, 1987. The effect will be to bring the level of lead down from 0.77 to .29. That is a fact and those are the true amounts and sequences of events.

With regard to toxins, it is quite clear that the Government has a guilty conscience. It knows that that is its Achilles' Heel. The Government has taken some pretty nasty measures. It cancelled the Guelph Toxicology Centre. I think it would be politically wise for the Parliamentary Secretary to make a pitch for the resumption of the toxicology centre rather than trying to cover the tracks and creating the impression that no damage has taken place.

I would like to give the Parliamentary Secretay a quick chronology on toxicology. In October, 1984, we received the Niagara River Toxic Committee Report, a very important document. In the months following, the Guelph Toxicology Centre was shelved. In May, 1985, the former Minister of the Environment made a statement in the House about her visiting Washington to meet with Lee Thomas and to bring forward an American plan for full and speedy action on the Niagara River. We have heard enough about the former Minister of the Environment.

In October, 1985, Lee Thomas, the head of the Environment Protection Agency, came to Ottawa with a plan, which plan has never been disclosed except south of the border. Negotiations are ongoing on this plan. Two days before the negotiations started in Washington, the Minister of the Environment for Canada decided to go public and reveal to the media and everyone else under the sun that there is a difference of opinion between him and Jim Bradley, his colleague in the Province of Ontario. I ask you whether the way to negotiate with the Americans is by giving away a disagreement among Canadians?

• (1550)

The Acting Speaker (Mr. Paproski): I regret but the time for questions and comments has expired. Is the Hon. Member for Ottawa—Vanier (Mr. Gauthier) rising on a point of order?

Mr. Gauthier: I just want some direction, Mr. Speaker. We are going to be here until ten o'clock tonight and I want to know exactly how we are going to proceed from now on. The 10-minute period is for short questions and comments. Some of us want to get in on this because it is interesting. No one has mentioned that we have spent $745 million with respect to the environment this year. I would like to ask a few questions about that great amount of money because it is, after all, Canadian taxpayers' money.

The Acting Speaker (Mr. Paproski): That is not a point of order, it is a matter of debate. I appreciate what the Hon. Member is saying. I would like to be as fair as I can be. If I find that the Official Opposition is speaking too much, I would like to have Members other than his party Members participate in the question and comment period. I can assure the Hon. Member that before ten o'clock he will have many opportunities to question and comment. Debate.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, what this debate is all about is the Government Estimates and its request of the House of Commons to spend $116 billion of taxpayers' money. That is a lot of money, even the Pages agree with that. We have to ask whether or not the Government is spending the money properly, whether or not there has been a fair assessment of taxes, too much waste and so on.

I believe we are seeing today a tremendous amount of waste in Government. We have the example of the Prime Minister (Mr. Mulroney) spending some $40,000 of taxpayers' money on an airplane to carry a video crew to film him while he was in western Canada. This Hercules aircraft, with a seven-man video crew, two vans, and a seven-man air crew, cost the taxpayers some $40,000. Is it right and proper to spend that kind of money glorifying the man who has the honour to be the Prime Minister of Canada? I say it is wrong and this House should not approve the Estimates as long as the Government of Canada is wasting money in that way.

This is very interesting because it was the Conservative Party that, year in and year out, criticized the former Prime Minister of this country for squandering money. I have been here since 1968 and I have heard speech after speech from the Conservatives about the excesses and extravagances of the Trudeau years. That same Party is now doubling the Prime Minister's staff and paying salaries higher than ever before for that staff as well as the staff of cabinet Ministers. It is the same Party that, as the Government, is using government aircraft to fly the Prime Minister and his family to West Palm Beach, Florida, on non-government business. Yet the Government asks us to approve Estimates totalling $116 billion. It is a waste of taxpayers' money.

[*Translation*]

It is really a waste of thousands of dollars in taxpayers' money, Mr. Speaker.

[*English*]

I cannot agree to that kind of waste of money. This same Government came to Parliament one year ago and asked for $1 billion to bail out some banks and their depositors. The majority of that money went to other financial institutions, many of them foreign-owned. At the same time, the Government wanted to cut back on old age pensions. Is that fair? Is that just? Should we approve the Estimates when the Conservative Government is squandering $1 billion, much of it going to wealthy banks in this country and in the U.S? Two years ago the Conservatives criticized the former Government for appointing Donald Macdonald as the head of a commission on taxation to be paid $750 or $800 a day. Now this Conservative Government is paying Simon Reisman, our special negotiator on trade with the U.S., $1,000 a day plus expenses. That is the same Simon Reisman who, when he was asked about the Minister in charge of the Wheat Board, said who is Charlie Mayer? This guy is supposed to be negotiating our trade with the U.S., including agriculture. There is no industry in Canada more important than agriculture and grain farming in western Canada. Yet our chief negotiator does not know who the Minister in charge of the Canadian Wheat Board is. I think Simon Reisman's vision of this country is about as broad as he can see it from the top of the CN Tower or the Peace Tower. He does not even know the name of the Minister responsible for the Canadian Wheat Board, yet this Government is paying him $1,000 a day plus expenses to negotiate on behalf of the Government and the people of Canada.

I cannot approve Estimates like this. I do not see how many of the more experienced members of the Conservative Party, my friend from Victoria being one of them, can approve this kind of waste of taxpayers' money. A thousand dollars a day plus expenses for Simon Reisman, and he does not even know who the Minister in charge of the Canadian Wheat Board is! It is either arrogance or stupidity, or maybe a combination of both. That is one of the problems we have when people who negotiate on behalf of the nation as a whole do not know it exists outside of Toronto and Ottawa. We have this kind of waste and this kind of tax, tax, tax on ordinary people, and it is for those reasons that I cannot support the Estimates.

At the same time as the Government is paying Mr. Reisman $1,000 a day and bailing out the banks to the tune of $1 billion, the Government is increasing taxes on ordinary citizens in my constituency. I have a letter here from Mr. Tom Seeley and I will read it to the House. He wrote to me on March 30 and told me about how his mother's taxes have been increased. He says:

Mr. Nystrom:

I have just completed my mother's income tax return and it is obvious to me that the Federal government is picking the pockets of Senior citizens.

My mother is 73 years of age and has a modest income from Old Age Security, Canada Pension Plan, interest income and royalties. Her taxable income in 1984 was $2,164 and in 1985 was $2,222. There was no tax payable in either year.

However the federal tax payable was another matter. Although my mother's taxable income rose by only $58 (approximately 2 per cent) her Federal tax payable rose from $21.00 to $127.00.

This represents a 600 per cent increase in tax payable. Although the return has not yet been checked by the taxation people, I believe this can easily be confirmed by a quick reference to the 1984 and 1985 tax tables.

Although the amount of money is quite small, it is not so small for someone on a limited income. How many of us would stand for a 600 per cent increase in tax payable from one year to the next?

I would appreciate it if you would confront the Government in regard to this inequity on behalf of my mother and all other seniors and low-income Canadians facing this situation.

Yours very truly
T. Seeley

● (1600)

Here is a woman with a salary of a little over $2,000 a year, with a tax increase by the federal Government of 600 per cent, an increase in federal tax payable from $21 to $127. Yet at the same time the Prime Minister of Canada will fly, at taxpayers' expense, to holiday in West Palm Beach in Florida, spend $40,000 on a government Hercules and a film crew to film him as he travels throughout western Canada. At the same time the Government will pay Simon Reisman $1,000 a day plus expenses to negotiate when he does not even know who the Minister in charge of the Canadian Wheat Board is.

Can you expect us to support this kind of waste, this kind of tax, tax, tax, by the Conservative Party of Canada? No way. No wonder in my Province of Saskatchewan, the last time the Conservative Party was popular was back in the 1930s with a guy named Premier Anderson and R. B. Bennett, who was Prime Minister of Canada. They so screwed up the economy that they disappeared for 50 years. The way they are going now history is bound to repeat itself. I hope it does, because what we have now is a Government that taxes the ordinary people of Canada, the poor, the old, and the seniors of this country and gives massive breaks to rich Canadians.

I want to mention one more thing before I sit down and that is the very important sector of agriculture today. In farming today in this country in western Canada we are facing a crisis such as we have not seen since the 1930s. We have tabled in

this House last Thursday or Friday a report of a special committee on the price of domestic wheat, a unanimous report that said that we are facing a crisis that is more severe now than we have had since the 1930s. The price of wheat in this country now in 1933 dollars is at the same level as it was in 1933.

With the price of wheat so low I ask why the Government is not spending some money trying to help our farmers. Why do we not have a deficiency payment in this country that would increase farm income by $1.5 billion to $2 billion a year? What we are seeing instead is a drop in the initial price of wheat by 19 per cent, on barley by some 27 per cent.

What we are seeing in the United States is exactly the opposite. There are massive subsidies in the United States where the American farmer is guaranteed some $6 a bushel. Our farmer is going to get between $3 and $3.50 a bushel depending upon the quality. In Europe the farmers will receive more than $6 a bushel. So I ask why, in the spending of $116 billion by the Government of Canada, we cannot support our farmers by $1.5 billion or $2 billion in terms of deficiency payments. If we do not do that, hundreds and hundreds of prairie farmers are going to go under.

The Americans have massive deficiency payments. The American Farm Bill has subsidies to American agriculture and American agricultural exports of some $52 billion U.S. in the next three years. That is $75 billion Canadian over three years, or $25 billion Canadian each and every year for the next three years. They support their agricultural sector by $25 billion Canadian each and every year. Surely to goodness we should have a deficiency payment in this country which will allow some of our farmers to stay on the land.

The other concern I have goes back to free trade. It goes back to the famous Canadian Mr. Reisman who does not even know the name of the Minister in charge of the Canadian Wheat Board, who is at the public trough being paid over $1,000 a day with expenses. That same gentleman will probably try to negotiate away the Canadian agricultural sector, because free trade will hurt Canadian agriculture.

I have before me a study by the Government of Canada that says just that. It is released by External Affairs. I also have here another study done by the C. D. Howe Institute in this country, which is by no means a progressive or radical research institute. What it is saying in its study is that a free trade agreement on agriculture between the United States and Canada will certainly undermine the Canadian Wheat Board and will destroy our supply management program in dairy products and in poultry in this country. Both these studies point out the fact that things such as the Crow rate benefit under the Canadian transportation system would probably have to disappear, or certainly be radically changed.

If we had a free trade arrangement with the United States in agriculture we would see the disappearance of the poultry industry in this country. Poultry can be produced a lot cheaper in the United States than it can here. A couple of large producers in Georgia or Kentucky can supply the entire Canadian market. All they need there is a sun roof to protect them from the sun and that is all. They do not have the same kinds of problems we have with weather. They do not have a turkey marketing board. They do not have a chicken marketing board in the United States. If we had free trade, these agencies would disappear.

Mr. de Cotret: We don't know for sure.

Mr. Nystrom: Mr. Speaker, he said we do not know for sure whether or not we are going to have free trade in terms of agriculture. Well, we do not know that, but here is the C. D. Howe Institute with a study saying that we are going to proceed on the assumption that there would be no exemptions, that agriculture will not be exempt, and supply management will not be exempt.

Mr. Dick: Speculation.

Mr. Nystrom: It might be speculation, but we speculated too that if we elected a brand new Prime Minister he would not squander the public's money.

Mr. Dick: He's not.

Mr. Nystrom: "He's not" says the Member from Lanark. Yet he is spending $40,000 on a Hercules aircraft and two vans for video films.

Mr. Dick: That is half of what Trudeau spent.

Mr. Nystrom: That is not squandering the public's money? I would like to see the Member for Lanark—Renfrew—Carleton (Mr. Dick) get up in the House and point out where this has ever been done before by any Prime Minister in this country, be it from the Conservative Party or the Liberal Party. There is no Prime Minister that has got up in the House of Commons—

Mr. Dick: Do you want me to tell you?

Mr. Nystrom: I challenge the Member across the way to get up and prove to us that Prime Ministers in the past have done this. A seven-man video and sound crew, two equipment vans, a seven-man air crew and a Hercules aircraft to film the Prime Minister of this country. A tremendous ego of the boy from Baie Comeau. That is not right.

Mr. Dick: He won't let me do it. I want to tell him.

Mr. Nystrom: My time expires in about five minutes and I would like to see the Member from Lanark get up and tell us where this has been done before. This has not happened before.

We also have a Prime Minister who wastes money in terms of taking a government aircraft, flying off to West Palm Beach, Florida with his family. Is that right? Is that not a waste of public money? I suppose the Member from Lanark thinks that is proper. The Prime Minister of this country is well paid, can he not afford a few airplane tickets? Can he not

afford to fly his own family and himself down to West Palm Beach?

Mr. Dick: Don't give me that kind of rhetoric.

Mr. Nystrom: The member of the Conservative Party says, "Don't give me that kind of rhetoric". I am glad he said that. We know where the Conservative Party stands. If you can go into the public trough like an old hog or an old pig, you go into the public trough. That is what the Conservative Party is saying. They have doubled the staff in the Prime Minister's Office and they have increased the salary of their staff. That is the Conservative Party. The richer you are, the more you get.

Yet my constituent, Mrs. Seely, has her taxes increased by 600 per cent on a taxable income of $2,222 this year. That is not fair. Mrs. Seely in Yorkton had to pay more taxes this year because the Prime Minister is abusing his privileges. Her taxes went up from $21 to $127. That may pay for one minute, perhaps, in the Prime Minister's very expensive airplane as he flies his crew around. I wonder if they even had a makeup man there? That is the kind of Prime Minister we have. He is so concerned about his image. He flies around with two aircraft. Never have we seen this kind of pretense to royalty in our country that we see with this particular Prime Minister.

I understand why so many Conservatives were upset when he defeated the former Prime Minister, Mr. Joe Clark, in the leadership of that Party some three years ago. At least with him we had a person who understood ordinary Canadians, who knew what ordinary Canadians were all about. When he was Prime Minister he would not have spent some $40,000 on aircraft to fly around a film crew to take pictures of him. That is going much too far. I think there should be members of the Conservative Party in this House who will rise to their feet and speak out against this kind of abuse.

I wish we were not forced by the rules of the House to have a vote on the Estimates tonight because, with the massive Conservative majority, these Estimates are going to carry. We will see more waste of the taxpayers' money for the Prime Minister and his friends. He is putting most of his friends in the Senate or rewarding them with huge patronage appointments, which is another abuse of the taxpayers' money.

• (1610)

I have to report back to my constituent, Mrs. Seeley, that her taxes went up this year from $21 to $127, despite the fact that she made only a little over $2,000 in taxable income. Her taxes have gone up because the Prime Minister is squandering her money. Next year her taxes will probably increase again because the Conservative Party will spend even more money for the rich and powerful in this country.

It is like Peter Pocklington in your home province, Mr. Speaker. He is a very wealthy Conservative man who says, when he keeps the workers from negotiating a new contract at the Gainers plant in Edmonton, that the wages are too high and should be set by the free market. He believes that workers should not be paid as much as they are, and if the free market dictates $3 or $4 an hour, that is what they should be paid. It is the same Mr. Pocklington who goes to Saskatchewan to get $10 million in subsidies and grants from the Conservative Government in Saskatchewan. Such hypocrisy! On the one hand, the free market is fine, but on the other, he is the biggest welfare bum in western Canada. He comes begging on bended knee for taxpayers' money. Once again it is people like Mrs. Seeley who are making a taxable income of $2,000 a year who are paying money for a welfare bum like Peter Pocklington.

That is what the Conservative Party is all about and that is why we must not pass these Estimates as they are. The more money we give them, the more they will spend, the greater the deficit and the more taxes there will be for Mrs. Seeley and all of her friends in the City of Yorkton.

The Acting Speaker (Mr. Paproski): I regret but the Hon. Member's time has expired. Questions or comments? Debate.

[*Translation*]

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I am pleased to rise today to explain to the House, as well as to the Canadian public, how our Government is going to effectively spend $107 billion, while taking into account that we have $26 billion to pay in interests on debts incurred by our predecessors, the Liberals, and taking also into account the fact that we are going to spend $53 billion for social services. In view, therefore, of the narrow margin within which we must operate, I am pleased today to explain to the House how we will go about it.

We have a supervisory agency called the Treasury Board, and it is specifically at that level that we will make sure that our resources are properly expended, that the moneys made available to Parliament are properly administered. And that is the reason why I shall deal with major initiatives of the Government in that regard, namely, the administration of the treasury.

Before Canadians gave themselves a Conservative Government in September 1984, our leader, who is now Prime Minister (Mr. Mulroney), outlined the Progressive Conservative platform for a more efficient and practical administration of the affairs of the State. In the document describing the PC approach to administration, he described the steps which would have to be taken to achieve this more practical process and I quote, Mr. Speaker:

One of this Progressive Conservative Government's top priorities will be to effect changes in the administrative techniques and methods of the federal Government to ensure the best possible use of taxpayers' money. The Minister of Finance and the President of the Treasury Board have put together a series of programs to make this objective a reality. One of the initiatives considered is a treasury administration program the purpose of which is to properly manage the funds which Canadians make available to the Government and to us as Members of Parliament. On the face of it, one could assume that the administration of the treasury is an activity which is carried out only by banks, trust funds or credit unions. Yet,

each of us administers his or her own treasury, with personal rules for acquiring and disbursing funds. Each of us is eager not to let amounts of money lie idle. Each of us tries to maximize the return on his or her money.

That is the kind of questions that this Government asked itself, and very soon after the September 1984 election, this Government moved to ensure sound management of public monies. That kind of management covers the billing, collecting and depositing of monies due to the Government, the payment of monies due by the Government and the use of Government cash balances.

Government funds are the monies that are paid to, taken out of, and that flow through the treasury. A proper management of public fund is essential because of the extent of Government revenues and expenditures and cash-flow. Funds are well managed when receivables are recovered as soon as possible and payables are only paid on their due dates. Deciding on policies to that end will help reduce that portion of the federal budget that is allotted each year to the payment of interests on the national debt.

In view of the enormous sums of money needed for the efficient running of the Canadian Government, sound management of public funds is essential to an efficient, effective management of the public treasury. The Treasury Board has informed managers in the Public Service that good management of funds was important. In the federal publication *Interaction* issued in April 1985, this message was sent to them: First, managers should assess their programs for savings to be made by improving the quality of the management of their funds; second, under Government requirements for control and accountability, department plans and proposals will be strictly reviewed with a view to using every opportunity for a better management of funds.

Managers in the Public Service have been encouraged to apply the proven techniques used by the private sector in the area of fund management, to the specific needs of the Government, and to use every opportunity to better manage their funds, whether payable or receivable. Ministers sitting on the Treasury Board have approved a fund management strategy as early as the beginning of 1985, another step to help the Government rapidly and decisively gain control of public expenditures. That strategy, similar to the one used in the private sector, is aimed both at increasing the size and percentage of receivables and reducing the size and percentage of payables. This does not mean that an extra burden will be laid on businesses and invidivuals. The aim is rather to meet the expectencies and requirements of our society and Canadian citizens in the area of the management of public finance.

Improved management procedures for the treasury will be applied to all Government operations, tax revenues and others, payments to suppliers, large capital expenditures, grants, contributions and transfer payments. Proper strategies and processes for each of those items will allow us to save on interest charges, to reduce our borrowing needs and reduce the deficit. In March 1985, the President of the Treasury Board officially announced that strategy and the steps to be taken for its implementation. Moreover, the Minister of Finance has announced other steps for financial management in his budgets of May 1985 and February 1986. As a whole, those measures will allow savings of $873 million between 1985-86 and 1990-91.

I should like to point out to this House, Mr. Speaker, the efforts and the outstanding success of the President of the Treasury Board, the Hon. de Cotret, a prominent Quebecer who will make it possible for our Government to save $873 million during that short period. Canadians will thus have avoided an additional debt of $1 billion. We as Tories keep in mind the millions which we have to borrow while the Liberals never thought about it. Mr. Speaker, I am sure all Members will agree that this is an efficient management of the treasury.

• (1620)

Previously, Mr. Speaker, the departments and agencies did not take into account the monetary value of elapsed time, that is lost interest due to anticipated expenditures or late recoveries. In his 1984 annual report, the Auditor General was critical of previous governments who had failed to immediately deposit recovered funds in accounts bearing interest. The Auditor General also noted that bills were often paid before their expiry date. And how often have we heard the Auditor General criticize control procedures of the treasury under the previous Liberal government? Of course, the Auditor General cannot be charged with being partisan.

But this is no longer the case and many initiatives have been taken during the past 18 months. Management of public treasury is not longer outdated. The collection procedure,the treatment and deposit of accounts receivable have been streamlined. So is the method for making payments.

As a taxpayer and Member of Parliament, I expect that Government funds will be managed as cautiously as my own. However, the very cautiousness I am exercising is a reason to appreciate what Machiavelli wrote some 475 year ago. He had this to say: "One must conclude that wise advice from whatever source must necessarily flow from the prudence of the Prince, rather than the Prince's prudence flowing from good advice received".

Then, I will offer no advice on how the Government could still improve its management. I would rather deal with achievements to date, Mr. Speaker. In November 1984, the President of the Treasury Board (Mr. de Cotret) announced action to improve the way the system for collecting Government debts was managed. He had this to say, and I quote: "Taxpayers or businesses which pay their debts have the right to expect that we collect from those who can afford to pay but fail to do so." The Government moved to reduce its current level of indebtedness in a way that was both fair and compassionate. This has entailed no harrassment for either individuals or businesses. No coercion was used against those who because of very unfavourable circumstances were not in a position to pay.

Such goals have been set to reduce by some $400 million the balance of our fiscal indebtedness. For that also, Mr. Speaker, the Hon. Minister of National Revenu (Mr. Mackay) is to be commended. He arranged for those $400 million to be collected. This in turn allowed savings on government borrowings. Those goals were met last year.

Furthermore, Government payments are now made at the right time, that is neither too early nor too late, one rule only, all of which to maximize interest savings. By re-arranging anticipated Government payments, $22 million were saved on the annual budget. The number of bank acounts also was reduced; there were 1,000 under the Liberal administration, we now have 20 such bank accounts. This has meant $20-million savings on administrative costs. Crown Corporations that are not financially independent can no longer draw monies from the Treasury before they need to do so to pay their bills. Because the Government could thereby accumulate interests before paying its bills, $365 million were saved since we used the surpluses accumulated in the coffing of some Crown Corporations. More and more people who deal with the Government reduce our administrative costs by using their credit cards and charging the Government later. Thus we also avoid administrative costs.

The Government has authorized its officials who travel to now use travellers' cheques to cover expenses incurred on public business. The Government has already announced the contract to the En-Route company which will issue travel credit cards to public servants who must travel frequently. Because of this, public servants will not have to request as much in travel advances and to ask for advances as frequently as before, and this will also delay the disbursement of public funds.

Finally, many Departments have implemented their integrated financial management program to increase the potential for savings.

These are important achievements, Mr. Speaker. In addition, the Treasury Board has published a number of circulars to advise public service administrators in their management activities, such as guide lines on the collection of pending accounts, guide lines on the write-off of debts when all collection efforts have failed, guide lines on the scheduling of payments to ensure that they will be made by the expiry date, guide lines on the administrative control of Departments over the loans granted to crown corporations, and guide lines on revenue management and the collection of moneys owed to the Government.

Mr. Speaker, to conclude, I believe that all Hon. Members should applaud the concerted efforts of the Government to implement better expenditure management practices. With the monitoring of revenue collection and treasury movements, the Government is well on its way toward establishing a complete treasury management program. Hon. Members can therefore assure their constituents that the money they have entrusted to the Government is now being managed with optimum efficiency and that all Canadian taxpayers can be assured of the optimisation of resources. We, parliamentarians, are now managing these resources. It is no longer the responsibility of the Auditor General of Canada, as used to be the case when the Liberals, were overspending and putting us into debt.

The Acting Speaker (Mr. Paproski): Order, please. Questions and comments. The Hon. Member for Vaudreuil.

Mr. Cadieux: First of all, Mr. Speaker, I should like to congratulate my colleague for an excellent speech. I have heard him deal with the new administrative techniques and methods which have been implemented by Treasury Board in accordance with the Bill introduced by the President of the Treasury Board, and I should like my colleague to elaborate perhaps on some of the practical application to this day of these administrative techniques and methods.

Mr. Fontaine: I thank the Hon. Member for Vaudreuil (Mr. Cadieux) for his interest in treasury control rooted in his legal background. I imagine he wants to enhance his general knowledge and understanding in order to better serve Canadians over the next 12 years.

For your information, Mr. Speaker, I will say that the main function of Treasury Board is to ensure that the State's disbursements are made at the most appropriate time, that is to say, as late as possible in the interest of the State to save on borrowing costs.

Also, to activate as soon as possible the State's receipts, again to reduce interest costs. Through this action of the President of the Treasury Board, a fine initiative of a Progressive Conservative Member, a Quebecer at that, we will help Canadians save $893 million.

I hope my reply will satisfy the Hon. Member for Vaudreuil.

Mr. Gagliano: Mr. Speaker, I have a question for the Hon. Member. Here, on page 19 of the 1986-87 Estimates, we note that under the Small Businesses Loans Act, there is a major decrease in loans to small businesses between year 1984-85 and 1985-86 up to December 31. There is indeed a reduction of nearly 50 per cent, but considering that there are still three months to go before the end of the year . . . For sure the signs are clear that there will be a reduction of between 25 per cent and 30 per cent either in number of loans or in dollars.

The Hon. Member is well aware that as soon as the Conservative Party came to power, the Small Businesses Loans Act was amended. This is the very first report published since the legislation was amended, and I should like to know if the Honourable Member could comment on such a reduction?

Mr. Fontaine: Mr. Speaker, I am very grateful to the Hon. Member for Saint-Léonard—Anjou for giving me this opportunity to explain the difference in the small business philosophy of the Progressive Conservative Party and that of the Liberal Party.

The Progressive Conservative Party is not the kind of paternalistic and patronage-dispensing Party yours was when

you were in office and kept handing out money to people and contractors, the money our children and great grandchildren will have to repay.

We have created a climate which favours small- and medium-sized businesses, and made funds available to small business owners at 4 per cent less. We have amended the capital gains legislation to give a chance to entrepreneurs to make money and build up a heritage, therefore to become interested in promoting small- and medium-sized businesses. We have also done away with the small business stiff dividend tax. And all this, I might point out to the Hon. Member for Saint-Léonard—Anjou, has so encouraged small- and medium-sized business owners in the private sector that so far they have created close to 700,000 new jobs, including 125,000 in my Province of Quebec.

The Acting Speaker (Mr. Paproski): Supplementary questions? No questions or comments? Debate. The Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano).

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, what we just heard proves the Hon. Member doesn't know a thing about small business.

Mr. Speaker, the Small Businesses Loans Act is not a subsidy or money that is given away to companies. These are funds administered by the banks.

In spring 1985, during the debate in the House on amendments to this legislation, we already said these changes would discourage entrepreneurs from setting up new businesses, because of the conditions involved. The figures are there. They were not invented by the Opposition. They are all there in a nice blue book published by the Government under the title: "Main Estimates 1986-87". Mr. Speaker, on page 22, we see among all the other programs, that the actual number of loans under the Small Businesses Act, as of December 31, 1985, was 17,760, totalling $547,178. Mr. Speaker, for 1984-85 the actual number was 34,579, in other words, twice the number of loans granted this year and totalling $1.980 billion.

Mr. Speaker, those are their own figures. That is your answer.

Mr. Speaker, just so the Hon. Member will understand, if he has gone out and is watching television some where, he ought to know that before spring 1985, the Small Businesses Loans Act provided that any Canadian could go to a bank, if he wanted to buy land or a building, and ask for a small business loan of up to $100,000, which was 100 per cent guaranteed by the Government, subject of course to regulations and conditions, including that the loan had to be registered by the bank and be secured, while the interest rate was prime plus one.

Mr. Speaker, the only action taken by the Conservative Government for the benefit of small business came when after their first five months, they came to the House and suggested that the guarantee should not longer be 100 per cent but 85 per cent, and that from now on, Canadians would have to pay 1 per cent of the loan as a registration fee. And look at the results, Mr. Speaker! We said at the time that they would discourage people from using . . . And I think everyone will agree that small business needs financing, Mr. Speaker, but in amending the legislation, the Minister of State (Small Businesses) (Mr. Bissonnette) showed no concern whatsoever for the small business constituency for which the Minister is responsible. However, he was anxious to please the President of the Treasury Board (Mr. de Cotret) by reducing quite considerably any risk there might be to administering this plan. At the time, it was explained in the House that every $10,000 created a job, and any losses arising from this program, as a result of payments the Government would be unable to collect . . . every job would have cost about $270.

Now then, Mr. Speaker, the Small Business Loans Act happens to be one of the best mechanisms to create jobs, but the Government actually goes out of its way to make sure that small business owners will not be tempted to use it.

Mr. Speaker, about ten days ago the Minister said this, and I quote his own words in English:

• (1630)

[*English*]

"Something must be done to increase the survival rate," said the Minister of State for Small Businesses. The Minister himself is saying that something must be done to increase the survival rate. He is saying that of the 70,000 new small businesses every year, only 20 per cent survive in their first five years in business. That means a failure rate of 80 per cent. The man who has been Minister for two years is saying that something must be done.

We know that apart from being a self-made millionaire, the Minister came to this House with no experience in running government programs. Some two years after the task force we still do not know what the results are. He did not come forward with any specific programs. He is not saying that after consultation, after having travelled across the country and after having talked to people this is what we will do. Instead he is saying that something must be done. What? Perhaps the thing to do is to change the Minister. Who knows? Maybe this summer in a shuffle of cabinet members a new Minister will be appointed. Let us hope that that new Minister will have some programs with which to relieve small business in order that the small business community can look forward to having a long life and a high rate of survival in this very important sector of our economy.

[*Translation*]

As I was saying, Mr. Speaker, the Minister has been touring the country for two years now at the expense of taxpayers to learn what is wrong with small business and what should be done about it. Yet after two years we still do not know whether he has learned anything through these consultations, nor whether he will announce new programs based on these consultations, or for that matter any kind of worthwhile program designed to help small business.

We Liberals have been consulting, Mr. Speaker, and we are still at it. We will soon begin the second phase. During the first phase we consulted with 3,500 companies, institutions or individuals directly involved in small business. A good many of us have responded, Mr. Speaker, and we did not work behind closed doors, we got in touch with newspaper reporters. All respondents received a copy of the results analyzed by a Canadian university. This has enabled us to learn very interesting things about which we often spoke to the Minister: Why did you not intervene in this case? Why, for example, would most respondents feel that the existing small- and medium-size business consultation mechanisms are barely satisfactory or mediocre?

That is the opinion of 71.4 per cent of respondents, whereas only 25.9 per cent think that these mechanisms are good or excellent. In any event, these figures are a clear indication that we have a problem in this field and that something has to be done. So what do they do, Mr. Speaker? Not a thing! Eighty per cent of the people surveyed believe that young people are not properly informed about opportunities in small- and medium-sized businesses. And these respondents are not young people, Mr. Speaker. One might assume that young people always think they are not getting the right information. In this case, small business people themselves are saying that our young people are poorly informed and do not get enough information. Eighty per cent is a lot. And so, what do we have? Do we see any programs being proposed by the Government to encourage these young people to create their own business? There are many young people across the country who have tremendous ideas, who would be capable of setting up small businesses, creating jobs, creating a small business that some day could become a big business . . . No programs at all!

We in the Liberal Party launched a program before the election, and the first thing they did was cancel that program, Mr. Speaker. The First Chance program we launched was promptly abolished as soon as they came to power.

On the subject of small business financing, 62.1 per cent said they were not satisfied. This means that more than 6 out of 10 are showing their dissatisfaction on this particular point. Clearly, Mr. Speaker, something has to be done.

But how can we improve the situation when, as I said earlier, according to the figures in the estimates now under consideration, because of the changes in the legislation, there has been a decrease in the amounts spent for the only program we had for small businesses, namely the Small Businesses Loans Program? Banking institutions now discourage people from getting these loans because the officials of the Minister of State for Small Businesses are very demanding and the banks do not like dealing with the Government. Yet, during the electoral campaign, the Conservative Party assured us that these obstacles would be removed and the system simplified so that everyone would be able to work in peace. Now, the Government is doing the opposite.

We also asked in this survey whether people were satisfied with the services of the Federal Business Development Bank. Unfortunately, we did not learn anything new. The facts are already known to the Minister and everyone, and the Nielsen Task Force has also considered this issue. In the survey, 65 per cent of respondents said that the Federal Business Development Bank does not meet the needs of the small business sector. During our first year in Parliament, we met with officials from the Federal Business Development Bank at the Standing Committee on Finance and Economic Affairs. After discussion, the Committee wanted to review the mandate of the Bank, but because the Minister of State for Small Businesses was consulting people throughout the country, we had the courtesy to say: Let us wait before making our recommendations so that the Minister of State can consult and make an adequate proposal. However, nothing has happened since.

We also waited. Recognizing that the Nielson Task Force was looking at the same issue, we waited, but even today, Mr. Speaker, nothing is being done. In June of that year I asked the following question from the Minister of State (Small Businesses): When are you going to do something for that institution so they can be more open, more accessible, have programs that are directly related to small businesses? He answered: Yes, this summer, we will come up with a proposal. That was a year ago. I asked the same question not long ago, and I had the same answer: In July we shall have a plan. Mr. Speaker, are we to have that plan some day? Will Canadians know once and for all the policy of this Tory Government on small businesses?

Mr. Speaker, in our survey we asked whether people were satisfied with the current Small Business Loans Act, or whether they would like to have amendments, or additions to that Act. Under the current Act, money may be loaned for specific capital projects, that is for purchasing land, buildings or equipment or making rental improvements. Yes, that is so. On equipment and rental improvements, 80 per cent is loaned, and on land and buildings 10 per cent. Therefore, Mr. Speaker, in most cases, the entrepreneur starting out in business must use 20 per cent of his capital to buy equipment, but equipment is only a part of an operation. There is of course inventory, other front-end expenditures, his starting salary, and with all that, with the amendments to the Act a partial garantee of 85 per cent rather than 100 per cent as before of course the banks, now responsible for those 15 per cent are seeking additional security. Therefore, the man or woman starting a business is left with a very narrow credit margin. We have asked whether Canadians would agree that under the same small business loan structure, people could get working capital just as they can get investment capital. Also those who are involved in export business. Often, Mr. Speaker, they will go to a bank and say: I have a very nice order from that foreign country, but, as you know, before I can deliver the goods, I need money to manufacture them.

If under the same Small Businesses Loans Act, it were possible to finance the contracts or future sales, 76 per cent of the people polled said: Yes, it would be great. Again, Mr.

Speaker, that is something we suggested in a document over a year ago. But nothing has been done.

Of course, Mr. Speaker, I could deal with the negative impact the liability insurance crisis is having small businesses. Since November I have been raising this issue, but unfortunately they always answer yes. Again, in January, the legislation was almost ready and was forthcoming. We are now in June . . . When I asked again the same question two weeks ago, I was told that we would get it by the end of June. Well, we know that by the end of June, the House will adjourn and this will probably be postponed until next fall. Let us hope so. But this is a serious problem, and small businesses cannot afford 400 per cent or 500 per cent increases. Their Government should assume its responsibility in this case. It should propose something to help our small businesses which are responsible for creating at least 80 per cent of the new jobs we need.

Earlier, the Hon. Member was bragging about the 700,000 new jobs the Government had created. Has he ever wondered how many jobs were lost over the same period of time, Mr. Speaker? It is funny, but there were a million and a half unemployed Canadians in the fall of 1984. There are still 1.3 million unemployed and we are in 1986. If we subtract 1.3 million unemployed from 1.5 million, we get 200,000 jobs; where are the 500,000 other jobs? There have been at least 500,000 jobs lost. That is nothing to write home about, really! He said: We have created 700,000 new jobs.

Mr. Speaker, we have also raised the issue of the tax system for small businesses. We wanted to know what people thought about the current tax system. We are well aware that the Government, in its last Budget, had granted small businesses a 1 per cent tax cut in 1986-87 and another 1 per cent tax cut in 1987-88. That represents a total of 2 per cent, Mr. Speaker. But to big business, the Government granted right away a 3 per cent tax cut. That's how this Government encourages small businesses.

As a matter of fact, Mr. Speaker, I have here an article which states, and I quote:

• (1640)

[*English*]

But the federal Government's tax reduction is too little to mean much to people such as Brad Finigan, president of United Business of Nova Scotia Ltd., a small business organization. "We're talking about a 2 per cent saving on $10,000," he said, pointing out that most small businesses make very little money.

[*Translation*]

Mr. Speaker, the Hon. Member said earlier that the small business dividend distributions tax has been removed, but he forgot to say that this changed the formula used way to determine the amount of dividends. In fact, there has been no tax reduction. The same rate applies because it comes out the same if you remove this 12.5 per cent tax on dividends and at the same time change the formula used to determine the tax credit for dividends.

Mr. Speaker, this Government always acts under cover. While it may think that it is giving something, it is not. It always brags about the good things it is doing, but if we look more closely, we find that nothing much has been done.

• (1650)

[*English*]

I should like to refer to an article which appeared in the May 31, 1986 edition of *The Financial Post* entitled "New taxes don't bode well for our small retailers". In part it reads:

Three months after Michael Wilson unveiled his second Budget in the House of Commons, tax increases slated for the next year appear to be helping to depress consumer spending.

When added to levies from the May, 1985 Budget coming into effect this year, the new taxes do not bode well for Canada's small retailers, some observers say. Consumers, conscious of their reduced spending power, appear to be postponing purchases.

"Taking just fiscal measures, and holding everything else constant, there is clearly a dampening of consumer expenditure, and this translates into a back-off on retail trade that is fairly sizeable," says Michael McCracken, President of Ottawa-based Informetrica Ltd., economic consultants.

[*Translation*]

Mr. Speaker, you are indicating that my allotted time is nearly over. I have one minute left and I would like to say that the Government is bragging again when it says that it has created a registered pension plan for small businesses.

However, the Government forgets a very important fact, namely that the small businessman himself, his family and his associates will not be able to invest in this plan. How can the Government ask others to have confidence in small businesses when it does not have any confidence in those who believe in it, who work for it and who invest every cent they have in their own business, and when it does not allow those people to invest in their own pension plan, namely the industrial savings plan? That shows the double standard—

The Acting Speaker (Mr. Paproski): I am sorry to interrupt the Hon. Member. Questions and comments. The Hon. Member for Montreal—Sainte-Marie (Mr. Malépart).

Mr. Malépart: Mr. Speaker, I first want to congratulate my colleague for Saint-Léonard—Anjou (Mr. Gagliano) who, as usual, has made an excellent and objective speech which clearly shows his concern for the small business sector. He clearly showed the negative impact of the lack of decision and unpopular decisions of this Government.

However, I would like to hear his comments on another subject. I want to ask him what he thinks about the behaviour of the Government as concerns our senior citizens.

And my colleague for Saint-Léonard—Anjou will recall that this Government, within a period of 20 months, has made 5 negative moves against senior citizens. Whether with respect to the spouse allowance, or by discriminating against those who were single, separated or divorced; or the infamous deindexing of old age security pensions, including the 19, and everyone will recall the day Mrs. Solange Denis came to tell the Prime

Minister (Mr. Mulroney) what everybody was thinking about him. Also, the cuts in employment insurance benefits for early retirees, under the guise of cutting $30 million from our expenditures, which affected 34,000 people in Canada.

Program cuts—and I know the Hon. Member for Saint-Léonard—Anjou is a dedicated man—projects such as community development or Canada Works projects for those who worked at home have been slashed everywhere, throughout Canada, by this Government decision. And, lately, we learned that this Government had decided to cut $3 billion from the New Horizons program budget.

I would like to hear the Hon. Member comment on those moves, as compared to what the same Government handed out—$1 billion to depositors with deposits of $60,000 or more; $1 billion to the Reichmann brothers for the Gulf-Ultramar transaction. Also the $55 million spent on changing the colours of the Armed Forces' uniforms.

Certainly, Mr. Speaker, my colleague will have comments on that. And especially the $40,000 to have our national "camera kid" on films with his family in Florida.

Mr. Gagliano: Mr. Speaker, I would like to thank my colleague for Montreal—Sainte-Marie (Mr. Malépart) for his most important question.

Indeed, Mr. Speaker, over the week-end, in my constituency, I met groups of senior citizens and that question, the Government image that had been projected immediately after the May 1985 Budget, that is aimed at slashing the deficit on the backs of senior citizens, the less priviliged, while at the same time we very well know the Government has handed out $1 billion to people who had deposits of $60,000 or more in the Western banks that went under— It has given $1 billion to the Reichmann brothers. I could go on and on, Mr. Speaker. Canadians have now seen quite through this Government which deprives the poor to give to the rich. And they are afraid of that, Mr. Speaker, because it is continuing. As my colleague said, it started by deindexing old age security pensions. Then it went against workers who had agreed to take an early retirement. It is unbelievable the number of letters which we receive in our offices every day concerning early retirement. It is unacceptable that, after having planned his or her early retirement with the agreement of his or her employer, a person should be faced one morning with ... Beside everything the Minister has said, there are facts, such as a telegram dated December 30—New Year's Eve— ordering unemployment insurance offices to put a stop to that from January 5. That is Conservative justice.

The Acting Speaker (Mr. Paproski): Questions, comments. Debate. The Hon. Member for Chambly (Mr. Grisé) has the floor.

Mr. Richard Grisé (Chambly): Mr. Speaker, as the Member for the riding of Chambly, I welcome this opportunity to take part in the debate this afternoon, a debate that is directly related to our Budget. And there is no doubt that our Budget has been very well received across Canada.

The 1986-87 Budget totals $107.4 billion, that is, $107 billion in budgetary expenditures and $0.4 billion in loans, investments and advances, which are non-budgetary items.

The Acting Speaker (Mr. Paproski): The Hon. Member for Ottawa—Vanier (Mr. Gauthier).

Mr. Gauthier: Mr. Speaker, the figure the Hon. Member just mentioned is wrong. The Main Estimates amount to $116.74 billion.

[*English*]

The Acting Speaker (Mr. Paproski): That is not a point of order; it is a point of debate.

Mr. Gauthier: It is a point of debate.

The Acting Speaker (Mr. Paproski): Is the Hon. Member for Lanark—Renfrew—Carleton (Mr. Dick) seeking the floor on a separate point of order?

Mr. Dick: Mr. Speaker, I rise on the same matter. There is legitimate confusion.

The Acting Speaker (Mr. Paproski): What is the legitimate confusion?

Mr. Dick: There are two systems being used, and this is the year of the cross-over. If we use the old system, it is $107 billion; if we use the new system, it is $116 billion.

Mr. Prud'homme: Anything to confuse Canadians.

The Acting Speaker (Mr. Paproski): Order, please. I do not belive that this is a point of order. It is a point of debate.

Mr. Gauthier: It is not a point of order, but it is interesting.

[*Translation*]

Mr. Grisé: Mr. Speaker, budgetary spending will increase 4.4 per cent over the Main Estimates for 1985-86. However, thanks to the additional cutback of $500 million announced in the Budget, the increase is only 3.9 per cent. The growth rate of the Main Estimates is the lowest ... perhaps the Hon. Member for Ottawa—Vanier would care to listen ... is the lowest recorded in the last 24 years, Mr. Speaker. Non-statutory or discretionary spending increased 1.5 per cent. The $500 million cutback has reduced this increase to 0.2 per cent, the same as for the previous year. This is the first time since the immediate post-Korean War period that such a low rate of growth in the Government's operating expenditures has been achieved two years in a row. That is management, Mr. Speaker!

Spending on external defence aid has been increased substantially to honour our international commitments. Mr. Speaker, it is a fact that as a country that is very involved in NATO, we have a duty to maintain our agreements with

NATO members, and that is why we have increased our spending on national defence. Incidentally, Mr. Speaker, when we increase our spending on national defence, that money is invested here and creates more jobs while saving Canadians money.

• (1700)

Except for these expenditures, discretionary outlays decrease by 2.5 per cent in the Main Estimates, or 4.2 per cent if we take into account the $500 million cut-back. The 5,500 person-years reduction, 2.1 per cent, will mean savings of $150 million in 1986-87. Once the 15,000 person-years decrease is achieved in 1990-91, cumulative savings will amount to $1.5 billion and the annual $500 million savings will continue. These measures, along with others taken over the past 18 months, will cut down projected expenditures and yield additional non-tax revenues of about $6 billion in 1985-86 and $8 billion more in 1986-87.

Mr. Speaker, I am sure you will allow me to focus on some of the highlights which stem directly from our Budget statements. First of all, let me refer to transfer payments to the provinces, territories and municipalities. Indeed, Mr. Speaker, pursuant to Section 36 of the Constitutional Act, 1982, the equalization program is aimed at ensuring that provincial Governments have sufficient revenues to provide reasonably comparable levels of public service within an equally reasonable level of equalization. Equalization payments in Canada are based on a comparison of per capita production or of the yield of provincial standardized tax bases.

Provinces having a less than standard capacity to derive revenues from their taxpayers are entitled to equalization payments to make up the difference. The present equalization formula takes into account practically all sources of revenue of provincial and municipal Governments. The standard is determined by the average fiscal capacity of the five provinces of Quebec, Ontario, Manitoba, Saskatchewan and British Columbia.

The Main Estimates for 1986-87 provides $5.4 billion for equalization payments. Furthermore, in 1986-87, an additional $65 million will be paid to Manitoba under the Supplementary Equalization Payments Act.

The oldest fiscal transfer payments are the subsidies paid to each province under the terms of Confederation. These payments which include a support subsidy for the provincial legislatures, a per capita subsidy, a subsidy for debt reduction and certain special subsidies, are expected to total $36 million in 1986-1987.

Under reciprocal taxation agreements that came into effect on October 1, 1977, eight provinces have agreed to pay federal sales tax when purchasing goods and services, and the federal Government pays them to compensate for similar provincial taxes and duties payable on such purchases. The four Atlantic provinces and Quebec, Ontario, Manitoba and British Columbia signed these agreements for which the Main Estimates for 1986-1987 provide the sum of $263 million.

Under the Public Utilities Income Transfer Act, the federal Government pays the provinces 95 per cent of federal income tax collected from private companies that distribute, or produce for the purposes of distributing, electric power, gas and steam to the public. The amount payable in 1986-87 should be about $290 million, including adjustments for previous years.

Mr. Speaker, under agreements with the Territories, the federal Government offers the territorial Governments operating and capital subsidies to help them finance their various programs.

Mr. Speaker, the various highlights of the Main Estimates include the federal contributions for the financing of health care and post-secondary education, under the Established Programs Financing agreements.

Mr. Speaker, under part VI of the Federal-Provincial Fiscal Arrangements and Federal Post-secondary and Health Contributions Act, 1977, the federal Government makes contributions to the funding of insured health services, supplementary health services and post-secondary education. For the cash portion of payments under the program, the Main Estimates for 1986-87 provide for a total of $9.2 billion, including $5.7 billion for insured health services and $2.4 billion for post-secondary education. A further $1.1 billion is provided for the supplementary health services program. The Government also provides $7.5 billion in the form of fiscal transfers, which represent 13.5 individual income tax points and 1 corporate income tax point. Of that amount, $486 million will be transferred to the provinces under the equalization program.

There are also, Mr. Speaker, transfers for specific purposes. To that end, under the Canada Assistance Plan, the federal Government shares equally with the Provinces in the cost of income guarantee and social services. The Main Estimates for 1986-1987 allot $4.1 billion for that purpose. In addition, $400 million will go to Quebec as a fiscal transfer under the opting-out agreements.

Other health and welfare programs are also included, such as work rehabilitation for the handicapped and also programs relating to the health and welfare of Indians. There is also, of course, payments to the Provinces under the prescribed formula for certain other discretionary programs such as the Official Languages programs to education.

The federal Government also agreed with the Provinces and Territories to share the cost it is assuming for legal aid under the Young Offenders Act. I would be remiss, Mr. Speaker, if I did not refer to very important programs such as crop insurance in certain parts of Canada. Also, various transportation programs such as highways, ferry services and a number of other transport services.

Supply

Another item of significance is Justice, because there are programs, including federal help to the Provinces for compensating victims of violent crimes and for legal aid in criminal matters.

Mr. Speaker, it is also clear that within the estimates and budget expenditures there is an item that is extremely important—the size of the Public Service.

In the budget of May 23, 1985, the Minister of Finance announced targeted reductions of up to 15,000 person-years in the Public Service coming under the Treasury Board. Those reductions to be spread out over a 5-year period will take effect in 1986-87, and they represent a 2 per cent reduction of the 258,222 person-years indicated in the 1985-86 main estimates and will be carried on at the rate of 1 per cent per year up to 1990-91. In 1986-87, those reductions will reduce expenditures by some $150 million to be applied to reducing the deficit and in 1990, when the targeted reduction of 15,000 person-years will be reached, the cumulative savings will be over $1.5 billion so that recurrent annual savings will be about half a billion dollars.

Mr. Speaker, the Government is trying to reduce the size and cost of the permanent Public Service needed to provide federal programs while making sure that essential functions of the Government, such as services dispensed to the public, roads and security services are maintained. Reductions will be achieved by increasing productivity and privatizing some of the federal operations and, if this proves viable, by contracting out other operations. The moves proposed by the Task Force reviewing the programs will go on helpings the Government identify areas which may warrant person-year reductions by reason of program duplication, overlapping or redundancy.

In that context, every possible effort to achieve reductions by attrition have been and will continue to be made. Innovative staff adjustment policies concurred in by public service unions before their implementation in 1985 will help minimize redundancies.

In the Main Estimates for 1986-1987, the Treasury Board approved 252,731 person-years. This is a 5,491 person-year reduction, or 2.13 per cent from the Main Estimates for 1985-1986. Accordingly, there remains an extra 9,500-odd person-year reduction to be carried out over the next four years.

The President of the Treasury Board (Mr. de Cotret) has decided to put under separate control, starting in fiscal year 1986-1987, part of the person-years authorized for the RCMP, including members appointed under the RCMP Act. As in the case of military personnel, that section of the RCMP is not subjected to the major acts governing the Public Service, such as the Public Service Employment Act, the Public Service Staff Relations Act, or the Public Service Superannuation Act, and will therefore no longer be included in the person-year base controlled by Treasury Board.

Mr. Speaker, in view of that change, the number of person-years authorized in the Main Estimates for 1986-1987 totals 236,526, excluding the RCMP's 16,205 authorized person-years. In spite of that adjustment, the Government still intends to reach its targeted reduction of 15,000 person-years over the next five years. As previously stated, some 9,500 person-years still have to be dropped from the Public Service and this can be done with a 1 per cent yearly reduction from the 1986-87 base during the forthcoming four years.

The Treasury Board will continue to see that all person-years to be approved for provision in the supplementary estimates for a given financial year but exceeding the targeted reduction are compensated during the same financial year by the removal of authorized person-years elsewhere in the Public Service. As announced by the President of the Treasury Board in his statement made on January 17, 1986, on the impact of the reduction in person-years, steps have been taken to lessen as much as possible the effect of those restrictions on employees. In that respect, it is still considered that no more than 700 employees could be laid off in 1986-87, but every effort is being made to reduce that number to a minimum.

• (1710)

Mr. Speaker, it is obvious that we cannot ignore in those excellent main estimates, the improvement in Government management. A number of steps have been taken during the past 18 months to improve management with respect to staff, programs and assets in the Public Service. Those measures reflect not only the present efforts which are made to promote economic renewal and reduce the deficit, but also the commitment of the Government to have productive management in government one of its top priorities. The most tangible evidence of those administrative measures is the substantial reduction of expenditures and the increase in revenues which occurred as a result of the promise to reduce the deficit and to manage more effectively federal programs and agencies.

Finally in a more general way, the various steps taken by the Government to improve its management during the last year and a half will have extensive consequences during the years to come on the development of human and financial resources in the Government as well as on the distribution of resources to federal programs and agencies.

Altogether, these policies will provide a general framework within which public managers will find means and incentives for an economical and efficient management of the taxpayers'money.

On Defence spending, Mr. Speaker, let us look into that comprehensive review of federal programs undertaken by the task force under the Hon. Deputy Prime Minister (Mr. Nielsen) which was mandated to identify overlap areas as well as any possible ways to improve the efficiency and effectiveness of federal programs.

My time is limited now, Mr. Speaker, but you know, I could go on and on speaking about the improved efficiency in the management of public funds which occurred since the Conservative Government took power in September 1984. I could dwell as well for a long time on our last Budget which

received a warm welcome from the Canadian people and more specifically, from my constituents in the riding of Chambly—

The Acting Speaker (Mr. Paproski): Questions or comments. The Hon. Member for Montreal—Sainte-Marie (Mr. Malépart).

Mr. Malépart: Mr. Speaker, I wish to congratulate the Hon. Member for Chambly (Mr. Grisé) for such an eloquent speech which was prepared by officials—by the way, he did not seem to quite understand what he was talking about—

The Member congratulates his government for having so successfully managed . . . I am sure this does not appear in the notes prepared by the officials—but I would like to know what he thinks of the $40,000 used by the Prime Minister (Mr. Mulroney) to play the "camera kid", to have his and his family's pictures taken in Florida.

What does he think about his Government's decision to adopt a bill for the purpose of using $1 billion of Canadian taxpayers' money to bail out the depositors of $60,000 or more, while at the same time reducing by $55 millions the indexation of family allowances which benefit middle and low income families.

Moreover, what does he think of his Government's sound management in view of the cost involved in President Reagan's visit to Quebec City and the fact that as far as the Prime Minister was concerned, the sky was the limit! And what about the expenses incurred during the Queen's visit and during the visit of the President of France? What about the expenses incurred by the Prime Minister during his visit to Paris, when he had to grant a scholarship to appear on the front page. And what about the other time in England when he asked to be photographed with Her Majesty, the Queen?

What I would like to know is this: in his opinion do the unfair cuts suffered by the elderly, and all the money given to the rich, represent what he calls sound management? If that is the case, the Member has the right to defend the rich and to crush the poor!

Mr. Grisé: Mr. Speaker, of course we had to expect such comments to hear other comments from the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart). However, I wonder where was this great champion of Family Allowances indexing when the vote was taken since for the Member for Montreal—Saint-Marie was surely not in the House.

He might have been, under fairer skies, as we say at this time of the year.

Mr. Speaker, the Hon. Member talks about cuts, reductions and so on. Nonetheless, over 630,000 jobs have been created in Canada since September 1984.

Earlier, I also listened to the questions asked by the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano), about small businesses. I wonder, Mr. Speaker, where this Member has been for the last 18 months. It is unbelievable what is going on, Mr. Speaker in the Chambly riding for instance, where new small businesses have so far created more than a thousand jobs. Just in a riding considered to be a mere dormitory town of the City of Montreal, over a thousand permanent jobs have now been created by new small businesses.

Even though the Member for Saint-Léonard—Anjou and the Member for Montreal—Sainte-Marie claim to have been touring extensively the whole province of Quebec, they surely forgot to visit the Beauce area where new industries spring up every day, thereby creating new jobs.

Mr. Speaker, if this is a mismanaged economy, if it is bad management on the part of the Government, you can rest assured that I will keep on supporting such a policy. Mind you, business management was an easy task for the previous Liberal Government especially with interest rates of 21, 22 or 23 per cent? Yes, Mr. Speaker, I lived through it. I know what it is. We were considered bad managers and the Government a good manager which was no problem with interest rates of 21, 22 or 23 per cent. That was fine. The unemployment rate was high and had a record number of bankruptcies, particularly in Quebec as well as is the whole of Canada. It is incredible what the federal Government came up with over the last seven or eight years.

Great programs were created such as the one Urea Formaldehyde. The Canadian people certainly did not suffer from it because that was about what they called good management. When the Postmaster General said to Canadians and particularly Quebec businessmen and businesswomen: "If you need Canada Post to earn a living, you are not good managers." This is how the previous Government treated them. But things have changed since September 4, 1984. Jobs are being created, we see new industries being established in Quebec, in Montreal, particularly in the east end, and the trend is going to continue.

• (1720)

[*English*]

Mr. Dick: Mr. Speaker, I wanted to ask the Hon. Member if it was his understanding that between 1974 and 1984 the Liberal Government increased its spending Estimates year over year by more than 10 per cent on average. The highest single year increase, year over year, was the one following the last Budget of the now Right Hon. Leader of the Official Opposition (Mr. Turner). That provided for a 38 per cent increase as opposed to a 3.9 per cent increase during the good management years of a Conservative Government.

Mr. Grisé: Mr. Speaker, in response to the Parliamentary Secretary, and in view of what I said a few minutes ago, there is absolutely no doubt that this Government is a sound manager. The increase in the Estimates was much higher during the previous Government's term in office. In fact, the rate of increase in the Main Estimates for this year is the lowest of the last 24 years. You have to go back to the years following the Korean War to find such a low increase for two

years in a row. This is sound management by a sound Government.

[*Translation*]

Mr. Malépart: Mr. Speaker, the Hon. Member for Chambly (Mr. Grisé) criticized the situation in 1979. Can he tell me why—if the Liberals were so bad in 1979—he was a candidate at a Liberal Convention and was defeated? Does he not look today as a wet blanket, for having been defeated at a convention? He switched party but he does really have the people's interests at heart.

Mr. Grisé: Once again, Mr. Speaker, we see very clearly that when one has to face reality, to face actual facts proving the good management practices of a positive Government, one that works well . . . Some people tried to belittle it in the last election by creating fears, by telling people that if they voted for the Conservative Party, the elderly would lose their old age pensions, Mr. Speaker. Since September, 1984, old age benefits have been raised. We will continue to raise them.

Mr. Malépart: Why don't you answer my questions?

Mr. Grisé: Mr. Speaker, it is so difficult for the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) to recognize a positive fact when he sees one that he can't help but run away and being resistant to anything positive.

[*English*]

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate.

[*Translation*]

Mr. Mike Cassidy (Ottawa-Centre): Mr. Speaker, I welcome this opportunity to take part in this debate on the Main Estimates. Today we are considering the $100 billion in the Government's Main Estimates. In fact, I see this as an opportunity to talk about the situation in Quebec. I know the previous speaker talked about good news for Quebec. It may be the Opposition perspective to see the problems that still exist in Quebec's economy, and I think we have a duty to ask, not just in the House but across Canada: How can a Government with 57 Members from Quebec have done so little to restructure and strenghten the economy of a province that is so important to our Confederation?

Mr. Speaker, as you may know, according to the latest polls Quebecers indicate they are so dissatisfied with the performance of the Mulroney Government and their 57 Government Members, that they have dropped the Conservatives to third in the ratings. The Conservatives now have 28 per cent; the New Democrats, Mr. Speaker, for the first time in the history of our party in Quebec, have 30 per cent; and the Liberals, even if they are leading, have been unable to recover the strength they have traditionally had in Quebec, owing to the lack of leadership of their Leader, the Hon. Member for Vancouver Quadra (Mr. Turner), and also because of the problem Quebecers still have with the way the Liberals governed when they were in power.

Perhaps I may give an example to show how Quebec compares with the rest of the country. Although unemployment in Quebec has dropped since September 1984, the unemployment rate is still 10.6 per cent, compared with a national average of 9.6 per cent. How does it compare with its neighbour, the province of Ontario, where I come from? In Ontario, the unemployment rate has dropped to 6.9 per cent. Interestingly, Mr. Speaker, in Ontario, the unemployment rate in Toronto Metro is 5.8 per cent, 1 per cent below the provincial average. However, Quebec's largest city, Montreal, has an unemployment rate that continues to hover at 10.7 per cent, with 160,000 unemployed in the metropolitan area and an unemployment rate above the provincial average.

How does Montreal compare with the rest, with the other industrialized cities in central Canada? Well, Mr. Speaker, I mentioned Toronto with 5.8 per cent, Windsor with 7.4 per cent, Hamilton with 5.1 per cent, and even my own City of Ottawa which is experiencing economic difficulties thanks to Government cut-backs and problems at the Technological Institute, the unemployment rate in Ottawa stands at 8.8 per cent.

We have real problems and we are wondering: As mentioned by the Hon. Member who just spoke, is Government management really all that good?

Recently, Mr. Speaker, three weeks ago, some 2,000 shipyard workers of Sorel's Marine Industries marched on Parliament Hill to express their concern about Government mismanagement of the shipbuilding industry, particularly as a result of something which occurred this year. The former Minister of Regional Industrial Expansion, Mr. Stevens, the Minister of State (Small Businesses) (Mr. Bissonnette), and the Minister of Consumer and Corporate Affairs (Mr. Côté) gave Versatile Vickers Company President Peter Paul Saunders, who comes from Vancouver but happens to be the head of two of the three Quebec shipyards—

They gave Mr. Saunders a mandate to rationalize the shipbuilding industry in the province of Quebec. When Marine Industries workers came to Ottawa, they expressed concern about the letter sent to the Quebec Minister of Industry, Mr. Johnson, in which Mr. Saunders said bluntly that he was given that mandate and that Marine Industries shipyards should be closed. The owner of two of Quebec shipyards proposed the closing of a third shipyard and its conversion to heavy industry. Apparently, there are no shipbuilding contracts.

Mr. Speaker, the Minister of State for Small Businesses told them that Mr. Saunders had no mandate from the Government to rationalize the industry. However, a few days later, the Minister of Industry said the opposite. The two Ministers contradicted each other and have not been able to get their act together. We asked the Quebec Minister of Transportation, who is the Acting Minister for that very important department, to withdraw the mandate given to Mr. Saunders because of an obvious conflict of interest, and to consult all parties involved, the three shipyards, as Marine Industries was never

consulted by Mr. Saunders who did not follow the recommendation of the Quebec Government and made his own planning without any consultation. The Quebec Government, the Federal Government, the unions, the Lauzon, Sorel and Montreal East boards of trade should all be consulted. That is what we proposed; it would have been proper management, but instead the Government ignored the fact that they put the future of an important industry, an industry which lost already about half its manpower because of a lack of jobs, of a lack of work . . . Instead of putting things on a sound basis, they kept trusting Mr. Sanders. I ask the question, Mr. Speaker: Does the Government really know what is good management of the Quebec economy? We can think for instance about the issue of free trade. Mr. Speaker, many of my colleagues in the House may be aware of the fact that the Government of Quebec made in-depth studies on the impact of free trade on the manufacturing sector in Quebec, and what did they find out? They found, Mr. Speaker, that on the whole, free trade would have negative effects on 12 important sectors affecting about 200—

Mr. Champagne (Champlain): On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Order. The Hon. Member for Champlain on a point of order.

Mr. Champagne (Champlain): Mr. Speaker, you will correct me if I am wrong, but we are talking about the Estimates, and I do not think free trade or my honourable colleague's perception of the negotiations on free trade, are relevant in this debate. I would like him to address the Estimates and not free trade.

• (1730)

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. It is not a point of order, it is a point of debate.

[*Translation*]

Mr. Cassidy: Thank you, Mr. Speaker, for your excellent ruling.

I would remind the Hon. Member that Mr. Reismann, who is the ambassador for the negotiations on free trade, receives now a salary of $1,000 a day, or $5,000 a week. That means that in the space of one week, he earns more than two young unemployed Quebecers who are forced to live on welfare payments of $145 a month from the Quebec government. The salary he gets in a week is effectively the equivalent of what is paid to, not two, but three of those young forgotten workers of Quebec who are the victims of an incredible and permanent unemployment. Such are the priorities of this government!

The government of Quebec, Mr. Speaker—and I am referring to its study since those of the federal Government have not been released to the public—found out that about 230,000 jobs in two key industries would be affected by the free trade pact, in a negative way. Now, negative results are foreseen in two sectors and finally, positive effects in four sectors for a total of 30,000 jobs. We can ask ourselves, Mr. Speaker: Will the expansion in non-metal mineral products, sport equipment, tiling and aluminum industries and in the wood industry offer enough opportunities for Quebec to offset the negative effects of free trade on the textile and clothing industries, on industrial machinery manufacturing, shoes, printing, jewellery, instrument making, rubber products, electrical products, data processing, primary metal industries, furniture and machinery industries?

Those are the results, Mr. Speaker, those are the industries which will be negatively affected by free trade, by the impact of free trade on the manufacturing economy of Quebec.

We can also ask ourselves whether the Government, during its first 21 months and with its enormous support in Quebec, really cared about the real problems of Quebec. I would say that in many areas the answer is no.

I recall, Mr. Speaker, that on numerous occasions the New Democratic Party has raised the question of the textile and clothing industry, the problem of the loss of employment, as in just four years, since 1981, this industry has lost 13,000 jobs in Quebec alone. Half of the industry is located in Quebec. A secret study done by the Quebec Government shows that free trade will mean the loss of some 30,000 jobs in the textile and clothing industry of that province. I know, Mr. Speaker, that we might be able to make some adjustments, but can we see a way by which free trade in the textile industry, already threatened by imports could not only keep those 30,000 jobs which are in jeopardy, but actually create new employment opportunities? I would say no. Here is one single industry where the loss of jobs will be equivalent to all the gains which will be made in other industries as a result of the free trade agreement proposed by the Government of the Prime Minister.

Are these the changes that Quebecers sought when they ousted the Liberals and helped elect a Conservative Government with a 211 seat majority? It was 212, but there was a slight adjustment recently. Was that the change they had in mind? I don't think so. I believe Quebecers actually wanted a Goverment concerned with economic progress in the whole province of Quebec, in every area of the province, a Government concerned with all the industries threatened by international problems. However, what has the Government been doing for instance with respect to the footwear industry? Almost half of the 8,000 workers, men and women, employed by the footwear industry in Canada are found in Quebec, and their jobs are jeopardized by the removal of quotas.

• (1740)

Mr. Speaker, those quotas were not removed by the previous Liberal Government, but by the Mulroney Government.

Now, did the Government really consider the impact on those jobs in the province of Quebec? Apparently not, as those quotas were removed, Mr. Speaker, with a negative impact on

a major Quebec industry. They began last Fall lifting quotas on some types of footwear.

The survey of textile and clothing industries carried out by the Federal Government has shown that the decline or wiping out of manufacturing activities in medium-sized cities would create a vacuum that would be hard to fill. Yet, almost 80 per cent of all the towns with 10,000 people or more have textile activities, especially in Quebec, Mr. Speaker.

I travelled personally to Sherbrooke, to Magog, and I went through Saint-Jean and other communities in the Richelieu area which depend on the textile and clothing industry—

Since my visit last year, Mr. Speaker, some of the plants I saw have had either to close their doors or else to reduce substantially their workforce because of competition from imports.

Mr. Speaker, what is the Government doing about the textile industry? We have been waiting for a textile policy for one year. We thought that the former Minister of Regional Industrial Expansion had been able to convince the Minister of Finance to accept a policy which would preserve this industry of great importance for Quebec. However, the Minister had to resign because of problems unrelated to the situation in Quebec.

Has his successor given any priority to this matter? Apparently not, since we are now near the end of June. People in the industry no longer know whether they should invest and try to find new markets or continue this contraction of the industry because of their experience of the last few years.

Mr. Speaker, nothing is being done in the shipbuilding industry. The future of a major shipyard has been entrusted to the president of the other two shipyards in Quebec. Without any call for tenders, a $130 million contract has been given to the Lauzon shipyard. There was no opportunity for others to compete.

Mr. Speaker, the Hon. Member who spoke earlier mentioned the situation in Eastern Montreal. We have to wonder why, if Canadair has to be privatised, the Government did not ensure that the purchaser of Canadair would be a Quebec company. Why did the Government allow Montreal to lose its fourth oil refinery with the closure of Gulf? This brings the total of jobs lost in Eastern Montreal since 1982 to 1,700. Why have over 7,000 jobs been lost in Eastern Montreal since 1982 and why are 5,000 more jobs being threatened?

Mr. Speaker, why did this new Government, which had promised change, do nothing to develop a Canadian purchasing policy which could help companies such as Bombardier, Canadian Steel Wheel and Canadian Steel Foundries, which are all located in Eastern Montreal and which are all threatened in the short or the long term by a shortage of contracts?

Mr. Speaker, how is it that since October, 1985, the Montreal East area has lost approximately 2,400 industrial jobs, and that the Advisory Committee has not yet made public its recommendations which could start addressing the problem?

Mr. Speaker, how is it that the Treasury Board which is to award contracts by the end of June for the maintenance of its F-18 fleet has done nothing to make sure that these contracts go to Quebec and ensure the survival of the Spar Aerospace industry in that area?

If I ask all these questions, Mr. Speaker, it is because we, in the New Democratic Party, strongly believe that the time has come for a development policy not only for the city of Montreal or the Quebec area, but for all regions in the Province of Quebec.

Last year, our task force on employment visited all parts of Quebec. We saw just how much initiatives there is at the level of private contractors, cities, industrial commissions, boards of trade, unions. Mr. Speaker, this initiative should be used to develop in Quebec a truly exciting economy, with an unemployment level similar to that of Ontario, with a growth rate comparable to that of the rest of the country, because it is neither desirable nor necessary for Quebec to have a depressed economy when the rest of Canada is starting to recover.

The Acting Speaker (Mr. Paproski): Comments. The Hon. Member for Abitibi (Mr. St. Julien) has the floor.

Mr. St-Julien: Mr. Speaker, I have listened to the remarks made by the Hon. Member for Ottawa Centre. He talked a lot about Quebec and mentioned that his task force had visited all parts of "*La belle province*". I am sorry, but I represent a riding covering an area of 740,000 square kilometres. I have never seen him. I have never seen the Hon. Member for Ottawa Centre in Abitibi and I have never seen his task force either.

To return to free trade, it is unfortunate, but recently, Mr. Parizeau, a former PQ Member, stated that free trade would benefit Quebec because Quebecers are ready to meet competition head on. And to return to his study which referred ... When he said that a study had been prepared in Quebec, I should like him to indicate what study he is talking about. I know that recently secret information has been made public in a magazine, but it has nothing to do with a report prepared by the Government of Quebec, it comes from a private study. But I would like him to tell me where he got his information.

Turning to various sectors, he did not mention the forest sector in Quebec and the $300 million agreements between Quebec and Ottawa; he did not mention either the tourism sector and the $100 million agreements between Quebec and Ottawa. This is dialogue, I point out to the Hon. Member for Ottawa Centre. This is the first time after a good number of years that a Government sets about dialoguing with its constituents and with working groups.

Let me tell you, Mr. Speaker, if the Hon. Member for Ottawa Centre were to visit Abitibi, he would find after a year that all is going fine. We do have some chance mishaps, some strikes, that's normal. I was once president of a union. Strikes

are normal; they just happen. As recently as last week, we had problems in Abitibi, forest fires. This slows down forest harvesting.

However, Mr. Speaker, I note that we are ready to face competition; even the businessmen in our area's forest industry are telling us that we are really ready to face up to competition. I could remind the Hon. Member for Ottawa Centre, Mr. Speaker, that we had to deal with a deficit in Canada. But it's in the past now. We are forging ahead, I am telling the Hon. Member.

Canada is now blessed with a really dynamic Prime Minister who will help us.

Mr. Speaker, I would really like the Hon. Member to tell us where he got his information when he referred to Quebec.

Mr. Cassidy: Mr. Speaker, the Hon. Member will know how difficult it is to get sound information on the studies concerning free trade since his own Government refuses to share its findings with the people of Quebec and with the people of the rest of the country. They do not trust Canadian men and women enough to let them see for themselves if and how they will be affected.

I willingly accept his invitation to pay him a visit in the Abitibi. He is right to say that until now we have not been able to send anyone in the Abitibi, except that the provincial NDP leader for Quebec went to the Abitibi during the election campaign and the Hon. Member well knows that now, even at the provincial level, the NDP has become as we know the third party or even the second. We trail behind the other two provincial parties, but are well ahead of the Progressive Conservative Party at the provincial level, with the support of 120 per cent of the Quebec people according to the last poll. This was the first poll in Quebec indicating the voting preferences at the provincial level for the NDP.

Mr. Speaker, I notice . . . The Hon. Member says that the people of Quebec are looking forward to free trade. Now, I think that they are trying to sell something that can cause them great harm.

And I point out to the Hon. Member that many groups un Quebec have stated their concerns about the matter, such as the Quebec Lumber Manufacturers Association which includes several companies in his own area, the Federation of Metal Trades, the members of the C.N.T.U. the International Ladies' Garment Workers'Union, the National Action Committee on the Status of Woman, the Shoe Manufacturers' Association, the Brewers Association of Quebec, the QFL or Quebec Federation of Labour, the *Fédération des femmes du Québec*, a very important group in that Province, the *Centrale de l'enseignement du Québec*, the affiliated trade unions of the C.N.T.U. and the *Union des producteurs agricoles*.

Mr. Speaker, when one is aware of the conditions in which Quebec workers work and deal with their employers and the Boards of Trade, with respect to important issues relating to every aspect of the community, then the views of those people are quite important.

Mr. Fontaine: Mr. Speaker, I am outraged at the insinuating blabbering of the socialist Member for Ottawa Centre (Mr. Cassidy) concerning Quebec. He should have stayed there longer than his first year of classical studies in 1955. Speaking of surveys, I will tell you that in Quebec there is not one New Democratic Party Member. That is a survey. No socialist in Quebec. No socialist in Newfoundland. No socialist in New Brunswick. No socialist in Prince Edward Island. No socialist in Nova Scotia, and there are not going to be any either. And as far as Quebec is concerned, despite what the Prime Minister (Mr. Mulroney) said against Mr. Bourassa who called him a "hot dog eater", and notwithstanding the suggestion made by the Hon. Member for Laval-des-Rapides (Mr. Garneau) that there are 135,000 people in Quebec who would not be able to adapt to free trade, the situation is good in Quebec. Unemployment has decreased by 3 per cent since September 1984.

There are 125,000 new jobs. The Hon. Member narrowed the issue down to shipyards, although $108 billion are involved.

In the constituency of Lévis there are $435 million worth of contracts signed by this Government with shipyards. I have to tell the House about it. And if he knows that much about Quebec, he should know that Premier Bourassa and the Minister for External Affairs (Mr. Macdonald) have recently gone on record as supporting free-trade. Quebec exports $14 billion worth of products, 70 per cent of which to the United States. This also he should have learned, in the mere 10 months he stayed in Quebec.

Therefore you have no authority to speak on behalf of Quebec. Furthermore, Mr. Speaker, I have no question to ask that Socialist Party Member, who I fear is not qualified to answer sincerely.

Mr. Cassidy: After that comment by the Hon. Member for Lévis (Mr. Fontaine), I can tell him I am proud of being a social democrat and a Member of a party with a strong tradition in this country, in Canada, a party which gave Canadians medicare, which fought to establish the first retirement pension for—

Mr. Speaker, I am disappointed that the Hon. Member's gesture is not shown on TV, because it reflects the opinion he has of the 30 per cent of Quebecers, the 34 per cent of French-speaking Quebecers who support the socialist party, the New Democratic Party. As he will know, because the popular support given the NDP is stronger in the Quebec City area, comes the next election his constituency will probably elect one of the first New Democratic Members in the Province of Quebec.

Mr. Fontaine: I did beat your leader in Quebec!

Supply

• (1750)

[*English*]

The Acting Speaker (Mr. Paproski): The time for questions and comments has now terminated. Debate.

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, the spending Estimates of the Governmemt reflect priorities which are dangerously confused and mischievous. The Tories ask, of course, what our priorities are. I suggest that what should concern them, especially because they are the Government, and what should concern us as our highest priority as a nation is the maintenance of our independence, culture and sovereignty. I suggest that what should concern the Government above all is our ability to compete in a very competitive world market where technology and productivity based on research and a highly educated and flexible population are vital. I would suggest that a very high priority for the Government should be to ensure that our future is one of greatness and hope in a countrywhere Canadians from all regions will have the same opportunities.

The Government is spending over $116 billion of taxpayers' money, but in all that spending it is holding back on our research, our future research and on the kind of education we must have to be able to compete in a trade war which goes on throughout the world. The Government is holding back on our youth and on our Canadian heritage and certainly holding back in terms of our future. If some foreign agents were to report on how to undermine and destroy Canada, they could not come up with a better plan than this Government's approach to our youth, our educational system and our research. If the Government had not proven its total incompetence already in a host of areas, one would think we were in the hands of our enemies.

The Conservatives promised before they were elected that they would ensure that these areas of which I am speaking, research, competitiveness and productivity, would be their main concern. They promised they would build on this and it would be our strength. Instead, practically the first thing the Conservatives did upon coming to power, in the name of economy and cutting back on the deficit, was to cut our future. When the Tories were asked by the Canadian Association of University Teachers what their intentions were, if they were elected, with respect to transfers from the federal Government to the provinces, the Tories replied in an official statement: "We are committed to sustaining the current federal financial commitment according to the formula set out in the 1977 agreement". Quite understandably, the Association of University Teachers suspected that politicians might be speaking out of both sides of their mouths and in order to nail them to the wall, the Association asked them a second question: "Does your Conservative Party support the continuation of the established programs financing Act in its present form in so far as it deals with post-secondary education?" The Tories replied: "Yes, we support fully the original 1977 funding formula and the legislation provided for it". In the spending Estimates we find that the Tories have broken that promise, torn it up into shredded paper. The promise was not worth the paper it was written on. In Bill C-96 the Government proceeded to break that formula it promised solemnly in the two answers I just quoted. Those answers, I might add, came from the Leader of the Conservatives, now the Prime Minister (Mr. Mulroney), through Members of Parliament saying that the Government would not change the formula but would continue to support post-secondary education along the lines of the formula already laid down. The Government broke that promise. It not only broke the promise but what is worse, it broke the agreement established between the federal and provincial Governments which is to expire in March, 1987. The Government not only broke its promise that it would not change the formula but even it broke the agreement with respect to the existing formula made by a previous Government. One would think that members of the Government would be very embarrassed by all that. However, they have explained it away by saying: "We had to do it for the sake of the deficit; we had to cut the deficit".

• (1800)

That is totally misleading the Canadian people because the deficit is not being cut. The cuts are being placed on to the backs of the provinces. It is the provinces which now have to try to make up for the cuts that the federal Government has imposed upon them. Government Members have broken their promises to teachers, students and to the provinces. They have solved their deficit problems by putting them on to the backs of the provinces. That is not a solution; it is just plain cavalier. It is misleading and dishonest.

They also promised that they would uphold the formula for post-secondary education. They made such promises in various speeches. For example, the Hon. Member for Brandon—Souris (Mr. Clark) said that we need more consultation with the provinces and the development of a national education strategy. He said that above all we must understand that this is not the time to reduce in any way the vital resources which the federal Government has been transferring to the provinces. That is the type of speech made by the Prime Minister and members of his Party when they wanted to be elected before the last election. They have broken their promises and their agreements.

I believe it is important for us to understand that not only did they make promises in areas regarding our future and broke them, but they also promised more research and development. One of the major concerns we have as a nation in a competitive and technological age is to have good research and development. At the present time our country is not at the level promised by the Tories; that is, 2.5 per cent of GNP in regard to research and development. Rather, it is around 1.3 per cent, about half of what the Tories promised it would be. No advances are being made in terms of research and development. In fact, we are going backward. While Japan, France, Germany and the United States are at the 2.5 per cent level, Canada is still at the level of 1.3 per cent. Japan is considering

pushing its research and development goal up to 8 per cent. We are going in the opposite direction. I say that because the Government promised the universities, the business community and the intellectual community that it would do something about increasing grants to different research councils in Canada. The grants which were promised to be increased were not increased, except at the rate of inflation. That is how the Government has dealt with those boards which give out grants. It was promised that there would be assistance in terms of great increases since, as members of the governing Party said in the election campaign, research and development is essential to the future of Canada. Our educational system has been undermined. Promises made with respect to research have been reneged upon.

Also during the election campaign a great future for our youth was promised. What has been done in terms of that promise? We can see that for the sake of trying to reduce the deficit members of the Government have decided that youth should be the victims on whose backs the deficit must be carried. Presumably the deficit is being cut for the sake of our young people in order that they will not inherit our debts in the future. The future of our youth is being cut back because the Government is cutting back on the deficit. The Tories have closed campus employment offices on many campuses across the country. They have cut back on post-secondary education in terms of what was promised in order to make a viable system of education. Training seats in community colleges have been cut back by some 40 per cent. Katimavik was closed down entirely. Funding which was to go to the Youth Ministry was also cut back. The Ministry has now been shifted to another Department, that of the Department of Employment and Immigration. The Youth Ministry now has virtually no budget and no objectives. The Tories froze the level of student loans, and the list goes on. The Tories have cut back on our youth; they have cut them off at the knees. They are the future of our country and yet the Government has not seen fit to fulfil any of the promises it made to them during the election campaign. The Government also promised to look after research programs outside of universities.

In short, there is grave concern being expressed in the country about the future of our young people. Yet the Tories do not hear it. People have spoken out in every area of the country. The Opposition has spoken out, yet members of the Government have not heard. One person who has spoken out with great effectiveness has been the Chief Justice of the Supreme Court of Canada, Mr. Justice Brian Dickson. He spoke recently at the University of British Columbia. In his speech he tried to indicate to Canadians that there is a grave problem which faces the educational system. I would like to quote from his speech which was well reported by the media. Of course, as with all these types of speeches, the full text was not covered and some of the most poignant parts have not been given to us. The Chief Justice stated:

> Perhaps most significantly, there is a serious, bordering on tragic, lack of funding for universities in Canada today.

It is the Chief Justice of the Supreme Court of Canada who used the word "tragic". I am sure it is a word he would not use lightly, unless it really portrayed the situatuion. In all my travels and in all that I have seen the situation is tragic. The Chief Justice is quite right. His speech continues:

> Gordon MacNabb, the Past President of the National Sciences and Engineering Research Council, recently pointed out that of nine member nations of the Organization for Economic Co-operation and Develoment (OECD), Canada ranked eighth in total investment in reserach and development, behind even Sweden and the Netherlands. Listen to this description by Dr. Andrew MacKay, the President of Dalhousie University:
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> "Fiscal restraints have brought student/faculty ratios perilously high at many of our institutions. They have made it nearly impossible for us to bring in bright new minds to teach our students and undertake research. Our libraries are suffering for want of appropriate acquisitions. Most of our scientific, technical and computing equipment for teaching is obsolescent.
>
> Our physical plant is generally in desperate need of repair. And many of us have found it necessary to turn away students we would have previously admitted to our core programs in the arts and sciences because we can no longer do work of satisfactory quality except by limiting numbers."

That is tragic. It is a deplorable situation which exists in the country. It is a situation on which the Government turns its back. It has turned its back on the needs of the universities by changing the formula and by leaving them with even less money than they were sure they would receive in order to be able to supply the necessary education for our young people.

● (1810)

Again, I quote from the speech made by the Chief Justice:

> Let me speak first to governments, provincial and federal. Please do not choke off the funding of universities.

That is the plea of the Chief Justice. He went on:

> Canada must have good universities with outstanding teachers and world class research facilities. Second-class funding of universities will inevitably lead to second-class teachers, second-class students and, ultimately, a second-class nation.

That is the kind of nation Tories are ready to give to the people of Canada when they come to power. The Chief Justice went on:

> It has been said by many people that education is too important to be left to educators. That may be true. But it is also true that education is too important to be left to ministers of finance. Universities desperately require funds to perform their great mission in democratic societies. Governments spend billions of dollars every year on all manner of projects, many worthwhile, others not so worthwhile. In my opinion, money spent on minds will never be money misspent.

When the Chief Justice of Canada has to plead with the Government to provide the necessary funds to keep universities operating, it describes the tragically misplaced priorities of the federal Government. Having served, along with my colleagues, on the task force on post-secondary education and having travelled through the Maritimes, I found that every single university president, the head of every faculty organization and the head of every student union said exactly the same thing as the Chief Justice and Dr. MacKay. This is not simply rhetoric on the part of partisan opposition Members. It is a tragic plight that is facing Canada. Because of the wrong priorities of the conservative, Tory, reactionary Government, we find that our post-secondary educational system is moving

down to a second-class status. That was the evidence that was given by everyone who came before the committee to testify on Bill C-96. Speaker after speaker said the same thing.

The previous Secretary of State, now the Minister of State for Immigration (Mr. McLean), at least tried to get the Government to understand the importance of this matter. Before the election, he spoke out over and over again criticizing the Liberal Government for not doing enough. We now find that the new Secretary of State (Mr. Bouchard) is washing his hands of this entire matter and saying that it is a problem for the provincial Governments.

This is the worst Secretary of State the Canadian Parliament have ever seen. He has abdicated federal responsibility for education. He has walked away from it and he is not fighting to give leadership that will ensure that young people are protected and the educational system is given a first-class status. Rather, he is getting rid of his responsibilities by saying that it is a matter of provincial jurisdiction, thus leaving it to them to solve a problem that is a federal responsibility.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Beauharnois—Salaberry (Mr. Hudon) for a question or comment.

Mr. Hudon: Mr. Speaker, how is it that my hon. colleague seems so pleased now with provinces complaining about being forced to reduce education services because of alleged cuts in transfer payments when his own Government reduced even more those payments before the election and that we did provide provinces with more than $100 million just to fill the gap left by the legislation introduced by the Liberals who lost their election on that very topic? Could he explain today his statement which flies in the face of the statements of his own party in 1984?

[*English*]

Mr. de Corneille: Mr. Speaker, the Hon. Member speaks absolute rubbish. The level of funding under the formula which was established in 1977 was maintained by the Liberal Government until, at the time of the inflation problem, it was cut back to 6 per cent one year and to 5 per cent the next. However, the formula remained in place and the level automatically returned to 7.4 per cent. There was a temporary cut in the increase made for the purposes of inflation, and after that was over the level returned automatically. It is this Government which has made a permanent cut to 5 per cent, a level that barely deals with the inflation problem.

Whatever may be the case, the university system is in grave difficulty.

Why is this Hon. Member asking me about what happened before when right now all the evidence I have presented to him shows that our young people are in a grave crisis, and despite the election promises to keep the funding at the same level it was before, the Government has cut back from the 7.4 per cent formula? What kind of hypocrisy is that?

[*Translation*]

Mr. Hudon: Supplementary, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Beauharnois—Salaberry (Mr. Hudon) on a supplementary.

Mr. Hudon: Mr. Speaker, I would like to know what happened with the electoral promise to maintain transfer payments precisely to present levels, and more specifically as regards education. I would like the Hon. Member to show us why it was an hypocritical promise as he calls it, a broken commitment—

[*English*]

Mr. de Corneille: Mr. Speaker, I am sorry that the Hon. Member was not listening. Perhaps I was not effective enough as a speaker. Had he been listening to the quotations I recited, he would have known that the Conservative Party was asked two questions by the Canadian Association of University Teachers. First, the CAUT asked the Conservative Party if it would maintain the level of funding at the 1977 level, and in its official reply the Conservative Party said that it is committed to sustaining the current federal financial commitment according to the formula set out in the 1977 agreement.

To make doubly sure, the CAUT asked the Conservative Party a second question. It asked if the Conservative Party supports the continuation of the Established Programs Financing Act in its present form, the form of the 1977 agreement, in so far as it deals with post-secondary education. The reply was that the Conservative Party supports fully the original 1977 funding formula and the legislation providing for it. The Conservative Party replied—

Mr. Hudon: Who?

Mr. de Corneille: The Conservative Party, at election time, is asked questions by organizations and groups.

Mr. Hudon: Who signed it?

Mr. de Corneille: I do not have the name of the person who signed it. It is the Hon. Member's organization and he should know the answer to that question. If the Hon. Member wishes to doubt the word of the Canadian Association of University Teachers, that is fine, but I received this from the association's correspondence. I think it is very embarrassing for the Hon. Member to challenge his own Party's answers to the Canadian Association of University Teachers. The Minister of Finance (Mr. Wilson), after coming to power, indicated that he would honour that. It is not only those promises but also the promises of the Minister.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I would like to ask a question to the Hon. Member about research and development in Canada. During the election campaign, the Conservative Party was supposed to be serious about increasing financial incentives to research and development and I was therefore somewhat

surprised at the slowness and lack of interest of the Government as far as this issue is concerned. In fact, today, the newspapers reported that the Minister of State for Science and Technology (Mr. Oberle) made a statement at a seminar recently in Winnipeg, I think. The article published today in the newspaper *Le Droit* says the following:

Mr. Frank Oberle really let down the Canadians who favour an increase in research and development financing.

According to him, and I am still quoting the same article, Mr. Speaker:

According to him, this would be treating "the symptoms rather than the disease". In his opinion—

That is, in the opinion of the Minister:

—this money would be better used in the universities and the private sector and for retraining programs.

Mr. Speaker, I want to ask this question to the Hon. Member because I know that he travelled around Eastern Canada on behalf of the Liberal Party and had the opportunity to meet many people as a member of the task force on post-secondary education financing. In view of this lack of interest of the Government in research and development, because we all know that this activity creates jobs, did the Hon. Member meet with people in Eastern Canada, in universities, such as researchers and even students, or people simply interested in the issue, who spoke about the need to develop this sector and ask the Federal Government re-establish programs to support research and development to create more jobs? Could he also speak about the negative impact of the policy or non-policy of this Government, which consists in ignoring the very important sector of research and development? Could the Hon. Member share his views with us and tell us how he assessed public opinion in Eastern Canada during the last few weeks?

• (1820)

[*English*]

Mr. de Corneille: Mr. Speaker, I thank my colleague for inviting comments on the reactions in the maritime provinces to our task force on post-secondary education. Without any exception, presidents of universities, presidents of faculty associations, presidents of colleges, and presidents of student unions cited great disappointment that the Government broke its promises with regard to research and development and with regard to support for post-secondary education. One could even cite quotations from Tory as well as other Party Premiers in Canada who expressed outrage at the way in which the Government has cut back on its commitments to education and research.

Universities regard research as being of critical importance. Right now there is a brain drain, they reported to us, where professors are leaving Canada and going, not to Harvard or Yale but to remote parts of the United States like Tennessee and Alabama which they find more attractive than staying in Canada.

An Hon. Member: Time.

Mr. de Corneille: I hear a colleague saying "Time", because he cannot stand hearing what the presidents of universities and students have been saying about the Government. He should be concerned and ask about what they are saying. They are saying that there is a brain drain. This is what the Chief Justice of the Supreme Court, presidents of universities across Canada, and everyone involved in education have been saying. He should listen to what they are saying; instead of wanting time out, he should listen to the people of Canada.

Mr. Bob Hicks (Scarborough East): Mr. Speaker, as many Hon. Members will know, the Associate Minister of National Defence (Mr. Andre) tabled a statement on our Department's Main Estimates at a meeting of the Standing Committee on National Defence on April 15, 1986. My remarks today will draw upon that statement, but I shall also mention other matters which have transpired since that time.

I remind the House that the central thrust of the Government's defence policy has not changed since it was elected. We remain pledged to meet fully and most effectively our defence commitments. The essence of Canada's security policy for the past 37 years has been firmly rooted in deterrence, defence, arms control, and the peaceful resolution of conflict. We have subscribed to the basic tenets of collective defence which are implanted in the North Atlantic Treaty. Briefly, these tenets centre on faith in the purpose and principles of the United Nations Charter and a desire to live in peace with all peoples and all Governments.

The consistent aim of Canada's security policy for more than three decades has been to maintain world peace and to prevent a war which would endanger Canada. This has been achieved mainly by providing in concert with our allies an effective and incredible deterrent to any aggressive action directed against the West by the Soviet Union and members of the Warsaw Pact.

Because of our inability to defend this vast country alone and to safeguard Canadian interests abroad, we have sought our security through collective defence arrangements. Our military contributions to these collective arrangements, however, were seriously neglected in the 1970s, and they still suffer from that legacy.

When the Government took office, it did so with the determination to increase the effectiveness of Canada's Armed Forces. We undertook to give a higher priority to the needs of the Canadian forces in order that they would have the resources they need to do their job. We stated our intention to strengthen our links with our allies and to honour fully our commitments. In short, we undertook to keep faith with our friends as with ourselves, and this we certainly intend to do.

The defence policy review which the Government has undertaken is nearing completion. The basic policies, which will govern our security and defence arrangements over the next decade and onward to the turn of the century, will be outlined in a White Paper the Government will publish this fall. Whatever changes may be possible in the longer term, our

immediate past must be to restore a credible defence posture which meets existing commitments. We must regain the confidence of our allies that Canada will, to quote the Prime Minister (Mr. Mulroney), "no longer be a dollar short and a day late".

When it comes to sharing the defence burden, our increase in European troop strength which is nearing completion was designed to initiate this confidence building process. The task ahead is a formidable one. We must rebuild Canada's credibility as a serious defence partner and give the Armed Forces a sense of direction. To these ends the White Paper will provide a better policy blueprint than has previously been the case with documents of this type. Because of the immensity of the challenge to overcome the deficit, the move from blueprint to effective force structure will require more time than originally planned. Nonetheless, we intend to move forward and to succeed in this endeavour.

As every Hon. Member of the House should readily acknowledge, in preparing the Budget the Government faced a situation requiring stern measures and difficult choices. We have accepted responsibility for both of these challenges. A productive economy and sound fiscal management are essential to the continued well-being and prosperity of the nation. They are also essential to a robust defence effort. To achieve both, the paramount need has been to take decisive action to reduce the deficit and to bring a halt to the ever increasing diversion of our national resources from productive activity to the service of an expanding national debt. We must succeed in this, or continued economic growth and improved defence effort before long will be beyond our means to accomplish.

Since it took office, the Government has given high priority to defence, and it will continue to do so. The Budget demonstrates this. Over the five-year period from 1986 to 1991, the Budget provides a higher level of funding for defence than was planned by the previous Government. The reference levels for the Department of National Defence announced in the Budget are lower than those approved by our predecessors for 1986-87 and 1987-88, but they planned no further growth after 1987-88.

• (1830)

In contrast, and to the benefit of the Department, the new Budget provides for at least 2 per cent annual growth after 1987 and 1988 thereby exceeding the total funding previously planned for the next five years by an estimated $605 million. This is not nearly as much as it should be but we have stated we will make every effort to improve funding levels further as fiscal and economic circumstances permit.

We are already on record, and I will re-iterate it today, that significant real growth in the defence budget over a number of years is the solution if the forces are to meet their commitments fully and effectively. For the short term, provision for modest growth in defence expenditures at a time when other departmental budgets are being reduced provides evidence of our firm and positive commitment to an increase in Canada's defence effort.

Let me be more specific. The defence budget will grow in real terms, after the effects of national inflation are taken into account, by 2.75 per cent in 1986-87 and thereafter at 2 per cent per year. The result of such action is that the defence budget will increase by approximately $3.2 billion over the period 1986-87 through 1990-1991. Capital expenditure will rise to well over $3 billion over the next five years. However, I would be less than candid if I did not note that a significant part of this increase will be needed to offset defence inflation, which is substantially higher than the rate of national inflation. Even so, we do not intend to cancel any major projects that are essential to meeting our commitments. Some will have to proceed at a slower pace, others may have to be reduced, but the over-all program for the re-equipment of the Canadian Forces will still move forward.

For example, the CF-18 project is now nearing completion. Naval modernization is well under way and has received added impetus with the recent announcement of the $1.2 billion TRUMP project. Army re-equipment is proceeding at a lesser pace but the decision to proceed with the low level air defence project, albeit at a slower rate of implementation than we would wish, will still overcome one of the most serious operational deficiencies in our European based forces.

The size of the regular force will continue to increase and the strengthening of our forces in Europe will be completed. We shall also give close attention to upgrading the reserve force. In the short term, funds from the readiness and sustainment increment will be extensively utilized to provide tangible improvements in this area. In the fall of this year we will exercise, for the first time, the deployment of the full air-sea transportable brigade group which Canada has committed to the defence of northern Norway. As the Secretary of State for External Affairs (Mr. Clark) has already informed the House, units of our Maritime forces will conduct exercises in our eastern Arctic waters during the summer months. More generally, operational trading activities will be maintained at a level which will ensure the continued readiness of our forces and their full participation within the alliance.

The 1986-87 Department of National Defence estimate of $9.96 billion represents 9.3 per cent of the federal Budget. This compares with 9.2 per cent last fiscal year. The Department's share of the federal budget is the third largest in size after the Department of Finance at 30.7 per cent and the Department of Health and Welfare at 26.4 per cent.

The 1986-87 estimates show an increase for defence of $572 million over the 1985-86 estimates. This represents an increase of 6.1 per cent and, as I noted earlier, permits a real growth of 2.75 per cent for the coming year based on the current projection of the national inflation rate for 1986-87.

The Canadian Forces must never again be allowed to fall into the state of disrepair which undermined Canada's credibility as a responsible defence partner in the 1970s. These

budgetary allocations will not allow us to do everything that the Government considers to be necessary for defence. The primary objective of our Government is to set the nation's financial house in order and to secure Canada's economic future. It is also vitally important that Canada play its full part in securing peace with freedom in concert with our allies. These two objectives are linked. I am confident that the course we have charted in economic policy will succeed. With success will come the capacity to do what must be done for Canada to bear its fair share of the burden and responsibilities of alliance, to strengthen its voice in the councils of nations and thereby contribute to common security and well-being.

Mr. MacDougall: Mr. Speaker, I would like to commend my colleague, the Hon. Member for Scarborough East (Mr. Hicks) on an excellent speech and to say to all my friends and colleagues in the House tonight that it is just another indication of the hard work and dedication of our Government and its Ministers in being able to put forward programs showing Canadians in which direction we are going, something the previous Government could never do. You never see questions on housing or on agriculture. We are always keeping ahead. That is one reason that the Opposition is having a hard time today trying to mount any type of force.

My colleague reviewed some of the areas in national defence. Could he take a moment to bring us up to date with the most recent developments in the upgrading of equipment?

Mr. Hicks: Mr. Speaker, I thank my hon. colleague for taking such an interest in national defence. I feel almost like a mosquito in a nudist colony trying to answer that question because I do not know where to begin.

As far as the annual budget that I alluded to in my remarks, it is $10.2 billion spread over this year. We are maintaining the programs that were begun. The F-18 program, for instance, is costing $5.2 billion. The F-18 program was begun several years ago and the last aircraft will be delivered in September, 1988. This $5.2 billion will be spread over several years, and will be on a reducing scale until our fiscal year 1990-1991.

I believe I alluded to the TRUMP project, the updating of our tribal class destroyer. I have heard Hon. Members from the Opposition today say that there are no jobs and we are losing jobs in various areas, but no one yet from the Opposition has made reference to the jobs that are being created in Canada. In our shipbuilding industry there is a $1.2 billion upgrading program of our tribal class destroyer. The shipbuilding industry in Canada will receive a very important injection, and I make that reference because shipbuilding in Canada over the last few years has been embarrassingly neglected. The shipbuilding industry in Canada went downhill certainly during the 1970s. There are hundreds and hundreds of shipyards that have gone out of business over the last two years only because the ships, our navy and naval equipment was never kept up to date by the previous Government.

I do not think I alluded to the low level air defence system which will cost around $1 billion. It is extremely important because it will safeguard our European bases at Lahr and Baden-Baden. In addition to those two bases there will be a portable low level air defence system used for the Canadian air-sea transportable brigade which I mentioned was going to northern Norway later this year. Those are a few of the ways in which we are continuing to upgrade our military equipment. I thank the Hon. Member for his question.

Mr. Clinch: Mr. Speaker, I have a question to ask of my colleague, the Hon. Member for Scarborough East (Mr. Hicks). It involves the peacekeeping exercises across the world. I would like to know if Canada is presently involved with any peacekeeping exercises. If Canada is involved, where is it involved?

• (1840)

Mr. Hicks: Mr. Speaker, I would like to thank another hon. colleague who is certainly very interested in Canada's defence and our commitments. Canada has been well known for many years for its peacekeeping efforts. To answer the Hon. Member's question briefly, our most recent commitment is to the Sinai. I believe we have dispatched 136 peacekeeping troops and nine helicopters to that area.

Mr. Crofton: Mr. Speaker, I, too, would like to direct a question to my colleague. The committee recently visited the St. John's ship yards and had a look at the new ship construction program. Would the Member care to comment on the work which is being done in the yards and the benefits it may have for Canada's future shipbuilding?

Mr. Hicks: Mr. Speaker, I thank still another hon. colleague for his great interest in defence. It was the chairman of the Committee on National Defence who asked that question. The committee did visit the St. John's shipyards. I mentioned a few minutes ago the way the shipbuilding industry in Canada has deteriorated so devastatingly over the years. To go into a shipyard in Canada which has been in existence for over 100 years and seeing ships being built gives one a little confidence.

During that trip we were also very interested to see the modern way in which today's major ships are being built. Everything is computerized. Premodular units are built, shipped down to a graving dock and welded together. The old days of laying a keel and building a ship are all gone. The computerized, premodular construction of ships is very gratifying to see.

The ship being built there is the first of the six Canadian patrol frigates to which the Government has committed $5.2 billion. There was a slight slowdown in that program, but everyone will be pleased to know that the problems with the steel have been completely overcome. The first frigate will be delivered within a few months of the original target date.

Mr. Gauthier: Mr. Speaker, the Member for Scarborough West (Mr. Hicks), as a form of criticism I guess, referred to

the Opposition not snapping the suspenders of the Government on job creation. We have enough trouble trying to keep track of job loss. We can hardly give the time of day to the job-creation program.

Does the Member know that in the Estimates there is provision for the jobs of 5,000 public servants being cut? Has he any consideration for those 5,000 public servants and their families? What does he think about that policy?

Mr. Hicks: I think that all the policies which the Government has seen fit to put into place are excellent policies. The Government has had to move slowly and analyse the policies which were desecrating the entire annual budget of the country. No other Government could manage to put a country $32 billion or $34 billion into debt every year.

With specific reference to the jobs, Mr. Speaker, what other Government has created 1,000 jobs a day since it took office? The 1,000 jobs a day will easily compensate for a few jobs here and a few jobs there which have to be cancelled to offset programs which were just not working out.

Mrs. Browes: Mr. Speaker, I would like to join with my colleagues in congratulating my neighbour, the Member for Scarborough East (Mr. Hicks) for his analysis and the balance in his speech about defence, accenting the very important aspects of peace and bringing forth some very excellent information on the advancement and up-grading of our military to preserve the freedom which we enjoy in our tremendous country. We will cerainly look forward to the White Paper coming out in the fall.

I know the Member has spent some time in the standing committee talking about the search and rescue aspect of the Ministry. Could the Member comment briefly on that aspect of the Ministry?

Mr. Hicks: Mr. Speaker, I thank my hon. neighbour from Scarborough Centre (Mrs. Browes). I thought she was going to ask me when the first female general was going to be appointd in the Armed Forces. I am disappointed that she is asking about search and rescue. However, that is something which is dear to many of our hearts. Search and rescue is a responsibility shared by National Defence, the RCMP and Transport Canada. In my opinion there are great deficiencies in search and rescue in the country on both coasts, in our northern reaches, in the vast interiors and in the Great Lakes region which was recently pointed out as an area in which search and rescue needs all the help it can get. I am pleased to tell the Hon. Member that there are two subcommittees presently looking into all aspects of search and rescue. We hope to have a report next year.

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, we are involved this evening in debate on the motion to concur in the Estimates. I appreciate the opportunity to say something on this thirteenth and final allotted day for the supply period. I want to deal particularly this evening with the Estimates providing for the Government's implementation of multiculturalism policy, for expenditures which are to be carried out particularly through the multiculturalism sector of the Department of the Secretary of State. These expenditures are the responsibility of the Minister of State for Multiculturalism (Mr. Jelinek). In considering these Estimates I want to say something about the inability which members of the Opposition have experienced to consider those Estimates at any length in committee.

The process of considering Estimates is sometimes rather curious. A good deal of it can, I fear, be a matter of *pro forma* action in which a Government with a great majority approves the spending and calls upon the House of Commons to give its support to enormous expnditures during the year, which expenditures will exceed $100 billion. The possibility of considering these expenditures in any detail is fairly limited in the House. The consideration can sometimes become almost perfunctory.

The Opposition usually has a sense of inadequate action by the Government. What is sought then is not any reduction in expenditures or disagreement with what is put forward as such, but rather the possibility of adding to the amounts that will be spent. Clearly in the case of multiculturalism expenditures, which amount to a little more than $24 million, the desire to have more resources devoted to this important area of social, cultural and economic action in the country is something which I want to advocate very strongly.

The main opportunity for the Opposition to make its feeling known is frequently, particularly in the provincial houses, to propose a motion to reduce the Minister's salary to $1. Such a motion strikes me as quite appropriate in the case of the Minister of State for Multiculturalism. He is, of course, a double Minister of State with responsibility for fitness and amateur sport as well as multiculturalism. I suppose he could manage if the multiculturalism portion were reduced to only $1.

The reason I suggest that one would like to reduce his salary to only $1 is because the Standing Committee on Multiculturalism has not given my colleague, the critic for the Official Opposition on multiculturalism, and myself the opportunity we wanted to deal with the Minister on his Estimates, and to clarify the policy of the Government and where the expenditures will be focused during the current fiscal year. Through this process we will satisfy ourselves that the Government is dealing properly with the multicultural policy for which it is responsible.

● (1850)

I recognize that some of the difficulty I am alluding to occurred thanks to the recent establishment of this committee and the need to arrive at a reference and order which would ensure that this part of the Estimates of the Department of the Secretary of State was assigned to the Standing Committee on Multiculturalism rather than the committee responsible for the Department of the Secretary of State.

I suggest, however, that some of it involved an order that was arrived at in the last part of May which gave the responsibility to the Standing Committee on Multiculturalism and led to the cancellation of a meeting on May 27. I expected the Minister to appear then so we could carefully consider with him his spending plans for the year. The fact that the committee meeting was cancelled and no meeting was laid on to consider the matter is the basic procedural and parliamentary reason for my objection to passage of the Estimates. It is also the reason for my suggestion that it would be appropriate to reduce the Minister's salary to $1.

I should perhaps say that we are hoping to have the Minister appear before us next week. I hope his office will be attentive to my comments this evening and that they will come better prepared for that encounter than they would otherwise. If we are going to have a meeting with the Minister, let it be a fruitful meeting where we are provided details on the application of policy and the division of the Estimates for his sector. Let us have that kind of detail so we can have a really useful meeting. It will be a meeting clearly after the fact in parliamentary terms, given our consideration of the Estimates today and the votes we face later this evening. However, it would at least give us in the Opposition the opportunity to fulfil our constitutional responsibility of scrutinizing closely the spending plans of the Minister.

To expand on the larger issue, the difficulty we face is that the multiculturalism policy this Government is following has been brought into question over the last number of months. Neither has there been any clear statement at any length, with spending details attached, to which one could respond or with which one could deal critically in considering the appropriateness of the Minister's decisions. This situation of uncertainty which the Minister has created by his actions over the last number of months is why I want to take a look back toward the beginning of this Government's mandate in the fall of 1984, and scan some of the suggestions I had the opportunity to make for clarifying the Government's policy and establishing structure in the multicultural area.

I can look back as far as the month of November, 1984 when I had the opportunity in a statement under Standing Order 21 to emphasize the importance of a separate department of multiculturalism. In concluding my observations that afternoon I said that:

> The Minister of State for Multiculturalism (Mr. Murta) is reportedly engaged in consultations with ethnic groups to consider the direction of Canada's multicultural policy. I hope these consultations create a better result than the previous Government's multiculturalism Bill of last June. Let the Government show its good will by honouring at least one campaign promise, one that holds an enormous symbolic importance for thousands of Canadians.

To see a department established and have its policy clarified is something we have waited for over many months. I used the occasion of Private Members' hour on September 9, 1985 to expand on this topic. My motion for the creation of the Standing Committee on Multiculturalism, as well as a distinct department of multiculturalism, had found fulfilment as far as the committee was concerned as of last June. However, as far as the department was concerned we had some indications in August of 1985 that the Government might be considering it. Here we are now nine months later and we are still waiting. The observations I made that particular afternoon are still waiting for fulfilment. As a matter of fact, if the Minister had a mandate in August of 1985 to consider what sort of administrative rearrangements would be advisable if the Department of Multiculturalism were to be created, we have not seen any indication of it since then. It has fallen like a stone into a pond. There were some small ripples but now the pond has gone limpid again.

We might have expected as well a White Paper on multiculturalism which would spell out the Government's policy. Again I have used occasions over the past months to say something about that. In the same Private Members' hour on September 9, 1985 I spoke as follows:

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

The "question" being the establishment of a department. That was the beginning of September, 1985. Where are we now? We are nearing the middle of June in the second part of the first session and we have not seen any action on a White Paper. We have not been apprised of what sort of multiculturalism act might be arrived at. Obviously we have had none of the basics needed to create a department.

When I questioned the Minister about this last November, he suggested he would be meeting with the new Standing Committee on Multiculturalism in a week or two. That part of it was true enough. He then went on to say at that time we would be able to discuss at length the details of an Act and a White Paper.

The deliberations with the Minister when he did meet with us later in November did not provide any guidance as to what the Government might be thinking about concerning a White Paper. There was certainly nothing of the White Paper itself in evidence and we certainly did not get any clear sense of what sort of Act we might get. Sadly enough, groups from all across the country who have provided input of all sorts towards the drafting of an Act, as well as suggestions for the structure of the department, continue to wait. By the time in April that I took up the Minister's inadequate responses to my questions of last November, it was quite clear that not only did we not have a White Paper or an Act to consider, there was no department being created. What had occurred in the meantime were suggestions for dramatic changes in policy.

• (1900)

The Minister suggested that he was already implementing certain changes, though he talked about people, including Members of Parliament having an opportunity to debate these changes. He also suggested quite clearly that he was involved in implementing changes without regard, other than for his

cabinet colleagues, to what the people of Canada might think. Perhaps I am a shade too strong on that. Let me review what happened in the interim.

Earlier this winter the Government tabled the various volumes on the Nielsen Task Force on Program Review. In that review there were a number of aspects that touched on the multiculturalism policies and practices of the Government. I note that in the central recommendations, the options which the task force had recommended to it by the study team, the first two items, which very quickly aroused enormous unease were the following:

1. In helping to overcome barriers to full participation in society and increasing the recognition of the contribution of ethnic groups to Canadian society, the Multiculturalism Branch activities and programs should concentrate on facilitating cultural integration.

In that fateful last word was a suggestion to which ethnocultural organizations and persons concerned about them have been reacting ever since. Item 2 says the following:

2. Phase out federal funding for organizations and projects aimed at cultural retention and that they be assumed by the communities themselves, the provinces, and the municipalities or other federal programs.

There in two suggestions, end support for cultural retention and encourage cultural integration, was a fairly clear cut statement for an assimilationist policy to be followed by this Government.

When the leaders of the study team appeared before the Standing Committee on Multiculturalism this morning it was clear that a consensus had been arrived at among that group of Conservative advisers to government. They conceded that another group might have come out with different conclusions with the same evidence. They approached with a bias, a bias toward assimilation, and they came out with these recommendations.

What did the Minister do about these things? Here is where the fat is really in the fire. In an interview which the Minister gave about March 6 he announced:

—that he has been working on a "totally new multiculturalism policy" aimed at bringing ethnic minorities out of "ethno-cultural corners" and into the economic mainstream of Canada.

The policy was in the final stages of preparation for Cabinet consideration, according to this report in *The Globe and Mail*. Some may say that this is really what you should be concerned about as far as the White Paper is concerned.

This was not a policy statement for presentation to the House or for publication to Canadians inviting reaction. The Minister said he was developing a "totally new multiculturalism policy", and it was in the final stages of preparation for Cabinet consideration. He went on to say the following:

It will include involving ethnic minorities more in business—

That was an emphasis on which he was to be acting very quickly. On the other hand, he was going be cut grants to certain ethnic organizations. He went on to say the following:

We are in the process of reviewing the whole funding and granting procedures in line with the development of the new policy.

He said there is not going to be additional money for multiculturalism.

It's going to be redirection of existing funds.

That would be basic to the policy shift.

There's no doubt some organizations are going to be cut out.

He would not identify for the reporter which ethnic organizations he planned to stop helping. He did say he had begun implementing the policy.

About five weeks after this particular interview, there was the Multiculturalism Means Business conference in Toronto, costing the sector a couple of hundred thousands of dollars in order to run it. It clearly involved just that kind of redirection of existing funding. Let the Minister of State for Small Businesses (Mr. Bissonnette) undertake this rather than having this sector lose money from those activities in order to pursue the Minister's new ideas.

That particular interview and the publication of the Nielsen task force documents and the Ministers' conference in Toronto, all of them together, have suggested to ethnocultural groups across the country and their leaders that the Government is shifting policy. There is no opportunity to respond to it except in the way of the writing of letters, the statements in the media and so on. Parliament has not been given an opportunity to debate this. There is no White Paper before us and no Act has appeared. When we sought the opportunity in committee to deal with this at the appropriate time, it was taken from us.

The Minister did, of course, appear at a meeting in May and he confused the matter further by denying the things that had been published in that particular interview. I have made a note of some of the things the Minister said in response to my questions. First, there was the matter of whether organizations would lose funding. He began by stating the principle again:

—if there is an ethno-cultural organization in Canada, which is not contributing to the well being of the community in any way, shape or form—

It should not receive funding. Then he said very quickly:

To date we have not found such an organization. Every organization that is being funded by the Government of Canada appears to be contributing to the well being of its community and therefore will continue to receive funding.

I wonder what sort of serious study was involved. The Minister opened the possibility that organizations would not measure up. Now he is saying very hastily that they had not found any such organizations. Given what the Nielsen task force said about the lack of evaluations in this particular sector, I doubt he had any more information at hand to justify saying that.

Then there was the precise question of whether there was going to be more money or a redirection of money. He had said there would not be, that there would have to be redirection. The Minister complicated the matter completely by saying the following:

I read the story at that time. I forget the wording of it, but—and I am not trying to backtrack or put the blame on anybody else—there were several statements in that story that were taken out of context. Where I said there will be

no new funds for the time being is within the context of our cultural retention and promotion.

But certainly if we are going to move into new directions, such as the area of education or the area of multiculturalism and business, or other areas, then it is my intention, and always has been, to go before Cabinet, first to get the approval of that direction, and second, to get the necessary resources.

That is admirable. That is what one would expect, but he had not said that earlier. The basic questions remain: What is the multiculturalism policy of this Government? What are the directions it intends to take? What sort of reorganization will occur in the sector? Where is the study which the Minister of State for Immigration (Mr. McLean) was authorized to undertake last August? Has it been completed? Is the Minister of State for Immigration making recommendations for the establishment of a department? What will its structure be? What sorts of resources will be available to the Minister of State for Multiculturalism or, as he would become, simply the Minister of Multiculturalism with a full-fledged department? What sorts of resources will he have? What kinds of policy directions will be funded adequately? Where will there be standstill or fallback?

Those questions cry out for an answer. Those are the kinds of questions we wanted to ask the Minister in committee while we were considering his estimates. This evening I am speaking to this question and suggesting that the appropriate action to take regarding this Minister would be to reduce his salary to $1 and demand that the Government give us the White Paper, set forth policy and give us an Act to debate so we could make the kind of progress in multiculturalism this country wants. That is what needs to be done.

• (1910)

I look to the Government and demand that it act along the lines that its policy envisaged during the election campaign. It has been almost two years since the election. The Government is half way through its mandate with precious little done, except confusing Canadians generally, particularly those concerned about the the ethnocultural communities.

Mr. Deputy Speaker: Questions or comments? Resuming debate.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker—You like it?

Some Hon. Members: Hear, Hear!

Mr. Gauthier: Mr. Speaker, I have an audience.

First of all, I think we should remember that this debate concerns a motion inviting the House to concur in the Main Estimates tabled by the President of the Treasury Board on February 27. I think our listeners and those who are going to read these proceedings should know that a fairly substantial amount is involved, namely 116 billion 740 million dollars. This is not peanuts, Mr. Speaker. This money is to be spent on governing this country and administering the programs of our various departments, and will also be used to pay for Government spending.

We were informed today that the Government is trying to be more effective in its programs and more efficient in the way it implements these programs. We all agree, Mr. Speaker, it is a good thing this Government's aim is to be efficient and effective. Mr. Speaker, the fact remains that among the Estimates to be found in the blue book, there are many expenditures that raise a number of questions for the Members of this House, and since they would like to put these to the various Ministers, we hope we will soon be able to go into Committee of the Whole so that we can question the Ministers in the House and find out how they intend to proceed with these enormous sums of money, this $116 billion they want to spend.

Mr. Speaker, I am going to take up the case of our federal public servants, because in my riding and the area I represent, the Public Service is important for jobs and careers. We are now in the month of June, which is graduation time at our universities and high schools, and I know there are many young and capable university graduates who are looking for jobs, and who normally would look to the federal Government for a job in the National Capital Region.

Mr. Speaker, we know that in the NCR, Conservatives have been hitting these jobs for a number of years. In 1979, they had a policy for cutting Public Service employment. They were going to cut 60,000 jobs. We know that the President of the Treasury Board, Mr. Stevens, said: I am going to cut 60,000 jobs.

Indeed they were eventually defeated and then took office again and did not forget their project to cut and slash personnel. They took a more discreet approach, they were more . . . I will not use the word "deceitful" but they went about it more slowly. They said they had cut 15,000 jobs.

As a matter of fact, we know that 5,500 positions will disappear this year, a quarter of them—27 per cent to be precise—in the National Capital Region. This means jobs, it means that families will have to revise their budget and even in some cases consider new careers to meet the requirements of a Government which, in principle, says it wants to be more effective and more efficient.

To achieve that, Mr. Speaker, they decided to cut staff and slow down economic activities in the National Capital Region. And when I say that I mean that the major employer has reduced economic activities in the region by a substantial margin, and later on I will explain to the House how these cutbacks affect the region.

In May 1985 as you may recall, and I will give the figures, the Mulroney Government announced a reduction of 15,000 jobs in the public service over the following five years.

As I said a moment ago, the federal Government is the main employer in the National Capital Region and accounts for

nearly 28 to 30 per cent of all economic activities in the region. It is therefore very important.

After the cut-backs were announced, the Minister of Finance (Mr. Wilson) tabled a document to propose further cut-backs of about $500 million and a hiring freeze. On top of that, we were told that cut-backs similar to the 15,000 public service jobs would probably be made in Crown corporations and other administrations not directly related to the Treasury Board. So if we add up the 15,000 jobs which have been cut and the 15,000—it isn't I who said it, it's in the Budget papers—15,000 similar jobs in Crown corporations, we get 30,000, and if we also take into account the $500 million in programs which will be terminated, it is not difficult to extrapolate, Mr. Speaker, and conclude that all this is going to have a rather significant and probably negative impact on job creation in the National Capital Region. Let me explain: I am not an economist, but economists always say that a job in the public sector will create a job and a half in the private sector. As I was saying earlier, this is therefore an important proportion. If you take 30,000 jobs in the federal public sector, and if you multiply that by the 1.5 job creation factor in the private sector, we could end up with 45,000 jobs being directly or indirectly affected over the next five years by these government cuts.

It could have, therefore, a rather significant impact and I want to serve notice to my constituents that we will have steps to try and stop that. The Government says: Dont worry! We are going to diversify the local economy. Mr. Speaker, we have already tried to diversify in the area of science and technology; we have tried to set up in the region a high tech computer industry. This worked rather well. I know that we have here the so-called Ottawa Silicone Valley and there were a series of private initiatives supported by the Government to try and diversify the economy and make jobs in the private sector as interesting, if not more so as those in the public sector.

We have not yet been very lucky in the high tech industry, but I am still hoping for the day when we will be able to rely more on it than on the public sector.

From last November to today, Mr. Speaker, there have been fairly significant cuts in the personnel of the Public Service. What I mean to say is that the House should realize that these cuts will become effective on April 1st of this year. The 15,000 fewer jobs will therefore take effect on April 1, 1986. The cuts ordered by the President of the Treasury Board from the budgets of various departments over the past few months have been rather harsh for some people.

Although I do not always trust statistics for evidence, statistical data indicate that there are now in the region 3,000 more unemployed than there were at the same time last year. Three thousand more jobless in the Ottawa area than there were in 1985, that's a fairly large number of people looking for jobs and obviously not getting any from the main employer, the Government, jobs that would meet their career expectations.

Mr. Speaker, to avoid being told I am totally obsessed by this employment cut-back in the Public Service, I want to point out to Hon. Members that in my riding of Ottawa—Vanier the federal Government is not, contrary to what many people think, the number one employer. It is so for the whole National Capital area, but in the riding of Ottawa—Vanier, a riding relying largely on service industries, the education and health sectors are the big employers.

I think of universities for example which employ about 3,000 people in my riding. To have 3,000 more unemployed in a year is as if the University of Ottawa had been abolished, as if the 3,000 jobs provided by the university had been eliminated. That is the impact. I am trying to quantify this. We have a large number of jobs in the health sector. There are several hospitals in my riding. More than 4,000 people are working in that sector in my riding. That too is in the service sector, Mr. Speaker.

In the education sector, in addition to the university, my riding has a post-secondary college and also several elementary and secondary schools.

Government policies have a snowballing effect that is puzzling a lot of people.

Hotels, local trade, businesses, retail sales, housing starts, sales of houses, all of these give a fairly good indication of the economic well-being of the region. And if you take hotels, for instance, you might think that with an attractive dollar and the potential attraction of our region for American tourists, tourism in Ottawa, in the National Capital Region, should be expanding and our hotels would be able to welcome a lot more people. However, that is not the case! Hotels are presently going through hard times. They have an occupancy rate which is very low, and I am told this is because of Government cuts. I have no comments on that, because I think tourism . . . but that is what I am told. I am told that it is because of the cuts. I am told that it is because there is no lobbying. I am not saying that I endorse those things. I am just saying that I was told that.

I do not know if it is true. I have no proof of that. But what I know is that hotel managers are saying that the tourist trade is depressed in the National Capital Region.

Housing starts are down, Mr. Speaker. Houses for sale . . . just travel through my constituency, and you will see that there are many houses for sale. People are worried. The real estate market is somewhat undecided presently because people are concerned with ensuring, with reinforcing their economic position, and they want to sell houses which carry heavy mortgages.

The President of the Treasury Board (Mr. de Cotret) who is here with us and is a man who has good ideas sometimes, not all the time, but sometimes, has announced that the freeze was being lifted and that the Government was going to hire people again in its departments.

I hope this initiative will be recognized by officials as a means of attracting young people, recruiting young people. I think it is time that people should be told that they can make a career for themselves in the Government and that the Government encourages university graduates to apply for positions with the federal Government. We need those professionals. We need those young people and we need that recovery, and I think the Government made the right move in deciding to lift that freeze a few days from now and start hiring people again. I believe it is a positive step at this time of the year, when a lot of young people are looking for a job.

I therefore congratulate the President of the Treasury Board for lifting that freeze and recognizing the present need in our region to hire young students, young graduates who are looking for jobs.

Mr. Speaker, as the President of the Treasury Board is with us, I would like to go back to the bonus that was offered to the employees in his Department. This morning, I started to ask him what eligibility criteria were used for that performance or productivity bonus, because I tend to be a little suspicious when a program is applied or announced but the criteria to be used for that program are not made public.

In the last few months, I have tried to find out, how one could maintain—and I am not the one who says so but the Minister himself—that 4,000 senior managers or high officials could get productivity bonuses if they attained the Government's expense reduction goals. How such a program could be administered may be a bit difficult to understand for some people. That is why this morning I asked the Minister if he could give us before the end of the day the criteria for this program. He did not answer my question. He told me it would be done within a few days and that the particulars of the program would be made known before the end of the month, I think.

• (1920)

[*English*]

I have talked to a few managers in the Public Service and they are not so sure they want to have this money, basically because this kind of productivity incentive can be counter-productive. The managers, of course, whose responsibility it is and who receive higher salaries, have been told that if they reach the Government's objectives in cutting into programs and possibly reducing expenditures, they will receive a premium. Why this reward? Why give incentives to people who are already being paid to do a good job and who receive higher salaries to effectively manage programs in an efficient manner? I do not understand and that is why I ask.

I am not being naive when I ask the question. I have done research. I have looked at several jurisdictions. In Washington there is a program of this sort and there are pros and cons. There are arguments for and against incentive programs. I can quote a few arguments against incentives from a document entitled "Public Personnel Management" which states that incentives circumvent the purposes of non-profit organizations. In a sense, incentives act like profit sharing and such action is against the basic concept of non-profit organizations. In the private sector, incentives are generally based on some level of productivity or output and are tied to revenue. In a non-profit organization, earning money is not considered the basic objective. Because of this, non-profit organizations have naturally been more concerned with the services they offer than anything else, including money.

The document goes on to explain that in the legislature of the State of Washington, a Bill passed on March 3, 1982, rewards certain people but it is based on budgetary Estimates, based on sums of money which are known to be lumped for the purpose of giving that incentive, and based on a program and on criteria which are well known. I put the question to the Minister again because we are talking about Estimates. Why did the Minister not come in today and show us in those Estimates of the Treasury Board that amount of money, that incentive which will be distributed to the managers?

I make that point seriously to the Minister. I fail to understand why that same amount of money, if it is available in a lump sum, cannot be given to the public servants on a merit principle. Why can it not be given to those who better perform, and not necessarily managers? The Minister knows I have gone through this over the years on the school boards. We tried to administer that kind of a program based on merit, better functioning and better efficiency, and that is difficult. I recognize it is difficult to have the criteria in place, but I want to know what our Government is going to do because it is important to me to know how the program is going to be put into effect.

I have spoken to managers and I am told by some that they do not want that money given to them on the basis of more efficiently cutting public servant jobs. The perception out there is that more money is given to managers if they cut programs or Public Service jobs. I do not believe the Minister is the type who would want to do that, but I do say to him that that is the perception out there. The average Canadian does not know what the Government means by an "incentive to productivity".

• (1930)

I plead with the Minister to come forward soon with the information concerning the sums of money involved. What are the criteria for access to these sums of money? What time span are we talking about? How will the program be administered?

I hope it will be a program based on merit and not on the efficiency of managers to cut programs. I hope that the method employed will not be the awarding of some type of bounty money to those who perform better in terms of their search for innocent people who are not for the Government's lack of direction.

I wanted to talk about the state of certain programs which the Government has put forward and which are included in the

Main Estimates. However, I see that Your Honour is indicating that I have but one minute left.

There is a great deal to be said for some of the guidance and orientation which has been given by the Government. I do not think the Government should be run like a hamburger joint. I do not think that we should be thinking in terms of bottom-line administration. We have to think of the quality of service. We have to think in terms of how to better those services and how to better dispense them to Canadians. We have to think of how to better obtain value for money spent.

In light of the answers I have been given to date, I am not satisfied that I can vote on these Estimates blindly without knowing how the Government administers the moneys in public trust, particularly in terms of the example I gave regarding public servants. That type of philosophy needs to be explained. I hope the Government will do that soon.

[*Translation*]

Mr. St. Julien: Mr. Speaker, I would like to reply to the Hon. Member for Ottawa—Vanier (Mr. Gauthier) for whom I have the greatest respect. At the beginning of his speech, he talked about reductions affecting students or the student population. I would like to draw his attention to the fact that this new Government has prepared since it came into office, in 1984, 45 programs to assist students in Canada. We are not talking only of Vanier or Ottawa but of the whole country, including the Abitibi area, from east to west, as far as the Great North, and one could say that quite effective programs could be set up to help our students. There are exactly 45 programs. The record of this new Government is incredible. You should consult this blue guide on scholarships and grants offered by the Government of Canada that was prepared recently—a little publicity, in passing—which is a very good one.

You are saying that in the Ottawa area there is no construction activity, that building is not going well. However, when I come back from Abitibi, via highway 105, and I arrive in this area, I see construction everywhere. One Museum on one side, another one on the other, a Court House. Moreover, I recently stayed overnight in a hotel, the Westin, and I happened to talk with the owner who told me that during the summer his occupation rate was 92 per cent. I walked in the hotel and, in the lobby, I noticed that people were not from Ottawa, they were tourists. Some even came from as far away as China. There were also tourists from Vancouver. I then decided to call one of my good friends who runs a hotel on the other side, in Hull. The following day I asked him the same question: "Is the situation bad on your side"? He said: "No, my occupation rate improved this year and is about 70 per cent."

So, things are going pretty well now that we have a new Government. Promised, we won't talk about the past. It is mentioned almost every day in the House, but I respect you. We talk a lot about the Department of the Secretary of State . . . We can see in the documents that there is an increase of $190 million for the Youth Employment Program which is part of the Governement's strategy for jobs creation. A little further there is a $650 million increase for the Canadian Jobs Strategy announced in the Budget of May 1985. The increase in the number of man-years is offset by internal reallocation.

Looking at an other area, namely the Treasury Board, we have an increase of $17.4 million in employer contributions to insurance and pension plans due to higher rates. Then we see an increase of $2.4 million and thirteen person-years affected to the Privatization Secretariat responsible for following up on the decision to sell Crown Corporations.

When I come to this place to sit in the House or to work in my office for my constituency, I find that things are going well in Ottawa and even in the area around Ottawa. I tell the Hon Member that I find everything is going very well.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I am glad to see the Hon. Member is interested in the area and takes an interest in projects in my riding which, I may remind him, were launched under the previous administration.

Don't worry, I know all about the Rideau Centre. I was there when it started and I knew what we were letting ourselves in for, twelve or thirteen years ago. Hotels were built in the area. And as far as the National Museums are concerned, we know about that decision, we know where it came from. It was—

An Hon. Member: A political decision—

Mr. Gauthier: —yes, a political decision. It was a political decision to locate the National Gallery in my riding and the Museum of Man in Hull, on the Quebec side. In fact I am delighted that at last we have recognized the importance of museums and are finally starting to build the National Capital of Hull and Ottawa, face to face and not back to back as we used to. We all know these museums will help attract more people and more tourists to the region. I am very pleased the Hon. Member noticed these two major construction projects which were initiated by the previous Government, and I am very proud of them, because I participated in the decision in both cases: the Rideau Centre and the museum called the National Gallery.

So I want to thank the Hon. Member on that score, Mr. Speaker. I just want to remind him that the initiative was taken by the Liberals, and that everything is going well.

As far as youth programs and job-creation programs for youth are concerned, I may remind him I agree with any positive plan for creating jobs and helping young people make their way in this life. I am all for it, and I have no problem with that. However, I maintain that the program was not properly explained to our young people and to the Canadian people, so that people failed to understand what Challenge 86 was about. In many cases, programs simply don't work because the Government has not learned to communicate with its clientele, with the people who are interested in these programs.

I am sorry to say this, but the Hon. Member knows this as well as I do. Some programs have been set up, not many, but there are a few. But the problem is that people are not aware of them, they do not know them well, and the Government does not meet the needs properly.

In my constituency, there are 21,000 young people from the post-secondary, university, elementary and secondary sectors. Every year, about 13,000 or 14,000 of them try to find jobs. This year, it was a disaster. And I know what I am talking about, it was a real disaster this year as far as student employment is concerned. We must solve this problem and we will not do it by fighting but by helping each other and by trying to find solutions.

I am aware that the Government established a new policy. They do not want to interfere, they want the private sector to create summer jobs for students. The private sector should be encouraged to do so. So much the better. But when you represent a small constituency, and that the main employer is the federal government, it is difficult to argue those kinds of things. It is most important for us that the Federal Government have well established, clear, generous and well-known programs to solve the problem of youth employment.

Mr. Deputy Speaker: The Hon. Member for Beauharnois—Salaberry (Mr. Hudon) on debate.

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister for External Relations): Mr. Speaker, I am pleased to take part in the debate this evening, particularly to speak before my many Quebec colleagues, because I am very glad to belong to this Government. For two years now, Mr. Speaker, this Government has shown leadership as much in the field of employment as in the field of international relations.

Mr. Speaker, I am glad because I had the honour to belong successively to these two Departments. First I was Parliamentary Secretary for Employment and Immigration where I took an active part with the Hon. Flora MacDonald in the establishment of the new job-creation programs. Since last January, Mr. Speaker, I have been pleased to be associated with the Department of External Relations where, with the Hon. Monique Vézina, we are launching new programs and revised programs for foreign aid and assistance to Canadian companies.

• (1940)

Mr. Speaker, I am pleased as well to take part in this debate because I realize that our opponents have precious little to say because of our concrete results. Mr. Speaker, we have a positive record in both economic and financial sectors.

As you undoubtedly recall, the Minister said this on November 8, 1984: We must reduce the deficit. The way things were going, the deficit was to reach $39 billion. We will close the books next year with a deficit under $30 billion. We simply have to pay our debts.

An Hon. Member: The Liberals' debts.

Mr. Hudon: They are the debts of the Liberals, but they are now our debts because we are now the Government. The House will recall that those people governed the country in the mid-seventies when the Minister of Finance mentioned earlier, Mr. MacEachen, announced a deficit of $19 billion. At the end of the year, we had a deficit of $31 billion or $32 billion. However, it was not serious! There was no problem because, at the time, the estimates were generous.

Some of my constituents asked me last week: What have you done for us, what has the Conservative Party done since the elections? It is very simple. We have establised a healthy economy in which the private sector will play a positive role to create jobs.

Mr. Speaker, when you can maintain some of the best interest rates—and they have now gone down—you have cause to rejoice. These are practical results which will not only encourage the Liberals to enter the House, but also give the private sector confidence in the Canadian economy.

This brings me to a specific point which concerns foreign aid. As you will recall, Mr. Speaker, at the very beginning of our mandate, we made a commitment to bring the amount of foreign aid up to a rather higher rate than we can actually achieve at this time. There has therefore been talk of major cut-backs. Contrary to what the Liberal speaker said earlier about education, I have to point out that you can speak either in terms of percentages or in terms of net amounts. In fact, we are going to allocate more money in net terms to foreign aid.

The Members opposite often accuse us of saying: Naturally, the Government helps other countries—and I can already hear the questions—when it is unable to help its own citizens. The Canadian public understands us. If we look at the survey on the famine in Ethiopia, we find that 95 per cent of Canadians agree with foreign aid. Indeed, when we help other countries, Mr. Speaker, we help Canadians to develop because we export not only our products, but also our talents. The names Canadian corporations are making for themselves in Africa and Asia are remarkable and recognized throughout the world.

Even if the growth is not as rapid as was foreseen in 1984, Mr. Speaker, we are going to reach just the same 0.5 per cent of our Gross National Product in terms of foreign aid in 1986-87. And this will have direct spin-offs for Canadians.

Mr. Speaker, this 0.5 per cent which will contribute to the integration of our private and public sectors to our foreign aid effort will be achieved following consultations and, finally, through cooperation.

I should like to deal first with consultations. People, Canadians or some of our friends could readily imagine that something like foreign aid is decided by some civil servant working behind the scenes, on the basis of current ideas and fashions, without too much planning.

Mr. Speaker, I had the privilege last January to take part in bilateral meetings with representatives from Niger, Senegal and Gabon, and more recently in Ottawa with those of

Burkina Faso and Zaire. Zaire was last week when we had the honour to welcome Mr. Mubutu Jr. who was here as Secretary of State to sign an agreement of co-operation and dialogue. Mr. Speaker, we spent these three days of negotiation planning our action on the African continent with the support of the Government concerned and in line with our major objective of food self-sufficiency. We had to touch on the problems of hydro power and desertification. Another point is the involvement of women in public affairs and affairs of the State. Tomorrow will mark the beginning of a very important program for the participation of women in development programs, for it is a well-known fact that in all countries which major development problems, and especially in Africa, women have a very significant role to play, and tomorrow will be an important day in that regard.

So after consultation, Mr. Speaker, we enter the concerted action stage because as we very well know Canada is not the only country involved in foreign aid. The World Bank, the International Monetary Fund, all those international institutions, the United Nations where again two weeks ago the Minister for External Relations (Mrs. Vézina) announced a 5-year moratorium on the African countries' indebtedness. As important as it may be, Mr. Speaker, to take any action as a country among foreign nations, such action must tie in with that of the large international institutions.

So this is stage two.

And stage three is cooperation, the most aggressive one for Canadians.

Mr. Speaker, we have agreements signed both with private industries and universities, labour unions, municipalities, provincial Governments, non-profit organizations that are helping us implement our international cooperation program.

We had recently the Minister for External Relations announce a $150-million program called Africa 2000 because it is aimed at Africa in the year 2000, and $150 million were ear marked for the next 5 years, and we agreed that 50 per cent of those funds will be managed by businesses, non-profit organizations. That is a major component of the new direction proposed by the Conservative Party for foreign aid. Governments have no monopoly as regards truth or positive moves in the area of development. This has already been seen in job creation programs. As we always said, jobs are not created by the Government. The Government will create economic conditions for jobs to be created, that is interest rates, investment programs to ensure that the economy by itself will take over.

It is time, Mr. Speaker, we stopped thinking that the federal Government or provincial Governments or for that matter municipal governments can do everything, that they have a monopoly on how to make things go.

Therefore, we will give the necessary tools to non-profit organizations, unions and universities the necessary tools and they will have to manage their business according to the programs developped with the countries and co-ordinated with big international corporations.

In short, Mr. Speaker, such is the status of foreign aid programs and we know that they have been extremly successful. I only have to say in this House, Mr. Speaker, how proud I was to be with the Minister for External Relations in New York when she spoke. It was one of those special occasions in that lofty hall where a speech was interrupted by our warm applause.

It was quite important for Canada, and the critics were quite constructive about it, our country being a leader in international development, a movement followed by a few countries, perhaps not as much as we would have like, but this will be a landmark and following their return home after having seen the action of the Government of Canada, the other representatives could ponder over it. Therefore, Mr. Speaker, I am proud to say the African and Asian countries as well as all the South American countries warmly applauded that initiative. I was pleased because a few weeks later, we had the honour of welcoming to Ottawa several of those African Ministers and others from other countries who were coming to meet us and tell us how pleased they were to see the constructive and stirring action of the Government of Canada.

This is in short, Mr. Speaker, how we are in a position to maintain our level of foreign aid in spite of reductions applied to all programs including international development. The following question was raised in the House: We are in favour of foreign aid, but reductions are required. Obviously, all Canadians understand the matter. We cannot ask Canadians to make sacrifices while we increase foreign aid. Our foreign and domestic programs will be subjected to the same reduction. However, we must maintain the same rate of growth, because if the Government is now experiencing temporary financial problems, we still have faith in the future. This is the reason why our aid programs are growing at a different rate which Canadians are in a position to sustain.

Well Mr. Speaker, that takes care of foreign aid. As for job creation, the figures speak for themselves and I need not delve into this because our record is going to be most positive. Some of my colleagues will certainly want to speak to it but in this area as in the other, we can see that Canadians are future oriented. We do have a certain tendency. As I was looking earlier at my colleague from Quebec East (Mr. Tremblay) tearing up his papers, it reminded me that there is a propensity to find scandals. My colleague from Quebec East is very aware of it; as a matter of fact, so I am told, they went through his wastebasket. That is why I believe he has good reasons to tear up his papers. They were trying to discover things the party might be doing wrong and that it could be blamed for. With that new approach, Mr. Speaker, if we take the time to look around, we can see that Canadian men and women agree with us and support the initiatives taken by the Government in foreign affairs as well as domestically.

Mr. Deputy Speaker: Question or comment. The Hon. Member for Richmond—Wolfe (Mr. Tardif) has the floor.

Mr. Tardif (Richmond—Wolfe): Mr. Speaker, I am very pleased to see the interpretation the Hon. Member gives to these polls, because what I gather from them is a totally different conclusion on how the public views the Government. Since the Hon. Member did not comment on this I will ask him what has the Government done about regional development?

Mr. Hudon: Mr. Speaker, as far as the Hon. Member's preamble is concerned, according to some of my colleagues there are two kinds of polls but the best is the election results. I remember starting the last campaign in July 1984 with 17 points behind the liberals who kept showing off until we beat them by 18 or 19 points. Therefore, a true poll comes around every four or five years, and we will take care of that.

Mr. Gauthier: Tomorrow!

Mr. Tardif (Richmond—Wolfe): Enjoy it!

Mr. Hudon: Anyway, that is all you can do as in the case of the Hon. Member on your left. Concerning regional development, Mr. Speaker, we certainly did better than the previous Government. We put an awful lot of money into employment programs—

Mr. Tardif (Richmond—Wolfe): In what? The western banks?

Mr. Hudon: But above all, we succeeded in one area where you failed, with interest rates being at 9 per cent instead of 21 per cent. And that is what we did for regional development. At the time you could not understand that.

An Hon. Member: Tell us about Domtar!

• (1950)

[*English*]

Mr. Manly: Mr. Speaker, I rise to make a comment which perhaps will be a little less heated. I welcomed the Hon. Member's comments about official development assistance. However, I should like to read from the opening speech of the Secretary of State at the United Nations on September 25, 1984, right after the new Government had come to power. This was at a time when Government Members were saying how terrible the economy was. Recognizing that, the Secretary of State said: "Meanwhile there are urgent questions of human suffering which must be addressed. Our new Government intends to maintain Canada's commitment to reaching .7 per cent of the GNP by 1990 in official development assistance. Despite serious economic problems at home, we shall not turn our backs on the world's disadvantaged people". However, in November they said that they would not be reaching the goal of .7 per cent by 1990 but that they would reach it by 1995. Last February, when the Government brought down a Budget, it said that the economy was performing better than it had anticipated. Yet, it went back even further on the commitment, and now the goal of .7 per cent of the GNP will not be reached until the 21st Century.

The Hon. Member referred to the speech of the Minister for External Relations (Mrs. Vézina) at the United Nations. I agree with him that it was well received. Also I agree that generally Canada played a positive role at the United Nations special session on the crisis in Africa. We played a positive role only in comparison with what other countries were not doing.

The fact that we will be making $150 million available over the next five years really does not begin to address the real needs of Africa. The reason we are not doing more is that we are not moving toward the .7 per cent goal as the Secretary of State said in 1984. At that time he made a commitment on behalf of Canadians to the poor people of the world. Now he is breaking that commitment, a commitment which he made on my behalf and on behalf of my constituents to poor people of the world.

The reason we are unable to do more is that the Government is cutting back in that way. We are really giving a paltry sum in comparison with the need. While Canada brought out a moratorium on official development debt, we refused to go along with the need for a debt restructuring conference which would have looked at the entire question of debt for emerging nations. That is one of the more serious questions facing Canada today.

In the final document more non-project aid was requested, and almost all our money is going toward small projects. Small projects are important, but there should be more non-project aid—

Mr. Deputy Speaker: Order, please.

Mr. Manly: I should like to hear the comments of the Parliamentary Secretary on that.

[*Translation*]

Mr. Hudon: Mr. Speaker, of course if we were to meet the wishes of the Secretary General of the United Nations, we could still . . . He wants us to do more because of the humanitarian role he plays. But two weeks ago, we were at the United Nations, in New York, and it was apparent to every country that in view of the difficult times Canada, as well as the United States are facing, our efforts were quite commendable. You were there yourself my friend and I think that all the nations recognized that. Mr. Speaker, I know that our objectives were set but nevertheless we are going to reach .5 percent of the Gross National Product in 1986-1987 while . . . in 1977-1978, there was an opposite trend .49, .48, .45, .40, .41 but now it is on the increase again.

So, we will dispense foreign aid according to our means. We cannot on one hand, ask Canadians to tighten their belt and spend freely on the other hand.

Mr. Speaker, on another point. We rank seven in terms of percentage of the Gross National Product. We come behind

the Netherlands, Norway, Denmark, Sweden, Belgium and France.

And then if we compare ourselves to the United States we see that they rank below us in the seventeenth place as in the case for Japan, Italy and Germany which all give less than we do. So we do our share.

Mr. Prud'homme: Those who rank above us do better.

Mr. Hudon: I know, Mr. Speaker, we could perhaps do better, but I will not ask Canadians to make a greater effort than I would ask other countries.

We have a national debt, we want to pay it off and we will ask everybody, in the country and outside the country, to help us reach that objective.

And the seventh place, Mr. Speaker, is still quite honourable; we come after the Netherlands, Norway, Denmark, Sweden, Belgium and France. I tell you, Mr. Speaker, we rank among the best countries.

Mr. Deputy Speaker: Order! The Hon. Member for Saint-Denis (Mr. Prud'homme) on a question or a comment.

Mr. Prud'homme: Mr. Speaker, having had the pleasure to travel with the Hon. Member and the Minister to the United Nations, I can tell him that we can be satisfied if we just look at ourselves in a mirror, but on the question of foreign development assistance . . . the Hon. Member knows very well what my views are on that. I believe Canadians are now dragging the Government along, and they have shown such generosity during the recent events in Africa that the Government was lead to realize that on the question of foreign help, even more support can be forthcoming from Canadians if the situation is properly explained.

I think there is no substantive difference of opinion between my Hon. colleague and myself except that we should not be content to say: Look, we are in seventh position, while a number of others—

I agree with the Hon. Member that the United States could make a greater contribution and that a number of well-off countries could do more than Canada, but some smaller countries are certainly doing better than Canada. We are in sixth or seventh position, but we should not be content with that position, we should assume world leadership in some area. And by becoming the leaders, we could have an even greater say.

But I have just this comment to make: The Government certainly acted because it was being pushed and encouraged by the people of Canada.

And I would like once again, and I know my Hon. colleague is going to respond, but he and I should express our thanks to our fellow Canadians for understanding their international responsibilities. Through their initiative, Canadians have led the Government to take generous action, which in fact—as the Hon. Member very well knows—caused some uneasiness as several of his colleagues did not share his views.

The Hon. Member is very open to the world. The Hon. Minister is very open, she understands. But I have to say that her problems are not with us in the Official Opposition or in the New Democratic Party. It is within her own Party that she has to fight for comprehension, generosity and openness, not with the Official Opposition or the New Democratic Party.

Mr. Hudon: Mr. Speaker, I am happy because Canadians not only understood, but also pushed the Government. But above all, I am glad that the Government has established a system that could have been a model for any Government. We said: We are going to match your contributions. Canadians have been generous. Before that, we used to give passively; Canadians used to let the Government act on their behalf without getting involved.

It is true that we were pushed into facing this challenge, but both Government Members and my friend opposite are happy about it.

Secondly, I agree with my colleague who says that our country ranks seventh. We rank seventh but I emphasize the fact that we are a young nation with only 350 years of history. However, we rank first in America. We help Africa and Asia. The six countries ahead of us are European countries that have existed for centuries and most of which have a colonial past. Canada ranks first among American countries for aid and co-operation. I can understand that France would be ahead of us. That country had many colonies in Africa and around the world. Canada does not have a colonial past. We developed our aid policy from scratch and this is why we show leadership internationally.

• (2000)

[*English*]

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I welcome this opportunity to enter the debate because it gives me a chance to bring to this House a question that needs to be dealt with, namely, the way we are handling our postal service. I know that the postal service is not the highest matter on the political agenda. It is not often dealt with by the Prime Minister (Mr. Mulroney) or by the Leaders of the opposition Parties although it is a pretty important question to a lot of people. The postal service is vital to most average Canadians. It is a service that people need and depend upon. It is a service that is not being delivered properly today, and it is a policy question that is being severely neglected by the Government.

The whole perspective from which the Government views the Post Office is a distorted one. It is coloured in ideological tones. When the Government speaks about the Post Office, it talks about deficits and eliminating the deficit in the Post Office. By choosing this language to speak of the Post Office, the Government is revealing its ideological bent and its distorted way of looking at an essential public service.

Mr. Manly: The Government never talks about delivering the mail.

Mr. Keeper: The Government certainly does not talk about delivering the mail and the Government has not come up with any ways to meet that challenge. When the Government talks about the Post Office, it does not talk about a public subsidy or a public service. The Government does not acknowledge that other means of communication are subsidized.

For example, what about telephones? Just about everyone has a telephone in his or her home, although some people on low incomes do not, but telephone service is subsidized. In Manitoba we have a public telephone service, the Manitoba Telephone System. We can take revenues from the lucrative sections of the telephone market and use them to subsidize service for the average person. We can take profits from the revenues that we gain from long distance phone calls or from phone calls which large corporations make as a normal part of business activity and use them to subsidize service for the average citizen. Virtually everyone then can have a telephone and the rates can remain at a reasonable level. That kind of communication is subsidized. So why not subsidize the mail, which is another basic communication service? We subsidize air transportation. Surely no one is under the impression that air transportation is paid for simply by those who buy tickets when they choose to fly.

Mr. Manly: Especially the Prime Minister (Mr. Mulroney).

Mr. Keeper: Or the Prime Minister with his private fleet of jets carrying along cameras to record "The Life of Brian". That service for a particular individual is subsidized. Surely most Canadians are aware that air travel is subsidized. I hope that the Government would not think of privatizing the airports in order that they not be subsidized publicly or not have a "deficit". The Government, of course, is very creative. I would not want it to take up that idea.

• (2010)

The trucking industry in the country is subsidized. That is another means of communication. The public pays for the roads. Obviously there are some taxes on the gasoline which trucking firms use, but the trucking industry is subsidized. There are all sorts of means of communications in the country which are subsidized. Therefore, why do we single out the Post office and say that there should be no subsidy for it? Why do we say that the Post Office is running at a deficit? Why is the Government so insensitive to the need for this basic service? Why does it not accept the fact that it is legitimate to subsidize a public service?

While the mails may seem like a dull, boring subject, it is something which touches all Canadians. For a mother writing to her son who is away from home attending university, a grandmother writing to her daughter who lives in another city, and a small business person carrying on normal business activities, this is an essential service. A good, sound postal service is a means of economic development. It is part of the infrastructure which we need to have a good economy.

How many times have we heard that the vast majority of jobs today are created by small business? Large corporations are no longer the creators of employment. Who depends upon the mails? Is it the large corporate enterprise which can afford a courier service, or the small business person who needs that public service in order for his or her business to prosper?

I suggest that rather than considering the mails to be a drain on the public purse we should look upon it as an investment, as a part of the economic infrastructure which is necessary in order for small businesses to prosper and for communities to benefit from the employment creation capacity of small business.

When the Conservatives talk of deficits they talk from an ideological perspective. They talk from the perspective of government playing too large a role in society. They believe that in order to improve society we must downsize government and that if we do that we will all be more affluent. In fact, it has been suggested that one of the reasons the Government is starving the Post Office and moving in the direction of eliminating the public subsidy at the Post Office is that it wishes to privatize it at a later date.

Once the Government has weakened this service so badly and the public is fed up with the service, it will be publicly acceptable to sell it. Private firms can then cream off the most lucrative large urban markets for mail delivery. We will be left with a second class, bare bones service for other areas of the country which, of course, would have to be paid for out of the public purse. We would still end up having to subsidize this service.

In the last Budget the Government set the goal of financial self-sufficiency for the Post Office. When the Minister speaks of the Post Office in the House he talks about eliminating the deficit and improving service at the same time. We must be a little more realistic than to think that those two objectives can be met without a fundamental change of strategy by the Government.

We know that the Minister has been laying out new plans for the Post Office which he has failed to make public. He is examining options which he has not shared with the Opposition or the public. We believe that the reason he has not been open about his plans for postal service in the country is that his plans are bad news for the people. The plans are for continued and increased cuts in service. What other conclusion can we come to? If he had something to say which people might welcome, I assume he would be laying out his options so that we could all participate in debate and help him make the final decision. It looks very much as though he will be presenting a plan which will be bad news for the people. He is keeping it under wraps and will announce it at the last minute, perhaps on the last sitting day of Parliament or even after Parliament adjourns, hoping to escape public scrutiny and criticism.

If the Minister follows that sly route, if he continues to hide his plans for the Post Office and waits to announce them when the House is no longer sitting in order to avoid public criticism, he will not achieve his objective. If he announces these plans in the summer, the summer will not be quiet for him. We in this Party willl be here watching what he does. We will be waiting for his announcements. Whether he makes them while Parliament is sitting or in what he thinks will be the quiet of summer, we will be here to offer our analyses and critiques of his plans. It would be better for the Minister to share his thoughts about the Post Office with the public and to allow the public to assist him in making the decision.

To bring the issue of mail service closer to home, I point out that there are a lot of people in Canada today who are very angry about the lack of adequate postal service. I use as an example those people who live in new suburban developments. It has been brought to our attention that one developer in Ontario found it difficult to sell the houses he was building because of the lack of postal service. This actually had an impact on his ability to sell houses. People who are living in these communities are fed up and angry with the Government.

People in the community of Nepean, adjacent to Ottawa, met with the Minister responsible for the Post Office (Mr. Côté). He told them that he would not proceed with the installation of community post office boxes until after he had made decisions and his plans had been made public and that he would take their views into account. This very day the Post Office is dropping community boxes off in front of houses in the community of Fisher Glen in Nepean. The Minister said that would not happen until after a proper plan for the Post Office was put in place. The residents of that community were reassured when they first met with the Minister. They thought they would get some justice. They were, therefore, quiet about their anger with postal service. They were, therefore, quiet about the fact that they feel very strongly that they are being treated as second class citizens and being discriminated against.

• (2020)

They showed their anger about a week ago at a Nepean City Council meeting where the Post Office was presenting its plans. The city councillors, who are of course political leaders very close to people in their community, responded to that anger and passed a resolution asking their lawyers to take legal action against Canada Post. The resolution then went to the Federation of Canadian Municipalities, which represents communities like Nepean all across the country. The federation passed a resolution calling upon the Government to give fair and equitable service to all Canadians and to cease and desist discriminating against people living in new suburban developments.

The Government may think that postal service is a mundane matter which it can kind of leave on the sidelines and not pay much attention to. However, as I said before, all Canadians use the postal service so the vast majority are angry about inadequate service and would like to see the Government take a real hand to develop a strategy which would result in fast, reliable delivery of mail.

People recognize that paying a reasonable subsidy to the Post Office for certain services is a legitimate activity for Government. What they are now beginning to realize is that this Government is more concerned about its own ideological commitment than it is about the feelings of ordinary Canadians. What I mean is that when the Government looks at the Post Office it sees a deficit. It then connects that with its overall plan to eliminate the national deficit, which will bring us to economic recovery and prosperity. However, we need to look at the Post Office on its own merits, not just from the perspective of subsidizing its deficit. We need to ask how we can devise a plan and objectives and priorities for the Post Office so that it will deliver adequate service. We have to recognize the need to subsidize public services. It is a legitimate activity for a Government and a legitimate use of public funds. In no way can it be equated with wasteful spending that Governments get involved in, such as this grandiose enterprise to film the *Life of Brian*. Perhaps the Government could save money on that kind of activity and devote some energy, thought and creativity to delivering a common, basic service to ordinary Canadians. They are demanding that service and they want it provided in an equitable manner.

Mr. Deputy Speaker: Questions or comments?

Mr. MacDougall: Mr. Speaker, the Hon. Member's comments remind me of other speeches we have heard. It is a bit like a meter ticking. Every time a Member of the NDP gets up, he or she wants to add to the deficit and increase budgets. I think that is remarkable. Does the Hon. Member not realize that he should be looking not only at management but also at the productivity of the individuals who work for the Post Office? He should look at the strikes which take place on an ongoing basis. He should look at the unions. Would he like to start looking at both sides of the issue rather than always dumping on the Government and management? Productivity has to come from within.

Mr. Keeper: Would you like an answer?

Mr. MacDougall: Can I finish?

Mr. Keeper: Would you like an answer?

Mr. MacDougall: I would like to finish my question first. The Hon. Member should realize that it is a two-way street, and the Post Office workers have to start to realize that the longer they continue to confront management and not deliver the service required, the more people are going to go to the private sector for that service.

Mr. Keeper: Mr. Speaker, I welcome the intervention from the Hon. Member. I appreciate the opportunity to respond directly to his points. I understand he comes from a rural riding, and I am sure he is aware that Canada Post is reducing

rural service and closing rural post offices. It has been doing so for some time now. It is also doing that without seeking the necessary Orders in Council. There is a provision under the Canada Post Corporation Act which says that if the Post Office is going to terminate a rural route or close a post office, it has to get an Order in Council before it does it. Canada Post is closing post offices and eliminating services in his riding, just as it is doing across the country, without getting Orders in Council. Why? Because if it gets an Order in Council there is a 60-day notice required and people are then able to express their views and appeal for redress.

The Government is turning a blind eye to the fact that Canada Post is ignoring its own Act and not giving people notice of a reduction in service. I am sure his constituents are as concerned as are other rural residents whom I have spoken to about adequate service and the way decisions about service are made.

The Hon. Member mentioned productivity of Post Office workers. The first principle of productivity is good management. You have to have well thought out objectives. You have to have a strategy to meet those objectives. The problem with productivity at the Post Office is that the Government has not thought through on how to deliver the service. The Government has not listened to Canadians to find out what their priorities are. It has not looked into how we can achieve those objectives and at the same time give workers a framework within which they can be productive. Without a strategy or plan you cannot have productivity. After all, you have to not only move fast but you need to have a direction in which to go.

If the Government is worried about having to subsidize the Post Office and does not want to do it any more, why does it not consider opening up lucrative areas of the private market for Canada Post to compete in, areas such as parcel delivery? That is a $1 billion market and Canada Post could gain a reasonable share and earn revenue which could then be used to cross-subsidize some basic services. I would like to suggest that one of the reasons the Conservative Government refuses to examine that as a policy option is that the Government does not want to get the business sector mad at it. It does not want the courier services to be angry at them. The Government prefers to have ordinary Canadians who want basic services angry, rather than to have a few large businesses angry at it. That shows the Government's ideological perspective and it shows who the Government listens to. What I am asking the Government to do is to listen to ordinary Canadians who are requesting just and expeditious mail service.

• (2030)

Mr. MacDougall: Mr. Speaker, this service in the Post Office is something that is not new. I think the Hon. Member has been in this House long enough, and I think he can refer back to the time before 1984 before we took power. I do not think it is anything new to everyone here. I say to the Hon. Member that this Government has moved to try to bring services back to the individual Canadians. As long as we have confrontations with the unions within Canada Post Canadians are never going to have the security that they can trust Canada Post. I am challenging the Member to indicate to us how we are going to bring the unions to realize they have to change their ways.

Mr. Keeper: I wonder if the Member has noticed that over the last few years under the previous President of Canada Post there has been labour peace at the Post Office. The previous President, although we may have criticized him, and in many cases very legitimately, had a policy of communicating with people. He communicated with the public and he communicated with the unions. They did not always like to hear what he had to say, but he communicated. One thing that has happened since this Government appointed a new President of Canada Post is that there has been no communication. The doors have been closed at Canada Post. Canada Post does not communicate with the public, and neither does the Minister responsible for Canada Post. The Government is moving in ways that will antagonize and anger organized labour at the Post Office.

Just last Friday they dumped one of the labour representatives on the Board of Directors of Canada Post. They did not even talk to the Canadian Labour Congress who had the responsibility for appointing that person. The unions who work and represent the people at Canada Post have been trying, since the new President of Canada Post has been appointed, to have one meeting with him to talk about future prospects at Canada Post. This man refuses to meet with them, refuses absolutely. How do you expect to have a climate of co-operation and a climate that will ensure reliability of service if you do not communicate with people? One of the first lessons this Government has got to learn about the postal service is that if there is going to be good service and peace it has to start communicating.

Mr. Manly: Mr. Speaker, the Conservative Member for Timiskaming (Mr. MacDougall) talked about New Democrats always wanting to see increased spending, and he looks, as most Conservatives do, at the Post Office as being a drain on the economy instead of a vital help to the economy. I would like to ask my friend from Winnipeg North Centre what he thinks would be the effect on the Canadian economy of a reduced postal service? What effect is that going to have on small business? How is that going to impact on the total Canadian economy, and what impact will that have on the Government's tax revenue?

Mr. Keeper: I think it is clear that if the Government continues to starve the Post Office, if it continues to water down the postal service, if it continues to tear to shreds whatever service we have had in this country up until now, this will have a negative economic impact. What it will mean is that the many thousands of small businesses across this country will not be able to rely on the Post Office. They need the Post Office to have reliable and reasonably priced service. If the Government continues with its policy, these people will

suffer, their individual businesses will suffer and people will lose employment.

Since this Government has come to office it raised the postal rates. Not only did it raise the postal rates but it raised a lot of other rates, something that did not really come to public attention. Some of the rates that went up had a very detrimental impact on small businesses that were dependent on the postal service in order to move their goods. If these small businesses have to rely solely upon the private sector, then they will have to pay more and more for the services, and some of these businesses simply cannot afford to do it.

I challenge the Government not to stand up and say it is no worse than it was under the Liberals. The Conservatives were elected to take a new direction, to face up to and resolve problems, because we were fed up with the Liberals who just played games with policy. We wanted some substance to be seen in public policy. It is not good enough for a Government to say it is no worse than the Government before it.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I am pleased to rise to speak to the Estimates of the Department of Communications and Culture. I really should call this a *réussite trompe-l'oeil*. First, because it would seem as if the cultural sector has been reaping benefits over the past few months, but when one examines more closely the record of this Government, it is not quite so bright.

I suggest that we have been duped, and I would say it is the triptych art effect. It is a real *trompe-l'oeil*. The master has been at work creating the kinds of illusions that would make us feel that we have had a great buffet at the art and culture table.

Yes, activity and moneys have been allocated from the Department of Communications and Culture over the past few months. Let us look to see exactly what has happened. Let us examine the dramatic impact that the cultural sector has had upon the Canadian economy. Then let me focus on what has been happening in the various departments of this Ministry over the past year.

A number of task forces and papers have been initiated by the Minister; the task force on broadcasting at a cost of $2.8 million; the task force on national museums at a cost of $425,000; the task force on funding of the arts at a cost of $833 million; the task force on the film industry at a cost of $134,000; a task force on the National Arts Centre for $319,000; the Green Paper on cultural industries, and I do not have the cost for that; a white paper on the status of the artist at a cost of $50,000; and we have also had federal-provincial consultations for the development of a telecommunications policy. After all these task forces and these papers are collected, and after we, the taxpayers, have paid out in excess of $4.561 million, where are we?

The reports really need to be tabled and then, I guess, we should determine what kind of action to take, but certainly not precipitously, once having laid out taxpayers' money to this extent. Four million plus dollars is a lot of money. If we have gone to this kind of trouble, why would we consider amending legislation prior to evaluating and examining and then taking these task forces' opinions and reports into serious consideration? Here we are contemplating legislative changes to the Broadcasting Act before we have even seen what the Caplan-Sauvageau report has to say.

Added to these expenditures, what about the millions of dollars spent by the Nielsen Task Force which, according to the arts and culture community, was ineffectively and inefficiently spent with very little consultative process? That is the Nielsen Report. All I can say is that we have had all the sectors of this particular part of our economy studied to death. We have had very efficient studies done prior to the arrival here of the new Government and there was action ready to be taken. With all those studies ready, we really did not need this delaying tactic of all the task forces. However, since they were put in place, let us at least consider them and take those opinions into account before moving ahead.

• (2040)

How was this illusion created? Why has the arts community drunk champagne and celebrated since that Budget night in February, 1986? The budget for the arts community was very good, and I think the Minister of Communications (Mr. Masse) should be lauded for his fine effort in dealing with the Minister of Finance (Mr. Wilson). In February, 1986, the Finance Minister announced the allocation of $75 million, beginning in 1986-87, to fund a number of cultural initiatives. These include $33 million to support the production and distribution of high quality Canadian feature films in domestic and world markets; $13 million to support a new book publishing development program which is much needed; $5 million in 1986-87 to assist the Canadian recording industry; $10 million to be allocated to the Canada Council in 1986-87 to increase its grants programs, including support for performing arts organizations; $3 million to compensate Canadian authors for the use of their works through public libraries; $7 million to allow the Public Archives to improve service; and $4 million to develop means of electronic sharing of information in the library data system. All of these grants have a problem associated with them, on which I will expand later.

I want to remind everyone that while they were busy drinking and eating at the feasting table, it was basically to drown some very sad memories. They will recall that this increase of $75 million does not make up for the cuts made in the November 1984 Economic Statement. Those cuts included the CBC cut-back of $75 million; the CBC high-tech cut of $10 million for equipment; $1.5 million from the National Film Board; $1.5 million from the CRTC; $1 million from the National Arts Centre; $3.5 million from the Canada Council; and budgetary cut-backs from different cultural projects and programs which amounted to $7 million. As well, the freeze on growth at 2 per cent caused a great loss over all. Increased radio licence fees and other charges amounted to $22 million. The grand total loss was $122 million. One only need do some

simple arithmetic to learn that the cultural and communication industries in Canada are left with a shortfall of $47 million, at a time when we know that everything costs more.

Let us consider the impact of cultural industries on our economy. I call to the attention of the House a quote by Henry Robertson Luce, who said: "The business of business is to take part in the great society."

Are we being allowed to take part in that great society to the extent that we can and should, particularly when we are being threatened with Americanization of our Canadian society?

Attempting to measure the contributions of culture to the economy must naturally rely on pragmatic definitions of culture. Unfortunately, this ignores all of the intangible and enabling characteristics which define us as a people. When we think of culture we often forget to include the economic contributions of culture. We must measure the economic impact of our cultural industries on our economy in terms of employment, wages paid, revenues generated and some of the other economic variables. Then we must compare this cultural aggregate with a similar total for the entire economy. Not surprisingly, the difficulty comes in deciding what to include in the list of cultural industries.

Statistics Canada includes eight categories when looking at the arts and cultural sector. They are the written media arts sector, which comprises the printing and publishing of books, newspapers and periodicals; the film industry; broadcasting, including radio, television, cable and pay-TV; the record industry, including the production and manufacture of recordings and the manufacture of musical instruments and artists' material; non-profit institutions, such as heritage institutions and libraries; the retail of cultural products such as books and records; the wholesale of cultural products; and Government involvement in the arts.

According to the analysis of Statistics Canada, the direct impact of the arts and culture sector as measured by the Gross Domestic Product—the value of production arising within the geographical boundaries of Canada—was valued at $5.2 billion or 1.7 per cent of the GDP of the whole economy in 1981. I will not deal with the communications sector tonight because it is a complicated area which involves figures that I would like to deal with at another time, in other circumstances.

However, let us address the financial question within the arts industry. The arts industry includes advertising, broadcasting, motion pictures, the performing and visual arts, publishing, and sound and video recording. Arts industry revenue increased 64 per cent, at an average annual rate of 13 per cent between 1977 and 1981, from $4.7 billion to $7.7 billion. I hope that the President of the Treasury Board (Mr. de Cotret) does not look for more money from this sector. He should leave it alone because we need more. I want to point out that it was under a Liberal Government that we as Canadians flourished and grew in this vital sector of our economy.

A "census of manufacturers" comparison of the 20 largest Canadian manufacturing industries and the arts industry in 1981 reveals that the arts industry was the largest, with employment of 234,280; the sixth largest with salaries and wages of $2.5 billion; and the eleventh largest with revenue of $7.7 billion, equal to the Canadian telecommunications industry. As I have indicated, that is the other half of the communications sector with which the Minister deals.

Arts industry revenue amounted to 2.4 per cent of Gross National Expenditure. Using the Gross National Expenditure multiplier of 2.1, the income ripple effect of the Canadian arts industry was at least $16.3 billion in 1981, or approximately 5 per cent of Gross National Expenditure. I suggest that the Nielsen Task Force could have taken that into consideration.

The fine arts, in which the primary motivation is art for art's sake, also have a significant direct economic impact. While firm figures are not available, an estimate can be developed. In 1981-82, the Canada Council provided $39 million to some 793 arts organizations. On average, Canada Council support represented approximately 10 per cent of total expenditures by arts organizations, or $390 million. If one assumes that Canada Council supports about 85 per cent or 86 per cent of total fine arts activity, then the Canadian fine arts generated $449 million in direct economic activity in 1981. These are the latest figures that I have in this field.

If one assumes that earned revenue represented approximately 30 per cent of total expenditure, then it is estimated that spectators spent an additional $143 million on restaurants, bars, hotels, taxis and souvenirs, ancillary to ticket purchases. However, the Deputy Prime Minister (Mr. Nielsen) suggested that we close those facilities at the National Arts Centre and turn them over to the private sector.

Accordingly, in 1981, it is estimated that total fine arts-related expenditure was $592 million. Using the Gross National Expenditure multiplier of 2.1, the income multiplier effect of the fine arts was at least $1.2 billion.

There are two distinct arts-related employment populations. When we consider these jobs together, they include 414,000 workers, or 4 per cent of the Canadian labour force in 1981. In fact, arts-related employment is nearly as large as the agricultural labour force and total federal Government employment, including Crown corporations. The first group is the arts labour force which is made up of workers who use arts-related skills in their day-to-day jobs, such as artists and arts technicians, including curators, librarians and camera persons. Between 1971 and 1981, the arts labour force increased 74 per cent as compared to 39 per cent for the total labour force. In 1981, the arts labour force included 278,255 workers.

• (2050)

The second group is the arts industry labour force made up of workers employed in art industries such as advertising, publishing, motion pictures, live staged events, fine art schools, libraries, and so on. Only 35 per cent of the arts labour force are employed in the arts industry. Between 1971 and 1981, the arts industry labour force increased 58 per cent as compared to

39 per cent for the total labour force. In 1981, the arts industry labour force included 234,280 workers, of whom 52 per cent were men and 48 per cent were women, compared with 60 per cent men and 40 per cent women in the total labour force. Artists made up 24 per cent of the arts industry labour force, technicians 18 per cent, administrators 8 per cent and other support personnel, 50 per cent.

So much for the detail. Now let us look at the impact on a number of the concerned cultural industries or agencies. I would like to address my remarks with respect to the Canada Council, the National Arts Centre, the National Museum, the National Library and the Public Archives. Let us start with the budgetary restraints, which has been the situation for Canada Council. Between 1975-76 and 1984-85, inflation in Canada ran at an average annual rate of over 10 per cent. Prices more than doubled. While it seems that the war against inflation has been won, the real value of the parliamentary appropriation to the Canada Council decreased at an average rate of almost 1 per cent per year. During the same period, however, total federal current expenditures increased at an average annual rate of 2.6 per cent. In the February 1986 Budget, the Minister of Finance announced that an additional $10 million would be allocated to the Canada Council in 1986-87 to increase its grants, including support for performing arts organizations. There seems to be some controversy between the Canada Council and the Department of Communications over how this money will be administered. The Department is telling Canada Council that the money can only be used for support for the performing arts, while the announcement in the Budget indicated that the money was for all grant programs, including the performing arts.

The Department of Communications has said that if the money is not used for the performing arts then Canada Council will not receive the additional $10 million. So much for arm's length. I would suggest that that relationship between the Government and Canada Council is at risk. I might suggest that this arm's length is becoming more shoulder to wrist. And the situation still exists that Canada Council does not have its money.

Organizations in the arts community are telling us that they are worried about increasing interference from the government department itself, that once new programs are initiated and if they are jointly managed, new problems are going to be encountered.

Let us look at the National Arts Centre. Since 1978-79, there has been a widening gap between the actual annual appropriation from Parliament to the National Arts Centre and the appropriation if inflation were allowed for. At present, that cumulative gap is $17,338,000. Thus, the National Arts Centre has been expected since 1978-79 to conduct eight years of programming with less than seven years of funding. This has drastically reduced the centre's ability to dream the Canadian dream for the future. As well, there has been a lack of desire on the part of the Government to indicate funding to allow for long-range planning by the centre. This is considered something of a handicap for an agency where commitments must be made often years in advance. As well, the National Arts Centre is restricted in its sources of funding. The tradition in Europe has been for the state to be the massive supporter of the arts, and the tradition in the United States has been to leave it to the private sector. Canada finds itself, as usual, half way between the two. Therefore, I would like to suggest that we have to find Canadian solutions to Canadian problems.

I would like to bring to your attention, Mr. Speaker, the thoughts of Don MacSween, Director General of the National Arts Centre, who said:

—We begin a dream—but this is a dream, as they say, like a play. It is a play in progress. And it is so short a distance, financially, between fulfilling that dream and letting it die.

It is a short distance. I would like to suggest that we do not sacrifice our culture and creative juices. Yes, I know it takes money and that we have to tighten our belts right now. But if the Minister of Finance can find $1 billion to save the depositors who already received $60,000 as a result of the Western Bank disaster, $600 million to assist in the purchase of Gulf Canada and some $56 million to change the colour of our soldiers' uniforms, I would hope he could find the needed funds for the balance of our agencies. At some other time I will deal with the National Museums, the Archives and the National Library.

I would say that the buffet table to which we went is short of a considerable amount of dollars. We have not found all the answers to funding. I would like to recommend strongly that since the cultural community needs more dollars, we should move as quickly as possible, following the tabling of the Caplan-Sauvageau Report, the Museum report and other reports, so that we can rectify this problem within this constituency.

Mr. Edwards: Mr. Speaker, I listened with rapt attention to the opinion and numbers of my hon. friend opposite. While I respect her integrity in terms of dealing with the truth, she has come down on both sides of many issues, as is the Liberal practice, I have a couple of questions for the Hon. Member. Just before getting to them, I would like to set the record straight. I am sure it was an unintentional slip of the tongue that assigned the Bovey Report on the funding of the arts a price tag of $833 million rather than $833,000. I would comment on the wind-up line about the purchase of the Gulf assets in western Canada. The price was closer to $800 million rather than $600 million, but that was financed entirely out of the resources of Petro-Canada rather than by going to the Canadian taxpayers, as was the Liberal practice.

With reference to the Department of Communications and Culture, I would also underline the fact that we have a far more lively legislative agenda in that Department this year. For 11 years under the Liberal administration, there was no legislation from the Department of Communications. We have currently three Bills, with a far reaching copyright Bill expected in the fall-winter of 1986-87.

The positive aspects of the Hon. Member's speech could have been written by the Minister himself. However, I do want to ask the Hon. Member if she does not favour federal-provincial consultation. She appeared to be criticizing the expenditure of funds. I agree with the Hon. Member that reports will need to be tabled and that precipitous action should not be taken. But I do suggest—and I would like her response—that expeditious action should be taken rather than, perhaps, precipitous action. The question was asked why present legislation before the task force report? I would like to ask the Hon. Member what legislation she is referring to. I would also like to ask the Hon. Member if she does not realize that the Nielsen Task Force was approaching its mandate in communications and culture from the point of view of management rather than the other more esoteric values, which we all cherish. Does the Hon. Member not recognize that fact? I think we had a marvellous—

Mr. Deputy Speaker: Order, please. I regret to interrupt the Hon. Member but I would like to give ample time to the Hon. Member for Mount Royal (Mrs. Finestone) to respond. Following that, there is another question.

Mrs. Finestone: Mr. Speaker, I am glad the Hon. Parliamentary Secretary at least recognized that the Minister could have written that speech. The Minister did not write that speech. The Minister has created the problem of a buffet table which is rather bare.

• (2100)

With respect to the Nielsen management team, I strongly suggest that the Hon. Member reread the report. If that is management, it is no wonder we are having the problems we are presently having under Conservative management.

With respect to the legislation about which the Hon. Member inquired, I suggest that he take a look at the facts. I ask him if he remembers speaking to me about tabling Bill C-20, which has to do with broadcasting.

In terms of being precipitous as opposed to expeditious, I suggest that the Hon. Member not be precipitous but that he be expeditious and await the proper timing. Timing is something which does not seem to be of the first order under Conservative management at this time.

The Hon. Member said that there were no legislative measures undertaken by this Government. I recommend that he take a look at Bill C-58, which the Government has been trying to move around. I suggest that the Hon. Member take a look at cross-media ownership, which the Government has also done away with. I suggest that there was no pay-TV, no specialty services, no specialty tiers, no Cancom, no stereo audio, no third network and no Telidon. I suggest to the Hon. Member that we undertook many constructive measures which moved the whole area forward. If they had not moved the area forward, I could not have read into the record the type of forward movement we saw with respect to the 1971-81 time span which showed the strength and importance of this sector. This showed why the Minister is able to wield the power that he has to wield. He has jobs about which he is talking. He has big money about which he is talking. He is talking about big business.

When Members opposite talk about big business, that is the area in which they like to work. So do we. However, we are more conscious about what we are doing with respect to Canadians in the field of arts and culture. I am suggesting to the Hon. Member that an excellent study has been done. There was also a task force with respect to film. I am suggesting that these types of studies did not have to be repeated; we could have acted on what was already presented. There was a Bill drawn up. What the Conservative Party did was take it and split it into two Bills. So, yes, the legislative plate is filled—it is filled with a Bill which we drew up and which the Conservatives have divided. They have added a few additional touches which I think may improve it. This is something which could have been done around a table in committee. The amendments could have been made there instead of splitting the Bill into two parts.

Mr. Keeper: Mr. Speaker, I wish to ask the Hon. Member for Mount Royal (Mrs. Finestone) a question. I listened with some interest to her speech. She certainly sounds knowledgeable. I am impressed with her description of what is going on in the cultural industry and the shortcomings of the Conservative Government. I think she has made many good points. Listening to a member of the Liberal Party speak to the cultural industry and to cultural policy, or to any other area of policy, leaves one with the impression that we presently have of the Liberal Party; that is, it is not sure as to where it is going. This is the puzzlement I had in listening to the Hon. Member.

The Liberal Party does not seem to be sure of its own commitments. In the past it has undertaken some good initiatives. However, the impression we have of the Party today is one that does not quite know where it is going. It is not quite ready to tell people what its commitments are. It is beginning to look like the Conservative Party looked when it was out of office. Members of that Party were simply waiting for the Government to defeat itself. I am wondering how much confidence Canadians can put in that type of political strategy. Can the Hon. Member tell us something about the commitments of her Party in a way which would convince us that it now has a series of serious commitments which will deal with the substance of public policy should it end up on the other side of the House again?

Mrs. Finestone: Mr. Speaker, I would like to suggest to my colleague from the New Democratic Party that he not worry about where the Liberal Party is going. We are going right across the floor in a period of about two years.

Some Hon. Members: Hear, hear!

Mrs. Finestone: I do not think that should concern the Hon. Member too much. However, it might concern my colleagues on the other side of the House. I suggest to the Hon. Member

that we know where we are going. We know where we have been and we know the road to get to where we have to get. So don't worry too much about us.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Beauce (Mr. Bernier) on debate.

Mr. Gilles Bernier (Beauce): Mr. Speaker, I know this is exactly what millions of Canadian families are thinking this evening.

Mr. Malépart: Mr. Speaker, on a point of order.

Mr. Deputy Speaker: The Hon. Member for Montreal—Sainte-Marie (Mr. Malépart), on a point of order.

Mr. Malépart: Mr. Speaker, I think the Hon. Member for Beauce (Mr. Bernier) deserves more respect, and I wish Conservative Members would stop laughing at him and listen.

Mr. Deputy Speaker: We have had a debate today, and I think everything ran smoothly all day. I would ask Hon. Members not to spoil this last hour of debate, and I say this to Members on both sides of the House.

The Hon. Member for Beauce (Mr. Bernier).

Mr. Bernier: Mr. Speaker, I have noticed that the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) is not a paragon of good manners. As you know, Mr. Speaker, in 20 months our Government has created a climate conducive to the economic renewal we are now enjoying. We started by giving the Canadian private sector back its confidence, which was very important. As the President of the Treasury Board (Mr. de Cotret) said this morning, he was delighted to announce that for the second consecutive year, the rate of growth of our expenditures was virtually zero. And if we take into account the $500 million cutback, the rate of growth is 0.2 per cent, like last year.

We have to go back to the immediate post-Korean War period, as the Hon. Member for Chambly (Mr. Grisé) said, to find such a low rate of growth in the Government's operating expenditures for two years in a row.

Mr. Speaker, this very modest growth rate stands in sharp contrast to what this country has seen in the past under the Liberal Government. For fourteen years, from 1979 to 1984, the average annual growth rate in the voted portion of the Main Estimates . . . you voted yourself during that time, and I am referring to the Hon. Member for Bourassa (Mr. Rossi) . . . the average annual growth rate reached a high of 36.8 per cent in 1975-76. It was not coincidence that such a situation prompted the Auditor General, Kenneth Dye, to declare in his report for the fiscal year ended March 31, 1976, that Parliament and indeed the Government had lost or were about to lose effective control of the public purse, and that was our emphasis during the last election campaign. The previous Government had lost control over public expenditures, so the people gave us their confidence and I am sure they are not disappointed this evening.

Mr. Speaker, Canadians put their faith in this Government because they realized that we were qualified to improve management here. We were faced with an undescribable administrative chaos.

An Hon. Member: After 20 years!

Mr. Bernier: So we restored order and used common sense in financial matters. It is unfortunate that the media do not comment on this very often, but knowing that millions of Canadians are watching Commons proceedings on television this evening, they will be able to find out what we have accomplished.

Over the last 20 months, Mr. Speaker, a number of measures have been implemented to restore efficiency in the management of personnel, programs, and assets of the federal public sector, something which we had not seen for quite some time. The impact of these measures can now be seen not only in our efforts to ensure a strong economic recovery, but also in the Government's commitment to give top priority to productive public affairs management.

• (2110)

We draw some inspiration from the private sector in Canada and, since I come from a region which has been described as the kingdom of small—and medium-size businesses, I am in a position to tell you that our Government has made the right decision. The most obvious indication of its management initiatives is the substantial reduction in expenditures and the increase in revenues which were achieved in response to our commitment to lower the deficit and to manage more efficiently the federal programs and organizations which are our responsibility. In a broader context, Mr. Speaker, the various management improvement measures taken by the Government during the last year and a half will have wide-ranging consequences on the future management of Government human and financial resources, as well as on the allotment of resources to federal programs and organizations. The total effect of these measures will be to create a framework in which Public Service managers will have the means and the incentive to manage public funds economically, efficiently and effectively.

First, in terms of significant measures, let us look at human resources management and the implementation of a comprehensive framework for human resources planning which incorporates management of this vital resource with program and expenditure planning and management. We have also suggested an improvement in labour-management relations including a comprehensive approach to contract negotiation, reinforcement of the staff relocation policy and agreements on principle about a major reform of Public Service pension plans and the development of a dental insurance plan, a voluntary early retirement program for senior public servants and managers to give new career opportunities to talented Public Service managers, the launching of a joint union-management

initiative on the principle of equal pay for work of equal value to develop an action plan to apply this basic principle throughout the Public Service, as well as the resumption of collective bargaining after expiry of the six and five wage restriction program and the successful negotiation of moderate pay increases in accordance with the difficult financial position of the Government.

It has also been proposed that we re-instate performance incentives for Public Service administrators by applying the principle of remuneration based on merit which had been fully applied only in two of the eleven previous years and that we implement a new productivity premium system to put even more emphasis on efficient and economical management in the Federal Public Service.

Mr. Rossi: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Bourassa (Mr. Rossi) on a point of order.

Mr. Rossi: Mr. Speaker, the Hon. Member for Beauce should know that quotations 309 to 311 of the fifth edition of Beauchesne strictly forbid to read a speech. In addition, Mr. Speaker, I would like to call the attention of the House to the fact that the chief whip of the Government has ear-phones other than those allowed by the House.

Mr. Deputy Speaker: The Hon. Member for Beauce (Mr. Bernier) may continue his speech. The second point of order is probably well founded, and I did say probably.

Mr. Bernier: Thank you, Mr. Speaker. Of course, when you use notes to make a speech, you are sure not to make any mistakes. I observe an obvious lack of good manners on the part of the Hon. Member for Bourassa and I would appreciate it if he did not make such offensive comments.

I was talking about expenditure management, Mr. Speaker. We have—

Mr. Rossi: Mr. Speaker—

Mr. Deputy Speaker: The Hon. Member for Bourassa.

Mr. Rossi: I have made comments, but they were not obscene ones. I want them on the record, because there was nothing obscene about it.

Mr. Deputy Speaker: Will the Hon. Member for Beauce (Mr. Bernier) continue his remarks?

Mr. Bernier: I never thought I would stir up so much interest among Members of the Opposition, Mr. Speaker. I was referring to the management of expenditures.

So, we have an enormous machine which we must rid of its fat. And when I say this, I am not looking at any Member of the Opposition in particular. Mr. Speaker, we have a task force which will carry out an exhaustive examination of Federal programs under the direction of the Deputy Prime Minister (Mr. Nielsen), to identify areas of overlapping and duplication and possibly improve the effectiveness and efficiency of Federal programs. We will act to directly reduce the overhead of Departments and Crown Corporations and strictly control the future growth for the purpose of improving productivity and administration.

An Hon. Member: This will not take 20 years!

Mr. Bernier: The President of the Treasury Board has implemented new stringent ways to examine potential loan guarantees in order to minimize the risks of loss to the State due to default and in order to share the risks more equitably with the guarantors of the private sector.

We have several measures to propose, but the adoption of new accounting principles for Canadian accounts to meet favourably the concern expressed—

Mr. Prud'homme: Come on, leave your notes alone!

Mr. Bernier: Listen, you from Saint-Denis (Mr. Prud'homme) . . . the concern expressed for a long time by the Auditor General concerning traditional financial statements. The Auditor General has published—

Mr. Prud'homme: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Saint-Denis (Mr. Prud'homme) on a point of order.

Mr. Prud'homme: Mr. Speaker, the Hon. Member has drawn my attention. I know he is much too talented to use notes prepared by other people. He could give us a much better lesson in the Opposition if he stopped reading from those notes. There is no sense in that. He is much too good for that!

Mr. Deputy Speaker: The hon. Member for Beauce (Mr. Bernier).

Mr. Bernier: Mr. Speaker, in the Beauce area we have a reputation for not doing or saying anything just anyhow. So I am drawing from my notes. These are personal notes I put down this afternoon, Mr. Speaker. They are intended both for Opposition Members and the people who are watching the debate on TV and in the gallery.

I know the Auditor General published hundreds and hundreds of pages in which he dealt with the mismanagement and waste of public funds by the previous Government. We have already taken steps. The Minister of Public Works (Mr. La Salle) to this day has saved nearly $100 million by selling property built and furnished for friends of the Liberal Party, hundreds and hundreds of vacant lots that had been bought by friends of the Government of the day and we are now putting them up for auction.

Mr. Speaker, among other proposals, there will be increased delegation—

Mr. Malépart: On a point of order, Mr. Speaker.

Supply

Mr. Deputy Speaker: The Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) on a point of order.

Mr. Malépart: I submit the Hon. Member for Beauce (Mr. Bernier)—normally Beauce people have dignity and courage. He had just made a charge. Will he give the name of one friend? If not, let him withdraw if he is not sure about that!

Mr. Deputy Speaker: This is a matter for debate. The Hon. Member for Beauce (Mr. Bernier) has the floor.

Mr. Bernier: I think he is raising a point of disorder, Mr. Speaker.

Mr. Speaker, you could recognize the Hon. Member for Sainte-Marie (Mr. Malépart) later. He wants to take up my time.

Among the other fine management practices—

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

Mr. Deputy Speaker: The Hon. Member for Montreal—Sainte-Marie is rising on a point of order.

Mr. Malépart: Mr. Speaker, if the Hon. Member wants to lay charges, it is more important that he should have the guts to give names or to withdraw his comments.

Mr. Deputy Speaker: I regret but this is a matter of opinion. The Member for Montreal—Sainte-Marie may perhaps be recognized later this evening. This is a matter of debate and not a point of order.

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

Mr. Deputy Speaker: The Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) on a point of order.

Mr. Malépart: Mr. Speaker, a point of order is not a matter of debate. The Hon. Member has laid charges against some friends. He did not mention names—

Mr. Deputy Speaker: Order. Unfortunately this is not a point of order. The Hon. Member for Beauce (Mr. Bernier).

Mr. Bernier: Mr. Speaker, I want to thank you for your wise decision. I think if I started counting all the friends of the Liberal Party who benefitted under this plan for 25 years, it would take me all night.

Another example of good manaqgement, Mr. Speaker. In 20 months, the Conservatives have reduced the number of Government flights by 22 per cent and the number of flying hours by 23 per cent, as compared with a 12-month period under the Liberal Government, resulting in savings of $2.5 million. That is how we see it.

Mr. Speaker, in the May Budget, the Minister of Finance (Mr. Wilson) announced cutback objectives totalling 15,000 person-years in those parts of the Public Service under the jurisdiction of Treasury Board.

These reductions, spread over five years, will start in fiscal year 1986-87, with a 2 per cent reduction from the 258,222 person-years indicated in the Main Estimates for 1985-86. These cutbacks will continue at the rate of 1 per cent annually, until 1990-91.

Mr. Speaker, in 1986-87 these cutbacks will save $150 million, which will be applied to reduce the deficit, and when the cutback objective of 15,000 person-years is reached in 1990, the accumulated savings will exceed $1.5 billion, while recurring annual savings will be about $0.5 billion.

The Government intends to reduce the size and cost of the permanent Public Service required to administer federal programs, while at the same time ensuring that essential aspects of Government such as service to the public, transportation and security services are maintained. This is very important.

The reductions will be achieved thanks to increased productivity, the privatization of certain federal activities and, should it turn out to be profitable, the signing of deals for certain others.

The measures advocated by the Task Force on Program Review will continue to enable the Government to single out those sectors where person-year reductions might be needed because of duplication or program redundancy.

In this context, every effort has been made and will continue to be made to achieve cut-backs through attrition. Innovative staff redeployment policies which were endorsed by public service unions before implementation in 1985 will contribute to reduce lay-offs to a minimum.

Mr. Speaker, the Treasury Board policy will continue to be that any approved inclusion of person-years in Supplementary Estimates during a given fiscal year that deviates from cutback objectives, be compensated during the same fiscal year by cancelling person-years authorized in other controlled parts of the Public Service.

The President of the Treasury Board was very pleased this morning to talk about his new initiatives which will have a positive influence on the whole Public service and on Government spending.

The Treasury has administered our finances wisely. I believe, Mr. Speaker, that we should be confident that this Government, in the second half of his mandate, will restore order to the Public service and breathe some fresh air into programmes which, in many cases, were contrary to public interest.

Now that the deficit is reduced and under control, I am sure, Mr. Speaker, that Canadians will appreciate what we have done to lower the very heavy deficit we inherited when we took over.

I believe, Mr. Speaker, that it would be very much in order that we congratulate tonight the President of the Treasury Board and his staff.

An Hon. Member: Even the Liberals are applauding on that one, what a thrill!

Mr. Bernier: I notice that even the Liberals and a few New Democrats are applauding for what I just said.

Mr. Prud'homme: Because we now know who wrote the speech!

Mr. Bernier: Mr. Speaker, I believe the Government has a very good financial record. We have shown our mettle in the first 20 months, and I am confident that Canadians will trust us through the second half of our mandate and re-elect us in 1988.

Mrs. Pépin: Wish you luck!

Mr. Deputy Speaker: Questions and comments, the Hon. Member for York South—Weston (Mr. Nunziata).

Mr. Nunziata: Mr. Speaker, I would like to take this opportunity to ask my conservative colleague a question. I wish to congratulate my colleague on his speech. He read it very well in French. However, Mr. Speaker, the substance of that speech *laisse beaucoup à désirer.*

An Hon. Member: Leaves a lot to be desired.

Mr. Nunziata: Leaves a lot to be desired. The Conservative Member really took the cake when he spoke about the record of the Liberal Government—

• (2120)

[*English*]

The Hon. Member has the temerity and the unmitigated audacity to talk about the Liberal record of Government. The Conservative Party now has a record of its own. Is it a record, we on this side of the House ask, to be proud of?

Some Hon. Members: Yes.

Mr. Nunziata: Hon. Members opposite say that it is a record to be proud of. However, the Conservative record of government consists of ministerial resignations, tuna scandals, bank failures, defections, and the use and abuse of Hercules aircraft. The Conservative record of Government consists of attempts to reduce the deficit on the backs of the disadvantaged in Canada.

I want to ask the Hon. Member whether it is fair, given the Conservative Party's paranoia in respect of balancing the Budget, to do so on the backs of the disadvantaged in society. We have found over the last two years that the Conservative Party has tried to reduce the deficit on the backs of the disadvantaged. Is it fair, equitable, and just to do what the Conservative Party has tried to do over the last 20 months?

[*Translation*]

Mr. Bernier: Mr. Speaker, the Hon. Member for York South—Weston must be preparing for his leadership campaign in November. He takes every opportunity to come forward, especially when his leader is away.

I would simply like to reply to the Hon. Member who is just wasting away the time of the House that business people in Canada and all those who got one of the 700,000 new jobs in Canada in the past 20 months are grateful for what we have been doing for them.

Mr. Speaker, all our measures are fair and equitable. I think that we have shown during the first twenty months of our mandate that we can meet the aspirations of Canadian men and women in all sectors. We have no reason to be ashamed of our balance sheet or to let the public look at it.

Mr. Tardif (Richmond—Wolfe): Mr. Speaker, about one year ago, the Government used its overwhelming majority to give speedy passage to Bill C-25 on agricultural stabilization. That was only on year ago. I would like to hear the comments of the Hon. Member because, last year at this date, all the Members from Quebec were remarkably silent. This year, they are rising to speak. The session is nearly over, but they are rising to read speeches prepared by the Department to give evidence of the good management of this Government. I would therefore like to ask the Hon. Member for Beauce (Mr. Bernier), who has farm producers in his constituency, how he can reconcile his statements of good management with the unworthy action taken against Quebec potato producers. You have conned the Quebecers. How do you reconcile that with your statement of good management?

An Hon. Member: That is unparliamentary.

Mr. Deputy Speaker: I would ask the Hon. Member for Richmond—Wolfe (Mr. Tardif) to withdraw the last remarks he has just made, out of respect for the House.

Mr. Tardif (Richmond—Wolfe): I wish to substitute to these remarks the expression—

Mr. Deputy Speaker: I would ask the Hon. Member to simply withdraw his remarks, out of respect for the House, following which I will allow him to make one additional comment, if he so wishes.

Mr. Tardif (Richmond—Wolfe): Indeed I withdraw my remarks. Considering what you have just said, I will continue. Mr. Speaker, I was about to direct a question to the Hon. Member for Beauce (Mr. Bernier). I should like him to explain to me in an intelligent way, without using the notes provided by the Department, how he can reconcile his statements concerning a sound administration with the fact that Quebecers generally and specifically potato growers have been denied several tens of millions of dollars?

An Hon. Member: Impeccable!

Mr. Bernier: Mr. Speaker, it is unfortunate that Members opposite are obliged to follow the remarks made by the Hon.

Member for Bourassa (Mr. Rossi) and then apologize later on. I noted that there is a conspiracy—

Mr. Tardif (Richmond—Wolfe): Answer the question!

Some Hon. Members: Oh, oh! Throw him out through the big door!

Mr. Bernier: Mr. Speaker . . . Mr. Speaker, because I know the Hon. Member in question claims to be knowledgeable in the area of agriculture, let me say that we had promised farmers a long term dairy policy and we have delivered it. Mr. Speaker, I should like to indicate here—

Mr. Tardif (Richmond—Wolfe): You don't understand anything! I am talking about potatoes: Don't you know the difference?

Mr. Bernier: Are you going to tolerate this kind of language, Mr. Speaker? I hope the media tomorrow morning will mention the behaviour of these Hon. Members.

Mr. Speaker, I have here figures that will fool no one. A net increase of $26 million in the Estimates. A net decrease of 360 person-years. Here: a $53 million increase in the Canadian Forestry Service for various changes, to the workload and program, including regional economic development agreements, REDA'S. An increase of $45 million for the federal-provincial crop insurance program. An increase of $22 million in aid to drought-afflicted farmers in Western Canada. An increase of $17 million due to higher wage costs, but a net increase of $14 million for various increases in the workload. I could go on and on, Mr. Speaker. I see my time is up, but I hope you will request apologies from those Members whose behaviour is unworthy of people sitting in an assembly. I feel there is a lack of order, a lack of respect for the people of this country.

• (2130)

[*English*]

Mr. Deputy Speaker: The last question or comment will be by the Hon. Member for Winnipeg North Centre (Mr. Keeper) prior to resuming debate.

[*Translation*]

Mr. Keeper: Mr. Speaker, I have a question for the Hon. Member for Beauce (Mr. Bernier). Today he speaks like a true Conservative, a strong Conservative, a true Conservative, a true rightist. I have heard it said that on other occasions the Hon. Member did not give the same impression. I have heard it said that on other occasions he had more balanced views. He was more practical, perhaps pragmatic, but today he acts as a true rightist. How is it that he changed his approach? What happened that made him change his views?

Mr. Bernier: Mr. Speaker, I fail to see the connection between the Hon. Member's comments and the present debate. I must point out that our party will never accept the socialist measures which the Hon. Member has advocated all through the day. Canadians accept our policy but they will never approve the socialist measures advocated by the Hon. Member. Moreover, I do not see any relation between his comments and the debate held today.

[*English*]

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, in the few moments left in this debate there are one or two things that I want to say. I have been somewhat perplexed over the course of almost two years by the Government's reliance on polling to tell the Government what it should or should not be doing. Hidden in the expenditure Estimates that we are about to approve this evening are countless numbers of dollars that have been used by the Government to poll the public of Canada in an attempt to satisfy on a day-to-day basis what certain people might believe is necessary.

First, about polling, it is interesting that this Government like the last Government has found its own polling companies among its friends spending tens of thousands, if not millions, of dollars on pollsters, supplying them with a steady stream of money day after day, week after week, year after year to try to identify what it is the public of Canada really wants. Why is the Government doing this? The Tory Government is doing this because, when it started out, it did not have any policy worth talking about.

I think we can all remember the Tories saying that they were going to be a better Government, whatever that means. They were going to be better than the Liberal Government. That is certainly rising to great heights. However, the Tories were going to be better than the previous Liberal Government. Better at what, Mr. Speaker? The Tories said they were going to be better at a number of things but they did not tell us they were going to be better at patronage. They are better at that. They did not tell us they were going to be better at spending money on their friends in order to keep them in business, but they are better at that.

I thought tonight I would take a moment or two to run over some of the things that people I know are concerned about. Earlier this evening I took a few moments and did a poll of my own. I thought to myself that it might be helpful to seek out from some average, albeit some young, Canadians what they thought they would like to hear the Parliament of Canada speaking about. What is it they are concerned about that they do not hear addressed on a regular basis? What is it that these young people would like to have heard spoken about tonight but until now they have not been able to hear about? Let me run through quickly what they said because I think it is enlightening to say the least. It does reflect a concern not only of those individuals, but I suspect—in fact I am sure—a concern of a large number of people in that age group, in the late teens and early twenties, who live in many parts of Canada and who represent, if one were to test it accurately, a good cross-section of the population of Canada in that age group. What did they say to me? They asked, why is Parliament not talking about the cost of university funding? Why is there no emphasis placed on the cost to young people of

providing themselves with an education in order that the future of Canada could be secured?

I wondered about that. I realized that the next point raised was tied in very closely to it. The next young person to whom I spoke said: "I do not hear much being said about jobs for youth". You can see the tie-in right away. Young people wanting not only to improve themselves but to improve the society in which they live cannot get the money from the sources that used to make money available. Neither can they find jobs, jobs that they need in order to survive not only for the purpose of going to school but for the purpose of developing skills and of providing for the future.

• (2140)

I then asked what other area they thought the Parliament of Canada ought to be discussing on this important evening as we set about to vote on an expenditure of $116 billion plus. I said that maybe Parliament should discuss the Government's propensity to subsidize business. Why is it that the Government seems to be able to find money to subsidize business through various tax relief programs, directly through government grants, and through all kinds of agreements it enters into through services rendered or not rendered depending upon who you listen to, but cannot find money to put into jobs for youth and cannot find money to provide young people with an opportunity to complete their education?

As we pursued the matter I asked whether there were any other questions which they felt the Parliament of Canada ought to be dealing with. You, Mr. Speaker, will not be surprised to hear this, and I know that the Leader of the Official Opposition (Mr. Turner) will be in full support of it. Within the Bill which we will be dealing with in less than 20 minutes there is little, if anything, to encourage anyone in Canada to believe that the Government is committed in any way, shape, or form to pursuing the goal that the majority of young Canadians believe is important, that being nuclear disarmament.

Some Hon. Members: Hear, hear!

Mr. Deans: I do not see any commitment in the expenditure program of the Government to pursue that goal. Yet, among young people in Canada that is a goal, alongside the others which I have mentioned, that is of vital importance. That is not because it happens to be fashionable. They recognize, unlike the Tory Party and, apparently, the Parliament of Canada excluding a few—70 to be exact, or 71 including you, Mr. Speaker—that nuclear disarmament is a goal which should be pursued by this Parliament on a day-to-day basis and that it is the only thing which, in the final analysis, makes much sense. Yet, where is the money in the expenditures which we are going to be asked to vote on tonight for that particular pursuit?

Beyond that I asked a number of other questions. The question was raised of how one gets more money into the hands of young people in order to develop sporting activities. We just watched a number of Canadians playing a game in Mexico City which we are not renowned as being expert in. We watched young people playing that game at the level of many countries which have been playing it for perhaps a hundred years. We saw them playing up to the level of countries which are generally recognized as being the best in the world. We did not win, but many of those who have been in the finals in years gone by did not win this year either. Not to have succeeded this year in getting into the final round is hardly a measure of Canada's ability to participate.

Young people told me that if we are going to do better, if we are going to raise Canada's image in the world, if we are going to have quick and valuable recognition of the worth of the youth of Canada, the Parliament of Canada should take some time to talk about activities in sports and physical fitnesss.

Some Hon. Members: Hear, hear!

Mr. Deans: The Parliament of Canada should set aside just a little bit of time to discuss that aspect of cultural and physical life in Canada. From that we draw world recognition and significant benefit. One cannot find much to commend that in these particular expenditures.

I was asked where the expenditure is on cultural and foreign exchange. How do we get to know about what goes on in other parts of the world? Where is Canada's commitment to educating our young people about the nature of life in the rest of the world? How do we encourage young people from other parts of the world to come to Canada to find out about the kind of democratic society in which we live, the kind of opportunities which exist here, and the way in which we have developed? Where do we find within these expenditures the necessary dollars for that kind of undertaking? They are not there.

If we are going to play a role in the world—and there are many who think we can, including myself—if we are going to be a leader within the Commonwealth and if we are going to have something to say about what is going on in South Africa, Central America and other parts of the world which are facing tremendous economic and social upheavals, we must understand on a first-hand basis the activity and lifestyle within those countries.

Where do we find the necessary moneys to ensure that our youth are able to learn about those kinds of problems which are absolutely foreign to the lifestyle of most Canadians? How do we get young people to understand what it is like to go to bed at night and not know whether you will wake up in the morning? How do you get them to understand the kinds of atrocities which are being committed in South Africa without showing them, either directly or by clear indication, what is going on in those parts of the world? How do we encourage people there to continue their struggle for a democratic society if, when we look at the expenditures of one of the Governments in a free part of the world which has the capacity to generate wealth, we see no clear expenditure to enable our youth to

become educated in those very important human world-type problems?

I, therefore, suggest that the little poll I took is much more reflective of what the public of Canada is thinking about than is the poll taken by Gallup, the poll taken by Angus Reed, or the polls taken by any number of other pollsters. The poll that is important is the poll you take by speaking to people in Canada and asking them what debate they would like to take part in if they could be in Parliament tonight. The things I am mentioning are the things which the youth of Canada are now concerned about.

There are those in Canada who continue to be concerned, with justification during this Government's regime, about ensuring that we recognize, not only the duality of our country but also its multicultural nature. We must recognize the necessity to draw into the Canadian process, the parliamentary process, a good cross-section of those who represent a variety of cultures.

How do we tell people that we are doing our best in that regard when, as my colleague from Thunder Bay constantly says, we cannot even work out a satisfactory arrangement with the Japanese Canadians who were denied their human and civil rights during the Second World War? How do we hold ourselves up as champions of a multicultural society? Where do we find in these expenditures moneys sufficient to meet our obligations to those people? My colleague has constantly raised this with the Minister who is now responsible for the issue and with the Prime Minister (Mr. Mulroney) and others.

What response do we get? The Government says that it would like to do something as long as it does not cost very much. It would like to recognize the problem, but it would not like to recognize it financially. The Government hopes that somehow or other it will be able to get the problem resolved, but it certainly would not want it to be resolved if it will cost the coffers of Canada a great deal of money. I happen to believe, as many of us do, that the time has come to sit down and negotiate fairly. That is reflected in the attitude of the young people I spoke with here this evening.

• (2150)

Having gone over the expenditures of Government, having spoken to people who will be the parliamentarians of the future, people who represent the dream of Canada, I know they do not believe for one minute that the topics being discussed here tonight speak to this country's future. They do not believe for one minute that contained within the expenditure program of this Government are the necessary funds, properly allocated, to guarantee that those kinds of pursuits will become a reality, that there is a clear indication by the Government that it wants to see change in those areas.

What we have seen over the last two years is a disaster. It is a shame. We have seen this Government elected on a big lie. It has now undertaken to attack the people of Canada. It is attacking everyone at every level. It started out attacking pensioners. Had it not been for my colleague from Beaches, among others, and the efforts of the pensioners themselves all across this land, the Government would have totally eliminated indexation of old age pensions.

Mr. Hnatyshyn: Wrong.

Mr. Deans: Immediately. During the debate we even had a dispute between the Ministers involved, the Prime Minister on the one hand and the Minister of Finance (Mr. Wilson) on the other, as to what they really intended to do. However, no amount of obfuscation on their part could in any way hide the truth from our pensioners. They knew. They could see it. They were out on Parliament Hill fighting against this Government in order to maintain what they had fought for for years.

Some Hon. Members: Hear, hear!

Mr. Deans: The Government cut back on EPF funding, and what did that mean? It meant less money for universities, higher tuition fees, fewer opportunities, a reduction in Canada's productive capacity, and it means that Canada will not keep pace with technology. What does the Government do? It attacks the youth as it attacks the pensioners. Then we come to the workers of Canada. Where was the Government when Ronald Reagan decided to slap on all kinds of tariffs? Where was it when he moved to cut back on the imports of Canadian softwood lumber? Where was it when the U.S. moved to cut back on hogs and fish imports? Where was it when the U.S. brought in a Farm Bill which will undercut, in many ways destroy, markets which have long been held by Canada to be ours? Where were the Tory Members? You do not hear from them. They never speak for the people. They do not even understand the problem.

Mr. Turner (Vancouver Quadra): They are anonymous.

Mr. Deans: Then we have the former leadership candidate for the Tory Party, Peter Pocklington. Enough said. I do not have to go into any detail about that. We all well understand where the Tories get their policy from when you look at this man who ran for the Tory leadership and then takes the kind of action he is now taking.

Mr. McDermid: Now we all understand why you are quitting.

Mr. Deans: Is it not bad enough to attack the pensioners and the youth? Is it not bad enough that they fail to support the workers of Canada? No, they then go on to change the unemployment insurance system. They go out and encourage people to take early retirement. Retire early, make room for young people, take lower paying, part-time jobs. Get out of the workforce.

Mr. McDermid: Is that why you are leaving?

Mr. Deans: So these people take their advice and the Tories tell them, now that they have done it, that they cannot draw unemployment insurance. I ask you, is that fair?

Mr. McDermid: Why are you leaving, Ian?

Mr. Deans: Is that reasonable? Is that the way one would expect a Government to operate? This Government has launched an attack on the people of Canada, but who has it helped?

Mr. McDermid: The ordinary Canadian.

Mr. Deans: You know whom they helped. The moment the banks got in trouble, remember that? When farmers were losing their farms because they could not pay their mortgages, when families were losing their homes because they could not meet their commitments, where was the Government? Day after day we said, give them some help. Oh, no. The Government said that this is a problem for the banks. When the banks were losing money, where did they get it from? Out of the pockets of the farmers who lost their farms and the families who lost their homes.

You will not be surprised, Mr. Speaker, to hear my final word is this. We will not support this Government's expenditure program.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. I say with trepidation, questions and comments.

Mr. Hnatyshyn: Mr. Speaker, I listened with great interest to the NDP House Leader.

Mr. McDermid: Same old speech he used at Queen's Park.

Mr. Hnatyshyn: He talked about retirement. Here is a man who has announced that, having sat in this House as a member of the NDP for far too long, some five years, the most important thing in his life is to retire from the NDP. I know he is an expert on that particular matter.

After listening to the rhetoric of the NDP and the Liberal Party all day today, we have in front of us now a set of outstanding Estimates brought down by the President of the Treasury Board (Mr. de Cotret). I think the Opposition should stand as one and applaud him for his management.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: We should be saying to the President of the Treasury Board: Thank you, Bob de Cotret, for everything you are doing for Canada. That is the kind of leadership this man has given.

Mr. Turner (Vancouver Quadra): That is the kiss of death, Bob.

Mr. Nystrom: Not much enthusiasm over there.

Mr. Hnatyshyn: I would simply say that as far as this Government is concerned, we have found that the accounts of this country have been managed over the last two years in a way unprecedented in comparison with what happened under our predecessor Government. Then there was complete irresponsibility. What we have now is a breath of fresh air, and the people of Canada welcome it.

Mr. Speaker: The Hon. Member knows that this is the time for questions and comments and, given the time limits, I must allow the right of reply.

Mr. Turner (Vancouver Quadra): Eat them raw, Ian.

Mr. Deans: Mr. Speaker, I must say that for the first time in my political life I was almost struck dumb. I could hardly believe what I was hearing. How the Government House Leader could rise and ask us to applaud the President of the Treasury Board, knowing what has been done to the country under the administration of that particular Minister—

Mr. McDermid: Interest rates are down. Unemployment is down. Inflation is down.

Mr. Deans: —is beyond my understanding. I have to think that the 1.2 million people who remain unemployed are not impressed. The farmers who do not receive sufficient revenue for their produce are not impressed. The young people who cannot find full-time meaningful employment are not impressed. I could go on at great length, Mr. Speaker.

Some Hon. Members: Sit down.

• (2200)

Mr. Speaker: It being ten o'clock p.m., it is my duty pursuant to Standing Order 82(11) to interrupt the proceedings and put forthwith every question necessary to dispose of the Main Estimates and for the passage of all stages of the Bill based thereon.

[*Translation*]

Therefore, the question is as follows: Mr. de Cotret, seconded by Mr. Hnatyshyn moves that the Main Estimates for the fiscal year ending March 31, 1987, laid upon the Table, Thursday, February 27, 1986, be concurred in.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour will please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Call in the Members.

Supply

[*English*]

The House divided on the motion, which was agreed to on the following division:

(*Division No. 272*)

YEAS

Members

Andre
Attewell
Beatty
Bernier
Bertrand
Binns
Bissonnette
Blackburn (Jonquière)
Blenkarn
Bradley
Brisco
Browes
Cadieux
Caldwell
Champagne (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Clark (Brandon-Souris)
Clifford
Clinch
Cochrane
Comeau
Corbett
Cossitt
Côté (Lac-Saint-Jean)
Crofton
Crouse
Danis
Dantzer
Darling
de Cotret
Desjardins
Dick
Domm
Dorin
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Friesen
Gagnon
Gass
Gervais
Gottselig
Graham
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
Hudon
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kempling
Kilgour
Ladouceur
Landry
Layton
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly
Marin
Martin
McCain
McCrossan
McDermid
McKinnon
McKnight
McLean
Merrithew
Minaker
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oostrom
Peterson
Pietz
Plamondon
Price
Ravis
Reid
Reimer
St. Germain
St-Julien
Schellenberger (Wetaskiwin)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Shields
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Tardif (Charlesbourg)
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Vézina
Vincent
Warner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)—124.

NAYS

Members

Althouse
Angus
Benjamin
Blackburn (Brant)
Blaikie
Cassidy
Copps
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Finestone
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Henderson
Jewett
Johnston (Saint-Henri-Westmount)
Keeper
MacLellan
Malépart
Manly
Marchi
Mitchell
Nicholson (Trinity)
Nunziata
Nystrom
Orlikow
Ouellet
Parry
Pépin
Prud'homme
Riis
Robichaud
Rompkey
Rossi
Tardif (Richmond-Wolfe)
Tobin
Turner (Vancouver Quadra)
Young—43.

• (2220)

Mr. Speaker: I declare the motion carried.

Mr. de Cotret moved that Bill C-115, an Act for granting to Her Majesty certain sums of money for the financial year ending the 31st March, 1987, be read the first time.

Motion agreed to, Bill read the first time.

Mr. de Cotret thereupon moved that Bill C-115, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1987, be read the second time and referred to the Committee of the Whole.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Mr. Speaker: I declare the motion carried.

Motion agreed to, Bill read the second time and the House went into committee thereon, Mr. Danis in the chair.

Mr. Gray (Windsor West): Mr. Chairman, I want to ask the President of the Treasury Board if he can give us the customary assurance about the Bill being in the usual form and so on.

Mr. de Cotret: Yes, Mr. Chairman, I can give the assurance that the form of this Bill is the same as that passed in previous years.

The Chairman: Shall Clause 2 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Clause 3 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Clause 4 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Clause 5 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Clause 6 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall the schedule carry?

Some Hon. Members: On division.

Schedule agreed to.

The Chairman: Shall Clause 1 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall the preamble carry?

Some Hon. Members: On division.

Preamble agreed to.

The Chairman: Shall the title carry?

Some Hon. Members: On division.

Title agreed to.

The Chairman: Shall the Bill carry?

Some Hon. Members: On division.

Bill agreed to.

The Chairman: Shall I rise and report the Bill?

Some Hon. Members: Agreed.

Bill reported.

Mr. de Cotret moved that the Bill be concurred in.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour will please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Shall I dispense with the ringing of the bells?

Some Hon. Members: Agreed.

Mr. Gray (Windsor West): Mr. Speaker, you can see whether the House would be willing to have the vote that was taken on the original motion apply to this particular motion.

Mr. Deans: Agreed.

Mr. Speaker: The vote that was taken on the original motion shall apply. Is there a willingness on the part of the House to cast the vote the same way?

Some Hon. Members: Agreed.

Mr. Schellenberg: Mr. Speaker, after due consideration I would throw my vote in with the Government side.

Mr. Speaker: The Hon. Member for Nanaimo—Alberni (Mr. Schellenberg) will show in the vote in the affirmative with the government side. Another slow bus, I take it.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 273*)

YEAS

Members

Andre
Attewell
Beatty
Bernier
Bertrand
Binns
Bissonnette
Blackburn (Jonquière)
Blenkarn
Bradley
Brisco
Browes
Cadieux
Caldwell
Champagne (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Clark (Brandon-Souris)
Clifford
Clinch
Cochrane
Comeau
Corbett
Cossitt
Côté (Lac-Saint-Jean)
Crofton
Crouse
Danis
Dantzer
Darling
de Cotret
Desjardins
Dick
Domm
Dorin
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Friesen
Gagnon
Gass
Gervais
Gottselig
Graham
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
Hudon
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kempling
Kilgour
Ladouceur
Landry
Layton
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly
Marin
Martin
McCain
McCrossan
McDermid
McKinnon
McKnight
McLean
Merrithew
Minaker
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oostrom
Peterson
Pietz
Plamondon
Price
Ravis
Reid
Reimer
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Shields
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Tardif (Charlesbourg)
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Vézina
Vincent
Warner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)—125.

Supply

NAYS

Members

Althouse
Angus
Benjamin
Blackburn (Brant)
Blaikie
Cassidy
Copps
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Finestone
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Henderson
Jewett
Johnston (Saint-Henri-Westmount)
Keeper
MacLellan
Malépart
Manly
Marchi
Mitchell
Nicholson (Trinity)
Nunziata
Nystrom
Orlikow
Ouellet
Parry
Pépin
Prud'homme
Riis
Robichaud
Rompkey
Rossi
Tardif (Richmond-Wolfe)
Tobin
Turner (Vancouver Quadra)
Young—43.

Mr. Speaker: I declare the motion carried.

Mr. de Cotret moved that the Bill be read the third time and do pass.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour will please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Shall I dispense with the ringing of the bells?

Some Hon. Members: Agreed.

Mr. Gray (Windsor West): Mr. Speaker, may I propose that the procedure that was followed on the immediately preceding motion apply to this motion. I would request that you ask if the House would be willing to do that.

Mr. Speaker: Shall I apply the same recorded vote to this motion as previously recorded?

Some Hon. Members: Agreed.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 274*)

YEAS

Members

Andre
Attewell
Beatty
Bernier
Bertrand
Binns
Bissonnette
Blackburn (Jonquière)
Blenkarn
Bradley
Brisco
Browes
Cadieux
Caldwell
Champagne (Saint-Hyacinthe-Bagot)
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Clifford
Clinch
Cochrane
Comeau
Corbett
Cossitt
Côté (Lac-Saint-Jean)
Crofton
Crouse
Danis
Dantzer
Darling
de Cotret
Desjardins
Dick
Domm
Dorin
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Friesen
Gagnon
Gass
Gervais
Gottselig
Graham
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hardey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
Hudon
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kempling
Kilgour
Ladouceur
Landry
Layton
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly
Marin
Martin
McCain
McCrossan
McDermid
McKinnon
McKnight
McLean
Merrithew
Minaker
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oostrom
Peterson
Pietz
Plamondon
Price
Ravis
Reid
Reimer
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Shields
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Tardif (Charlesbourg)
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Vézina
Vincent
Warner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)—125.

NAYS

Members

Althouse
Angus
Benjamin
Blackburn (Brant)
Blaikie
Cassidy
Copps
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Finestone
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Henderson
Jewett
Johnston (Saint-Henri-Westmount)
Keeper
MacLellan
Malépart
Manly
Marchi
Mitchell
Nicholson (Trinity)
Nunziata
Nystrom
Orlikow
Ouellet
Parry
Pépin
Prud'homme
Riis
Robichaud
Rompkey
Rossi
Tardif (Richmond-Wolfe)
Tobin
Turner (Vancouver Quadra)
Young—43.

Mr. Speaker: I declare the motion carried.

Motion agreed to, Bill read the third time and passed.

Supply

Mr. Speaker: It being 10.30 p.m., this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Wednesday, June 11, 1986

The House met at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

WORLD FOOD COUNCIL

ATTENDANCE OF PAST PRESIDENT

Mr. Maurice Foster (Algoma): Mr. Speaker, next week the World Food Council will be meeting in Rome for its annual meeting. It has been a tradition in this UN body that the immediate past president of the Council is invited to this meeting. The Hon. Eugene Whelan was involved in the founding of this Council in 1974 and represented Canada at its meetings with distinction almost every year since. He has not only represented the region of Canada, the United States and western Europe on the Council, but has also served on the Bureau, which is the executive committee. In 1985 he completed a two-year term as President of the World Food Council.

His experience and knowledge of world food problems would be invaluable to the Council at its meeting next week. I find it strange that Mr. Whelan has not been invited to attend this meeting in his capacity as immediate past president. Is this an oversight, or an example of a mean-spirited Government? I call on the Government to ensure that Mr. Whelan takes his rightful place at this meeting of the World Food Council.

* * *

APARTHEID

SOUTH AFRICA—DENIAL OF PASSPORT TO WINNIE MANDELA

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, Winnie Mandela has been denied a passport by the South African Government that would have enabled her to travel to Peru this month to attend the Congress of Socialist International Women. This is yet one more example of the total lack of freedom and basic human rights for the vast majority of people living in South Africa.

Like countless black men and women, Winnie Mandela is denied not only the freedom to speak and basic freedoms of political action in her own country, but she and they are denied the opportunity to practise such freedoms outside South Africa. The Botha government has now rejected the measures proposed by the Eminent Persons Group. It is time for Canada to show some leadership in pressing for urgent change in South Africa. It is time for real economic sanctions.

* * *

[*Translation*]

SCIENCE AND TECHNOLOGY

IMPORTANCE OF ESTABLISHING EFFICIENT NATIONAL POLICY

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, I have had the opportunity to participate in the National Conference on Scientific and Technological Policy which ended yesterday in Winnipeg. In attendance at the conference were representatives of industry and of the Science Council, researchers in various fields, academics, union members, as well as federal and provincial Ministers. On the basis of a working document, the purpose of this forum was to study the situation and seek the views of all participants so as to lay the foundation of a productive national policy on science and technology. They all made constructive contributions and showed keen interest in the proceedings, for they are all aware that such a policy will have an impact on the future of our country.

* * *

• (1405)

[*English*]

SCIENCE AND TECHNOLOGY

CONFERENCE DISCUSSION OF NATIONAL SCIENCE POLICY

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, on June 9 and 10 I attended a forum in Winnipeg hosted by the Minister of State for Science and Technology (Mr. Oberle). It was attended by leading Canadians from business, government, labour, and universities, who are interested in science and technology. Its purpose was to debate the need for, and essentials of, a national science policy for Canada. This objective was unanimously endorsed.

Other endorsements included the recognition of the fundamental importance of research and technology to our economic and cultural development, the need for more support for basic and applied research, the importance of science in all levels of education, and the importance of technology transfer to small business. It was an historic and exciting occasion and

a resounding success, a splendid example of the Government's commitment to consultation and leadership.

* * *

DISASTERS

NEWFOUNDLAND STORM—DAMAGE TO FISHERMEN'S GEAR

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I want to bring to the attention of the House an unfortunate natural disaster which occurred in my riding in an area called Bonne Bay in the great Northern Peninsula between the communities of Rocky Harbour and Cow Head. Yesterday and last night a severe storm destroyed the lobster and fishing gear of hundreds of fishermen in that area.

I want to call upon the Government, the Minister of Fisheries and Oceans (Mr. Siddon), to undertake immediately in conjunction with the Minister of Fisheries for Newfoundland, an assessment of the damage to the fishery in that area and to work with the local fishermen's organizations to provide the necessary infrastructure to allow those fishermen to go back to work as soon as possible.

This time of year is crucial to a successful fishery. The fishermen will not be able to support their families unless quick action is taken. I ask the Government to consider the matter as quickly as possible.

* * *

[*Translation*]

YOUTH

STUDENTS—IMPORTANCE OF EMPLOYMENT CENTRES

Mr. Fernand Ladouceur (Labelle): These past few weeks, Mr. Speaker, I attended the official opening ceremonies of student enployment centres in the riding of Labelle. This gave me a welcome opportunity to witness for myself the dynamic approach taken by these centres which found jobs for 437,000 young Canadians last year.

This year, Mr. Speaker, the Challenge 86 program has attracted more applicants than we had hoped for, and I can tell you that 200 projects have been approved in the riding of Labelle, and that over 335 students will have an opportunity to undergo career-oriented training and benefit from practical working experience. Earlier this week I got in touch with employment centre officials who are quite pleased with the students' positive response and the active participation of various local interests.

Mr. Speaker, our students are eager to work and make the community benefit from their skills. It is up to us to help them.

AGRICULTURE

NECESSITY FOR GOVERNMENT TO HELP BLUEBERRY PRODUCERS' CO-OPERATIVES IN LAC-SAINT-JEAN REGION

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, last week private producers and co-operatives in the Lac-Saint-Jean area lost most of their blueberry crop to spring frost, which could result in a loss of income of as much as $3 million.

According to Mr. Joseph Savard, as quoted in *La Presse*, the harvest will be almost a total loss, and last week's spring frost was the worst on record for the area.

The Minister of Agriculture (Mr. Wise) must help these producers who have no crop insurance and who are in an area that already has an unemployment rate of 17 per cent.

* * *

THE ARTS

INVITATION TO ATTEND WORLD FOLKLORE FESTIVAL

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I wish to invite all Hon. Members and all Canadians to come to the riding of Drummond this summer for the Fifth World Folklore Festival to be held from July 4 to July 14. About half a million visitors are expected.

For ten days, the Festival will host more than 40 folk dance groups from all over the world, including Australia, the United States, France, Hungary and the Soviet Union, and Canadian participants from Quebec, Ontario, Saskatchewan and Nova Scotia.

These groups will demonstrate the folk culture of various countries through their songs, music, dance and a host of fascinating activities.

This unique festival offers a broad range of activities in a program worthy of major international events, including ceremonies on a grand scale, concerts, community activities, a torch-lit procession, fire works and a folkoteque. I again invite you all to come and discover the traditions of this country and from countries all over the world.

• (1410)

* * *

[*English*]

POLITICAL PARTIES

POSITIONS OF OPPOSITION PARTIES ON TRADE NEGOTIATIONS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, while on the international trade front the Conservative Government resolutely defends the interests of Canadian workers and staunchly promotes expanding markets for Canadian products, the NDP typically pulls its horns into its shell and pretends

that the world does not exist. What is difficult to understand, however, is the complete absence of any policy on the part of the Liberals. They appear to be mired down in a morass of confusion and internal conflict.

When will the Leader of the Opposition (Mr. Turner) get off the fence? Will he throw in his lot with the pussy-footing protectionist from Winnipeg—Fort Garry or the fiscalamitous free trader from Saint-Henri—Westmount? Or is he just too busy looking over his shoulder trying to find out what Jean Chrétien is up to?

* * *

[*Translation*]

SOCIAL SECURITY

OPPORTUNITY FOR GOVERNMENT TO REVIEW ITS POSITION CONCERNING THE ELDERLY

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Over the last weekend, Mr. Speaker, I had the privilege to meet representatives of senior citizens who were simply asking, what do the Prime Minister and this Conservative Government have against the aged?

Over the past 20 months, there have been 5 measures detrimental to senior citizens. There was first the discrimination in connection with the spouse allowance; then the de-indexing of old age security pensions; then the unemployment insurance benefit cuts in the case of workers having elected early retirement; finally, the rejection of all Job Development projects involving home-cleaning services for the aged. And we learn now about the cuts in the order of $3 million made to the New Horizons Programs directed at senior citizens.

Mr. Speaker, I hope that during the meeting of the Cabinet priority Committee, the Government will review its position and improve its image with senior citizens by granting them what they deserve. These people have worked all their lives for the benefit of Canada.

* * *

[*English*]

ENERGY

CALL FOR COMPLETE ABOLITION OF PETROLEUM AND GAS REVENUE TAX

Mr. Jack Shields (Athabasca): Mr. Speaker, the national energy policy introduced by the previous Liberal Government and supported by the NDP proved to be a mean-spirited, direct attack on western Canada. Our Prime Minister (Mr. Mulroney) recognized the unjust and unfair treatment by this policy of the western Canadian oil industry and the people of western Canada.

As a result, one of the first acts of our Government was the signing of the Western Accord which dismantled the hated national energy policy. The Western Accord calls for the phasing out by 1988 of the unfair production tax. This phasing out of the PGRT was agreed to when oil prices were $38 a barrel, and all parties recognized the severe financial problems facing Canada after prolonged Liberal fiscal irresponsiblity. However, present oil prices are too low to sustain a profits tax even on a phase-out basis.

The Liberal Petroleum and Gas Revenue Tax must be removed now. We urge the Minister of National Revenue (Mr. MacKay) to act immediately.

* * *

HUMAN RIGHTS

EL SALVADOR—LACK OF PROTECTION

Mr. Dan Heap (Spadina): Mr. Speaker, more human rights workers have been seized by the Treasury Police in El Salvador. The Government claims that they are subversive. Apparently human rights in El Salvador are regarded as subversive. Last month, the President, Napoleon Duarte, called the leader of the postal workers union, who had supported him in the election, a communist. A few days later that unionist was assassinated by the death squads.

It appears that the Canadian Government is unwilling to come to grips with the fact that the Duarte Government either cannot or will not protect human rights in El Salvador. The Government will not oppose the United States' support of a murderous regime and, in fact, the Government insists on giving aid to that regime under the guise of humanitarian aid. I call on the Government to reconsider its policy toward El Salvador.

ORAL QUESTION PERIOD

[*English*]

CANADIAN JOBS STRATEGY

JOB DEVELOPMENT PROGRAM

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Employment and Immigration. Another document from her own Department indicates that the Minister's $700 million Job Development Program is working badly despite her assertions in the House. The document attests that there are quotas on the amount of money allocated to non-profit organizations. The document also attests to the fact that the program is so mismanaged that only $340 million was allotted out of the $700 million authorized. How can the Minister reconcile the information in this document with previous statements she made in the House?

Oral Questions

• (1415)

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Leader of the Opposition would like to try to pretend that the Canadian Jobs Strategy is not working. I can tell him that in Canada this morning, 75,000 Canadians got up and went to a training program or a job-creation program funded by the Canadian Jobs Strategy.

Some Hon. Members: Hear, hear!

Miss MacDonald: Every day we are spending $6.3 million on the Canadian Jobs Strategy. This year, to date, we committed some $450 million to Canadians so that they can go to work and can take training.

ALLOCATION OF FUNDS TO NON-PROFIT SECTOR

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, that is not the assessment of the Executive Director of the Minister's Labour Market Development Branch, Peter Hicks, according to the document that is now before the House. Once again, why is it that the Minister has always denied, in response to questions put by my colleague, the Hon. Member for Notre-Dame-de-Grâce—Lachine East, that there are in fact quota systems against the non-profit sector in this particular program?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, we have invited the non-private sector and the private sector to take part in the Canadian Jobs Strategy. The Leader of the Opposition may try to rule out the private sector from participation. We do not believe that the private sector should be ruled out. We do not believe that it should be frozen out of programs as it was in the past. In fact the private sector has helped to create training opportunities that did not exist formerly, and there are thousands of Canadians who are thankful that that is taking place.

[*Translation*]

REQUEST FOR CLARIFICATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the fact is that the whole co-operative and non-private sector has been frozen by the Minister.

Will the Minister confirm that the Canada Job Development Program budget has been frozen because the program is a total disaster—according to this document—and that it simply must be redesigned before being implemented? And these are the words used by Mr. Hicks.

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I know it is difficult for the Leader of the Opposition to understand figures, and one can recognize that that is because of the financial mess his Government left behind.

Some Hon. Members: Hear, hear!

Miss MacDonald: I have already told him, and I will repeat, that under the Canadian Jobs Strategy we are spending $6 million per day. This year we have already committed $450 million to the Canadian Jobs Strategy. We have allocated 17 million new dollars so far this year in April and May for the Job Development Program. I hope the Leader of the Opposition can understand that.

Some Hon. Members: Hear, hear!

MINISTER'S POSITION

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. I want her to know that her number is up, and I want her to—

Some Hon. Members: Oh, oh!

Mr. Nunziata: Perhaps the Minister will understand this figure. Only 28 per cent of Canadians approve of the Government's job-creation programs. It is now clear that Canadians are seriously questioning whether or not the Minister possesses sufficient competence to carry on in her Ministry. Will the Minister now admit that her Department is in utter disarray and the job-creation program is in utter chaos?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, 560,000 more Canadians are at work today than when the former Government was in office.

Some Hon. Members: Hear, hear!

Miss MacDonald: As well, 250,000 fewer Canadians are unemployed. I consider that to be a step in the right direction.

• (1420)

Some Hon. Members: Hear, hear!

Miss MacDonald: I also want to say that when I became Minister of the Department of Employment and Immigration I asked officials to monitor programs on an ongoing basis so that they could suggest ways in which programs could be improved, ways in which we could reduce the paper burden, ways in which we could more effectively use taxpayers' money, and ways in which we could create additional jobs.

Mr. Nunziata: You can fool some of the people some of the time.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): That is how you got here.

Some Hon. Members: Author!

Mr. Speaker: Question, please.

DEPARTMENTAL OFFICIAL'S MEMORANDUM

Mr. John Nunziata (York South—Weston): Mr. Speaker, my supplementary question is directed to the same Minister. If the job-creation program is in fact working, as the Minister alleges, why did the Executive Director of the Job Development Branch find it necessary to write a 34-page document criticizing the program? Explain to the House.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, under the former Government we had a lot of short-term, make work projects which qualified people solely for unemployment insurance.

Mr. Tobin: Explain, please.

Miss MacDonald: We did not believe that that should continue. We brought in a job strategy which is fundamentally different—

Ms. Copps: That is a farce.

Miss MacDonald: —and I make no apology for that whatsoever. In doing so we are training people; we are qualifying them for full-time jobs. I have asked my officials to be sure that as the strategy progresses they give me a monitoring of the situation so that I can see where it can be improved from time to time, quite unlike the former Government.

Some Hon. Members: Hear, hear!

* * *

APARTHEID

SOUTH AFRICA—REPORT OF EMINENT PERSONS GROUP

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. As he knows, the Commonwealth Eminent Persons Group has now reported. South Africa continues its recalcitrance at the cost of thousands of lives, and sanctions seem to be the order of the day. What will now be the Government's response to what it knows to be the contents of the report of the Eminent Persons Group?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the report will be made public tomorrow, and the Secretary of State for External Affairs will be commenting upon it at that time. We worked quite hard, along with other Commonwealth countries in Nassau, trying to find a formula which we thought would be beneficial in opening constructive dialogue to dismantle apartheid in South Africa. It appears that it was unsuccessful, as a result of which Canada will play an active role in pursuing with Commonwealth countries all means whereby the evil of apartheid is brought to an end.

REQUEST FOR GOVERNMENT ACTION

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, it is evident that Canada has assumed the role of leadership. It is also clear, with the knowledge the Government has of the contents of the report, that it knows what action is dictated by it. My question to the Prime Minister, as before, is: Will the Government of Canada seek to accelerate the process so that action can be brought to bear on South Africa sooner than is presently planned, rather than wait until August when thousands more will have died at the hands of the South African Government?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have been in touch with Commonwealth leaders and will be doing so again tonight, particularly those with whom we worked in Nassau.

An Hon. Member: Sell out.

Mr. Mulroney: A member of the Liberal Party says: "Sell out". What we tried to do at the Commonwealth was to maintain the tradition of leadership by successive Canadian Governments on this very important issue of dismantling apartheid in South Africa. I am sad to see that the Liberal Party chooses to make a partisan issue of what is a national effort which we are trying to develop.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

• (1425)

REQUEST THAT ECONOMIC SANCTIONS BE IMPOSED

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my supplementary question is again for the Prime Minister. The question has not been correctly answered. Will the Government seek to have the process accelerated, and will the Government if necessary organize and support sanctions by the Commonwealth that will be effective, even in the absence of action on the part of Margaret Thatcher who, from the very beginning, has indicated her likely refusal to participate?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have sought to obtain unanimity without which the measures to which my hon. friend refers are clearly less effective than we would desire. The Secretary of State and I have had the opportunity in the past of indicating that if we cannot, notwithstanding our best efforts, secure a unanimous thrust of support from the Commonwealth members, which would be the most desirable course of action dealing with South Africa, we shall not hesitate to act either alone or in concert with like-minded nations.

Some Hon. Members: Hear, hear!

Oral Questions

[*Translation*]

EMPLOYMENT

FUNDS ALLOCATED TO JOB DEVELOPMENT PROGRAM

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is for the Minister of Employment and Immigration. Last June, in a communique issued by the Minister and in a document on employment planning, the Minister stated, and I quote:

"Job development has been allocated a $700 million budget this year."

I checked with her officials and only $377.4 million have been spent. Can the Minister explain why all the money has not been spent and where the rest of the money is?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member of course confuses apples and oranges, and that is normal. I would think he would be the last one in this House to rise and ask questions. In his own riding under job development, some $2.2 million has been spent, one of the largest amounts anywhere in the country.

Some Hon. Members: Hear, hear!

[*Translation*]

REQUEST FOR EXPLANATION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I thank the Minister for proving that I am a good Member. What I am asking is serious, and hundreds of thousands of Canadians would like to hear the answer.

Why did she announced in June that the Job Development Program had a $700 million budget, whereas her Department has spent only $377 million? Where is the rest of the money and why did the Government fail to allocate the full amount? Or did the Minister make a mistake?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): I can also say that that $700 million included the aspect of institutional training, and I will be glad to provide the Member with the combined figures.

OFFICIAL'S RECOMMENDATION CONCERNING PRIVATE SECTOR

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is also for the Minister of Employment and Immigration. This memo by Mr. Peter Hicks, Executive Director of the Job Development Program, adds more fuel to the fire that the Canada Jobs Strategy Program is not working. Specifically will the Minister reject the recommendation made by Mr. Hicks in this memo that will make it easier for the private sector to get job development money by allowing that group to bypass the job readiness stream and use the individually subsidized jobs program which is more lucrative?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Department is working on a number of recommendations to put before me to see where improvement might be made in the Canadian Jobs Strategy Program. I think it is a very good thing that, after a program has been in operation for six months, a Department assesses it, sees where the wrinkles are, sees where the program can be improved, and makes recommendations to the Minister. I am awaiting those recommendations.

NON-PROFIT WAGE SUBSIDIES

Mr. Lorne Nystrom (Yorkton—Melville): As a supplementary question, Mr. Speaker, I have yet another memo that was given to me a few minutes ago from one of the people in Toronto. Will the Minister repudiate the recommendation made in this memo that wage subsidies in the job readiness stream used by non-profit groups be reduced from 100 per cent to 50 per cent? This program is important for non-profit groups.

• (1430)

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, 65 per cent of the funding of our summer programs goes to non-private groups. It goes to people who are working with the John Howard Society, for example. It goes to people who are working with young natives. It goes to people who are working with young black people who have dropped out of high school. Those are the kinds of programs we are funding, Sir. Sixty-five per cent of the program money this summer will go to that non-private category. We will continue to fund projects of that nature.

Mr. Nystrom: Answer the question, Flora.

* * *

GOVERNMENT EXPENDITURES

USE OF HERCULES AIRCRAFT FOR PRIME MINISTER'S TRAVELS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is for the Prime Minister. The Prime Minister will now realize that the DND Hercules aircraft has served as a Trojan horse for the Canadian people to allow them to have the peek at the Prime Minister's presidential travelling style.

Will the Prime Minister assure the people of Canada today that the use of the Hercules aircraft, vans, and video equipment to follow the Prime Minister around the world, is not, in the words of the Deputy Prime Minister yesterday "perfectly normal"? Will he assure the people of Canada that this practice will be brought to a halt?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, when I said yesterday that it was perfectly normal practice I was quite accurate. However,

in the event that I may not have been, I double-checked with officials in the PCO who informed me that that practice was established in 1978 and has been followed ever since that time by successive Prime Ministers.

I also double-checked yesterday with respect to my response to the Right Hon. Leader of the Opposition. I am informed by officials that during the 1984 election campaign the sound and lighting equipment was used by the PMO. The equipment consisted of a PA system, including cable and microphones, press multifeed, two podia, and additional PA and lighting systems if required.

Some Hon. Members: Oh, oh!

Mr. Nielsen: If I do not give the details, Mr. Speaker, I am accused of stonewalling. I am trying to give information.

Some Hon. Members: Hear, hear!

Ms. Copps: Brian, why aren't you clapping?

Mr. Tobin: Mr. Speaker, the Prime Minister would be wise not to mistake the applause of his backbenchers for the approval of the people of Canada.

REQUEST THAT PRACTICE BE STOPPED

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I will ask the question again. Will the Prime Minister assure Canadians today that this practice of having a Hercules aircraft full of vans and video equipment following him everywhere he goes in the world will be stopped, because it is an example of waste and the presidential style of politics which is not acceptable in this country?

Mr. Dingwall: An egostistical Prime Minister, a sick Prime Minister.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the practice is no different now than it has been since 1978. Previous Prime Ministers have used the Boeing 707. They have used Buffalo aircraft, Cosmo aircraft, and a whole range of the DND fleet of aircraft.

Mr. Gauthier: Not true.

Mr. Nielsen: The process has not changed. Incidentally, the impression was left yesterday that the Liberal Party paid the costs of the facilities which I described in my previous answer. It was not the Liberal party; it was the PCO, the taxpayer of Canada, that paid those costs.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Miss MacDonald: Where did the Leader of the Opposition go?

Mr. Blackburn (Brant): Why don't you incorporate and get a tax writeoff?

Mr. Speaker: Order, please.

* * *

CANADIAN JOBS STRATEGY

JOB READINESS FUNDING

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, my question, too, is for the Minister of Employment and Immigration who refused to answer the question put by my colleague about Job Readiness and who, instead, focused on the Challenge '86—

Mr. Speaker: Order, please. Order, please! The Hon. Member knows he is going slightly beyond our rules. Will he just ask his question, please.

Mr. Epp (Thunder Bay—Nipigon): Will the Minister repudiate the suggestion that Job Readiness funding be dropped to 50 per cent subsidy from the present 100 per cent so that non-profit groups can have the support they need for job training?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member is talking about a recommendation which has not come to me. However, I can tell him that one element in the Canadian Jobs Strategy has impressed me greatly. That is the fact that we have increased the participation of women, disabled persons, and native people, in programs. We made a conscious effort to do that and we are seeing results in a beneficial way. I can assure the Member that we will continue to ensure that people who are disadvantaged will continue to participate in increasing numbers.

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, I note that the question is still not being answered.

PRIVATE SECTOR FUNDING

Mr. Ernie Epp (Thunder Bay—Nipigon): Will the Minister also repudiate the suggestion that subsidies for the private sector be increased to 75 per cent, even though the Hicks memo recognizes that that makes possible the subsidizing of fast food outlets, thereby putting rival businesses out of business?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am not sure who the Hon. Member is going to put out of business, but we are going to continue with the Canadian Jobs Strategy. We are going to continue to improve it. I will take recommendations which will improve the working of that program because we do not feel that at any point anyone has the final word.

Mr. Nystrom: Answer the question.

Miss MacDonald: We can all work at making sure that programs are improved, and we will do that.

Some Hon. Members: Hear, hear!

* * *

INDIAN AFFAIRS

MANITOBA REGION MISMANAGEMENT

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is addressed to the Minister of Indian Affairs and Northern Development. I, too, welcome him back to Canada.

As the Minister knows, charges brought forward by Indian Chiefs in Manitoba about financial mismanagement in the Minister's Manitoba region have now been substantiated by a special investigation. Will the Minister tell the House what specific action he is going to take now in view of the charges with regard to misleading reporting to Parliament, failure to comply with the Minister's own directives, perjury before the Public Accounts Commmittee, and the failure to live up to the requirements of purchasing controls?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, as the Hon. Member points out, these are very, very serious charges. When I appointed the independent auditor it was on the basis that there was at least some appreciation that the charges could be substantiated. The report is now available, as the Hon. Member pointed out. I have sent a copy to the standing committee, of which the Hon. Member is a member. I have also sent a copy to the Indian people involved in Manitoba. I will be meeting with the independent auditor at the beginning of next week and will, at that time, determine a specific course of action to ensure that the situation is rectified.

REGIONAL ADMINISTRATIONS

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I thank the Minister for that answer. I think the Chiefs of Manitoba acted courageously in bringing these charges forward.

Can the Minister indicate to the House whether he has any reason to believe that this kind of maladministration is widespread across other regions of the country? What will he do to reassure Indian people, and Canadian people generally, in this regard?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, as the Hon. Member in particular knows, the charges made by the Chiefs in Manitoba related to the administration of the Department in that region over many, many years. It is a deep-seated and very difficult problem. I spoke with the Deputy Minister in relation to this and will be speaking with him again. I asked him to take steps to ensure that, if there is any way in which we can determine whether there are other such situations in the country, I know about them now, so that we can rectify them in the same way as we will deal with the Manitoba situation.

* * *

GOVERNMENT EXPENDITURES

USE MADE OF DEPARTMENT OF NATIONAL DEFENCE AIRCRAFT

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the Deputy Prime Minister. Am I to understand that the Deputy Prime Minister's answer to the Member for Humber—Port au Port—St. Barbe was that if the Liberals misused public funds in years gone by it is okay for the Tories to do likewise now?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Not at all Mr. Speaker. I was trying to explain to the House that it is perfectly normal practice.

Mr. Blackburn (Brant): Do two wrongs make a right?

Mr. Benjamin: What's normal about that?

Mr. Nielsen: I do not believe that it is an abuse of public funds, and neither do several members of his own Party who have used DND aircraft, as have all Parties in the House.

Mr. Blackburn (Brant): For home movies? Come on.

Mr. de Jong: He doesn't even blush.

Mr. Nielsen: I am simply establishing that the practice is common and normal. Indeed, if one looks fairly at the global figures one will see that, both in terms of flights and hours flown, there has been a reduction of almost 25 per cent since this Government took office.

TRAVEL FOR ELECTION PURPOSES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, will the Deputy Prime Minister not agree that it was the responsibility of the Liberal Party, and not the public taxpayers, to fund whatever was required by the then Leader of the Government when he travelled trying to sell himself as a candidate? If that be the case, is it not equally the responsibility of the Conservative Party to do likewise for the Prime Minister?

• (1440)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I do not think there is a Member sitting in this House, with perhaps a rare exception, who does not want to sell himself or herself as a candidate. I think it is dreadfully wrong to use government aircraft or facilities for an election campaign. Yes, I believe that is wrong. It certainly would not be authorized under my ministership.

FARM CREDIT CORPORATION

COMMODITY-BASED LOAN PROGRAM

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, my question is directed to the Minister of Agriculture. The Commodity-based Loan Program is an innovative refinancing program for existing Farm Credit Corporation clients under which the principal varies according to the selling price of the borrower's commodity. Is the program being accepted by the farm community and, if not, does he plan any modifications?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the Hon. Member's continuing interest in the difficulties facing Canadian farmers. I have indicated from day one that this program was designed prior to its presentation in the Budget. There has been a great deal of interest in the program. FCC loan officers across the country met last week and I have asked them specifically to look at whether or not, because of changing and deteriorating financial conditions in the country, we will obtain full utilization of the funds allotted in the Budget. If the criteria have to be changed, we are quite prepared to change them so that the allotted funds are fully utilized.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—TARIFF ISSUES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Another senior U.S. trade official, this time a gentleman with whom I think the Minister might be acquainted, Mr. Clayton Yeutter, their senior trade representative, said yesterday in Washington that the U.S. Government intends to raise the matter of the Canadian book tariff at the resumption of the free trade negotiations next week. Have we instructed our negotiator, Mr. Reisman, also to raise with the Americans the question of their tariff on cedar shakes and shingles and make it very clear that we will not talk about books unless they are prepared to talk about cedar shakes and shingles at the same time?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have made it clear on a number of occasions, and welcome the opportunity to do so again, that if the U.S. is prepared to pull back its action on shakes and shingles, the Government of Canada is prepared to pull back its economic response which followed that action.

CULTURAL INDUSTRIES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, if we then agree to the inclusion of the question of books as part of those negotiations, does that not begin to raise the issue which the Minister and his colleagues have previously rejected, that our cultural industries will now become part of those negotiations?

Some Hon. Members: Oh, oh!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member has trouble enough with the words in his own mouth. I would like him to keep them there and not try to put words in my mouth.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): And I am sure, when I say that, that I speak for the Right Hon. Leader of the Opposition.

Some Hon. Members: Hear, hear!

* * *

SHIPBUILDING

CLOSURE OF VANCOUVER SHIPYARDS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Prime Minister. Recently a third Vancouver shipyard closed down, adding to the thousands of unemployed shipbuilders in Canada. Will the Prime Minister tell the House when and how he plans to fulfil his election promise to revitalize the shipbuilding industry in Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Minister of Regional Industrial Expansion made it very clear that the whole matter of the state of the economic health of shipyards in Canada is under review. He proposes to come forward with a statement on this in due course.

ICEBREAKER CONTRACT

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, "in due course" has allowed three major shipyards in British Columbia to close. I want to know when the Government at least is going to approve contracts for the ice breaker, and will it be built in British Columbia shipyards?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is well aware, I am sure, that the shipbuilding industry throughout the world is in serious difficulties. That is recognized by this Government. We are taking very serious note of it. We are dealing with members of the industry and the unions, trying to come up with a policy that will respond to the serious situation world-wide. That will be coming in due course.

Oral Questions

FARM CREDIT CORPORATION

COMMODITY-BASED LOAN PROGRAM—ESTABLISHMENT OF DEBT REVIEW PANELS

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, my question is directed to the Minister of Agriculture and is supplementary to the earlier question concerning the Commodity-based Loan Program. Can the Minister tell me if he is setting up debt review panels under that program, and when they may take effect as was announced earlier this year?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I was absent from the House yesterday on government business but it is my understanding that our House Leader served notice of the introduction of that legislation. Given the rules of the House, I believe the very earliest we could proceed with the legislation would be tomorrow. That would be subject to agreement of the other two Parties. I hope we will have their support so that we can clear all stages of the legislation before we rise for the summer.

* * *

MEMBERS OF PARLIAMENT

ALLEGED RACIAL SLUR

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Prime Minister. On March 3 the Conservative Member for Nunatsiaq called the Hon. Member for Bourassa a mafia mafioso. The last time a similar incident occurred involving a member of his caucus the Prime Minister said, as shown at page 2745 of *Hansard*:

> Should anything at any time be said by anyone on this side, inadvertently or otherwise, I would immediately—repudiate.

I ask the Prime Minister for the third time to stand in his place and repudiate these racist comments and immediately issue an appropriate apology to that Member and the Canadian-Italian community.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I already have repudiated any statement that in any way casts aspersions on any group in this country. When the matter was alleged in the House I responded. I think my hon. friend knows full well my commitment and that of all Members of the House to the respect we all must have for minority groups. That has been the position of all Canadian Governments and it is certainly the position of this Government.

Some Hon. Members: Hear, hear!

REQUEST FOR REPUDIATION

Mr. Sergio Marchi (York West): Mr. Speaker, the incident I speak of happened on March 3, 1986, not the other incident in March of 1985. The Prime Minister did not repudiate that remark and did not apologize.

Some Hon. Members: Sit down.

Mr. Marchi: I ask him to stand in his place—

Some Hon. Members: Oh, no!

Mr. Marchi: —and repudiate and apologize for the comments made March 3, 1986. Or is he prepared to let those racist comments stand on the record?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not see a question there. I do not know whether my hon. friend is indulging in inverted racism—

Mr. Marchi: You're lying.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Hon. Member for York West must withdraw that.

Mr. Marchi: Mr. Speaker, I withdraw if he is prepared to tell the truth.

Some Hon. Members: Out!

Mr. Speaker: The Hon. Member knows I must require an unequivocal withdrawal.

Miss MacDonald: Once a day every day.

Mr. Speaker: Simply that.

Mr. Marchi: I withdraw but I am looking for an answer.

Some Hon. Members: Out!

Mr. Speaker: The Hon. Member knows I must require an unequivocal withdrawal.

Mr. Marchi: I withdraw it.

Mr. Speaker: I thank the Hon. Member. Does the Prime Minister want to—

Mr. Mulroney: I was in the process of saying, Mr. Speaker, I do not know whether my hon. friend is indulging in inverted racism. I have made very—

Mr. Nunziata: I beg your pardon?

Mr. Mulroney: The Member for York South—Weston says—

Mr. Nunziata: Spit it out.

Mr. Mulroney: —"I beg your pardon". You don't have to beg my pardon. What you need is to beg Canadians for their forgiveness of your lack of civility and decency in this House *vis-à-vis* so many Members.

Some Hon. Members: Hear, hear!

• (1450)

Mr. Speaker: Hon. Members know that any comment by any Member about the conduct or behaviour of any other Member is out of order.

Mr. Nunziata: Have him withdraw.

Mr. Speaker: I therefore must ask the Prime Minister to withdraw his assertion.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. Let us not make this any more difficult than it is. The Hon. Prime Minister will please withdraw his assertion.

Mr. Mulroney: Mr. Speaker, out of respect for you and Orders of the House, of course I comply with your request.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Cowichan—Malahat—The Islands.

* * *

INDIAN AFFAIRS

INVESTIGATION OF MANITOBA REGION ADMINISTRATION

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. I want to commend the Minister for appointing an independent auditor to investigate Indian allegations of abuse, maladministration, and under funding of Indian run programs in the Manitoba region of his Department, and for making the report public. What steps does he now plan to take, first, to discipline high-level employees who breached both the spirit and the letter of departmental directives, second, to ensure that these and similar abuses will not take place in any region of the country in the future, and third, to compensate for mass under funding of Indian programs?

Mr. Speaker: Order, please. The Hon. Member knows that he has already had two questions.

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, as I indicated in an earlier answer, I have already indicated to the Deputy Minister that it is a matter that obviously needs to be investigated in all regions of the country under the administration of my Department. Second, I also indicated that I will be meeting with the independent auditor at the beginning of next week. We are attempting to arrange a meeting for that time and following that, of course, I will be taking further steps to make sure that the situation is rectified.

Mr. Manly: We will be watching to make sure that the Minister follows up on this.

FUNDING OF CHILD CARE SERVICES IN MANITOBA

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, the report states that Indian child care agencies in Manitoba are being asked to accept a 1986-87 budget which is 79 per cent less than the expenditures they incurred last year. How does this square with the Minister's commitment that there would be no cuts to existing programs? Will he guarantee a restored level of funding for child care services in Manitoba?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, as I indicated earlier, the report quite clearly underlines that there were discrepancies between the commitments and what was delivered by the Department in the region. Therefore, my discussion with the Deputy Minister also involves a process by which we can rectify the situation, which also means an attempt to try to get back to having the delivery of service related to the commitment that was originally made.

* * *

[*Translation*]

NATIONAL DEFENCE

FOREST FIRES IN ABITIBI—REQUEST THAT DEPARTMENT PROVIDE ASSISTANCE

Mr. Guy St. Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of National Defence. The situation is critical in Abitibi and in Quebec. This year, 644 forest fires have destroyed 173,000 hectares valued at $125 million. Over the last five years, the average was—

Mr. Speaker: Could the Hon. Member please put his question.

Mr. St. Julien: Mr. Speaker, I would have like to continue my comments on the Abitibi area. My question is as follows:

I ask the Minister to have National Defence intervene immediately in the Abitibi region for the following reasons: today, 29 forest fires are burning in Quebec, 18 in Abitibi, which have already destroyed 155,000 hectares; seven fires are out of control and 11 water bombers and 15 helicopters are on the spot. Our pilots and firefighters need help.

Some Hon. Members: Hear, hear!

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, if the Quebec Government so requests, we are willing to see what we can do, but we have yet to receive a request from the Quebec Government, and that is what we must have before we can intervene.

Some Hon. Members: Hear, hear!

* * *

[*English*]

MEMBERS OF PARLIAMENT

ALLEGED RACIAL SLUR

Mr. Carlo Rossi (Bourassa): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. It is true that on the second incident the Prime Minister repudiated, but on the first incident I have a letter here from the Member from Mississauga which says: "Surely it should not be the obligation of the Prime Minister or anyone else to stand between them or to apologize." Since that first incident, I want to ask the Right Hon. Prime Minister if he officially repudiated the first incident from the Member for Nunatsiaq.

Mr. Speaker: I have had some trouble as to how these come under governmental administration. Hon. Members know that. Perhaps the Hon. Member can find a way to phrase it in a way that I can accept it as governmental?

[*Translation*]

Mr. Carlo Rossi (Bourassa): If he informs the House . . . if at any time he apologized to . . . for the first incident that occurred and I am referring to what was said by the Hon. Member for Nunatsiaq—a first incident.

[*English*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend refers to incident one and incident two—

Mr. Nunziata: There have been a lot of them.

Mr. Andre: How come you let him do that?

Mr. Mulroney: There is the pillar of graciousness at it again. I have said, and perhaps I can say it again—

An Hon. Member: Sleaziness.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Hon. Member will withdraw that comment because he knows it is personal and out of order—

Mr. Dingwall: You're sleazy; you're sleazy.

Mr. Speaker: Order. The Hon. Member for Cape Breton—East Richmond will withdraw that remark or he will leave the Chair with no alternative. I will give him one chance to withdraw it unequivocally.

Mr. Dingwall: Unequivocally, Mr. Speaker, I withdraw. Now it's your turn.

Mr. Andre: Come on.

An Hon. Member: Where are you going, Andre?

Mr. Mulroney: He's going to look after the forest fires.

Some Hon. Members: Oh, oh.

Ms. Jewett: That is not very funny.

Mr. Speaker: Does the Prime Minister have something to conclude?

Mr. Mulroney: To respond to my friend who raised the matter—

Mr. Ouellet: He asked for an apology, that is all.

Mr. Mulroney: I have already indicated, I should tell my friend from Papineau—

Mrs. Finestone: Is it so hard to say "I'm sorry"?

An Hon. Member: Aw, for Christ's sake.

Mr. Speaker: Order, please.

Mr. Clark (Yellowhead): Herb's had enough.

Mr. Crosbie: Come on, Herb, impose some muscle.

Mr. Speaker: Order, please.

Mr. Mulroney: I will try again, Mr. Speaker. I have conveyed to my hon. friend when it was asked at the time, the repudiation of any suggestion—

Mr. Marchi: No, you didn't.

Mr. Speaker: Order, please.

Mr. Marchi: No, he didn't.

Mr. Speaker: Hon. Members—

Mr. Marchi: He's lying.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): Enough of this.

Mr. Speaker: Order.

Some Hon. Members: Throw him out.

Mr. Marchi: I challenge the Prime Minister to—

Mr. Speaker: Order. I am given no choice. I name Mr. Marchi and require him to leave for the day. I require the Member to leave.

Mr. Marchi: It's not worth staying listening to that bull.

Mr. Speaker: I require the Member to leave, and I call it three o'clock.

[*Editor's Note*: *And Mr. Marchi having withdrawn from the chamber*:]

• (1500)

Mr. Ouellet: Let him answer.

Mr. Speaker: And I call it three o'clock.

Mr. Ouellet: Saved by the bell.

Some Hon. Members: Hear, hear!

Mr. Ouellet: Boo. We now have two Speakers. Our Prime Minister should get extra pay as the Speaker.

Mr. Speaker: I require the Hon. Member for Papineau to withdraw that comment.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. I require the Hon. Member for Papineau—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. I require the Hon. Member for Papineau to withdraw that comment. The Chair heard the comment. I require the Hon. Member for Papineau to withdraw the comment he just made with regard to the independence of the Chair. It is very simple. I require the Hon. Member for Papineau to withdraw the comment he just made about the independence of the Chair. I require an unequivocal withdrawal.

Mr. Ouellet: I am sorry, I would like to know from the Speaker what he wants me to withdraw.

Mr. Speaker: The Hon. Member for Papineau knows what he said. I heard it.

Mr. Clark (Yellowhead): I heard it.

Mr. Speaker: I require him to withdraw unequivocally his comment impugning the independence of the Chair.

Mr. Ouellet: I withdraw that the Prime Minister is doing the job that you should be doing.

Mr. Hnatyshyn: No, no.

Some Hon. Members: Order.

Mr. Ouellet: That's what you asked me.

Mr. Speaker: Is the Hon. Member saying to me that he is unequivocally withdrawing any allegations with regard to the independence of this Chair?

Mr. Ouellet: I never put in question the Chair. I put in question the Prime Minister.

Mr. Clark (Yellowhead): No.

Tabling of Documents

Mr. Speaker: The Chair took from the Hon. Member for Papineau an allegation with regard to the independence of the Chair. The Chair would like the Hon. Member for Papineau to make it clear to the Chair that he is withdrawing any such imputation.

Mr. Ouellet: Well, if this is what the Chair thinks, I withdraw what the Chair thinks.

Mr. Speaker: That is exactly what I asked him to do. Thank you.

Mr. Crosbie: Where is Turner when he's needed? You haven't got a leader over there.

Mr. Blackburn (Brant): Time for an election, John.

Mr. Crosbie: Time for leadership over there.

Mr. Speaker: Oh, boy. Order, please. All Hon. Members will please resume their seats or leave the Chamber, if they wish to leave.

ROUTINE PROCEEDINGS

[*English*]

WAYS AND MEANS

TABLING OF NOTICE OF MOTION

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, pursuant to Standing Order 84(1) I wish to lay upon the Table in both official languages a Notice of Ways and Means Motion to Amend the Excise Tax Act.

* * *

WAYS AND MEANS

TABLING OF NOTICE OF MOTION

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, pursuant to Standing Order 84(1) I wish to lay upon the Table in both official languages a Notice of Ways and Means Motion to Amend the Income Tax Act and related Act.

* * *

[*Translation*]

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

TABLING OF ACTION PLAN CONCERNING WOMEN IN THE AREA OF DEVELOPMENT

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, pursuant to Standing Order 67(2), I wish to table, in both official languages, the Canadian International

Committee Reports

Development Agency's Action Plan Concerning Women in the Area of the Development.

* * *

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8) I have the honour to table in both official languages the Government response to five petitions, Nos. 331-487, 331-527, 331-549, 331-552 and 331-556.

* * *

[*English*]

INTERPARLIAMENTARY DELEGATION

SIXTH, SEVENTH AND EIGHTH REPORTS OF CANADIAN NATO PARLIAMENTARY ASSOCIATION

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House the Sixth, Seventh and Eighth Reports of the Canadian NATO Parliamentary Association in both official languages. While I accept responsibility for all three reports, it should be known that the Seventh Report was prepared by Senator Molgat and the Hon. Member for Erie (Mr. Fretz). The Eighth Report was prepared by the Hon. Member for Okanagan—Similkameen (Mr. King).

* * *

[*Translation*]

COMMITTEES OF THE HOUSE

ENERGY, MINES AND RESOURCES—FOURTH REPORT OF STANDING COMMITTEE

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I have the honour of tabling, in both official languages, the Fourth Report of the Standing Committee on Energy, Mines and Resources.

[*English*]

YOUNG OFFENDERS ACT—REPORT OF LEGISLATIVE COMMITTEE

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, on behalf of the Hon. Member for Kootenay West (Mr. Brisco), who is chairman of the Legislative Committee on Bill C-106, I have the honour to report the same Bill back to the House with modifications.

CANADA PENSION PLAN AND THE FEDERAL COURT ACT

MEASURE TO AMEND

Hon. Jake Epp (Minister of National Health and Welfare) moved for leave to introduce Bill C-116, an Act to amend the Canada Pension Plan and the Federal Court Act.

Mr. Speaker: Is it the pleasure of the House that the Hon. Minister shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

Mr. Speaker: When shall the Bill be read a second time? At the next sitting of the House?

Mr. Hnatyshyn: By leave later this day.

Mr. Speaker: By leave later this day?

Some Hon. Members: Agreed.

* * *

HOUSE OF COMMONS

MOTION TO EXTEND HOURS OF SITTING

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, it is a little premature, but what the heck. There have been negotiations between the Parties with respect to the hours of sitting in the last 10 sitting days of June. I, therefore, believe there is unanimous consent to permit me to put the following motion for adoption without debate:

> That, not withstanding any Standing or Special Order of this House, during the period commencing June 12, 1986, until Friday, June 27, 1986, the House shall meet at eleven o'clock a.m. and continue to sit without interruption until ten o'clock p.m. on Mondays, Tuesdays and Thursdays. The House shall meet at two o'clock p.m. on Wednesdays and continue to sit without interruption until ten o'clock p.m. It shall meet at eleven o'clock a.m. on Fridays and continue to sit without interruption until five o'clock p.m.; and
>
> Provided that,
>
> (a) Private Members' Business shall be taken up and considered from six o'clock p.m. until seven o'clock p.m. on all days when such business would ordinarily be taken up except on Fridays when it shall be taken up at four o'clock p.m.
>
> (b) the provisions of Standing Order 10 shall be suspended; and
>
> (c) when the House adjourns on Friday, June 27, 1986 it shall stand adjourned until eleven o'clock a.m., Monday, September 8, 1986.

Mr. Speaker: The House has heard the terms of the motion. There is unanimous consent necessary for its introduction. Does that consent exist?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion Shall the motion carry?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

BUSINESS OF THE HOUSE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have also been discussions between the Parties with respect to legislation which might be called in the coming days. As a result of those discussions I am in a position to announce the revised line-up of business for today as well as the business for tomorrow. I previously indicated that the first item I will call this afternoon is Bill C-95 with respect to Archives. The House has in fact given its consent to the introduction of Bill C-116, an Act to Amend the Canada Pension Plan for second reading so we will continue with that. We will then proceed to Bill C-75, the Canada Shipping Act. The first order of business tomorrow will be Bill C-75 which has not been previously completed. It will be followed by Bill C-111 with respect to the Customs Tariff.

• (1510)

We will continue to monitor the work of the House in terms of legislation and give prior notice of any change or alteration to the sequence of Bills. I will announce tomorrow the continuation of business for Friday and the following days.

Mr. Gray (Windsor West): Mr. Speaker, with respect to the proposal regarding the extension of sitting hours, I take it that it is understood that the House will not sit on June 23 and June 24 in any event.

Mr. Hnatyshyn: Mr. Speaker, the Standing Orders are clear in that respect. June 24, being Saint-Jean-Baptiste Day, the House will not sit. The Standing Orders also provide that when Saint-Jean-Baptiste Day falls on a Tuesday the Monday preceding it is also a day on which the House does not sit.

Mr. Deans: Mr. Speaker, just for clarification purposes, earlier today we had given some thought to trying to get the Private Members' Bills or motions of those Members who have lost the opportunity to have them debated brought forward during the course of the next two weeks in the hour set aside for Private Members' Business. I just want to put on the record that we are in fact looking to do that, given that certain Members through no fault of their own have been unable to have their motions debated.

Mr. Hnatyshyn: Mr. Speaker, yes, that matter has been discussed. We are working on communicating with all of those Members who have missed their turn, as it were, in the sequence. As you would expect, Sir, once we have set an agenda that is satisfactory to the House and to the Members concerned in Private Members' Business I will propose a motion which will establish the sequence of Private Members' Business for specific days so that all Members will be aware of

the business that will be forthcoming on those dates and so that the Members themselves can then prepare accordingly.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 444, 464 and 479.

[*Text*]

EXPORTS OF MILITARY EQUIPMENT

Question No. 444—**Mr. McCurdy:**

Does Canada currently export military equipment and, if so (*a*) to which countries (*b*) what type of equipment and/or parts (*c*) in each case, what is the price of such equipment parts?

Right Hon. Joe Clark (Secretary of State for External Affairs): Canada currently exports defence goods and/or services to NATO allies and other countries. Under the Access to Information and Privacy Act, specific details of these sales such as destination, equipment type and price are proprietary data which are provided to the Department of External Affairs by Canadian industry on the understanding that they will be maintained as confidential.

The following charts give a general overview of current Canadian defence trade statistics:

(A) Canadian defence trade with the U.S. and overseas
Jan. – June, 1985

	Cdn. millions
Procurement in Canada	
United States	837.0
Overseas	95.4
Total	932.4
Canadian procurement	
United States	907.9
Overseas	42.7
Total	950.6

(B) Canadian defence exports by industry sectors
Jan. – June, 1985 ($Cdn. millions)

	U.S.	Overseas
Aerospace	190.2	47.6
Armament	42.2	8.7
Electrical & electronics	246.9	22.3
General purchasing	38.2	0.7
Shipbuilding	55.3	13.5
Vehicles	264.2	2.6
Total	837.0	95.4
Total exports	932.4	

EXPORTS OF DEFENCE GOODS

Question No. 464—**Mr. Corbett:**

Motions for Papers

To the knowledge of the Government, since 1975, have any countries received arms or military equipment manufactured in Canada and, if so, which countries?

Right Hon. Joe Clark (Secretary of State for External Affairs): Since 1975, Canada has exported defence goods and/or services to NATO allies and other countries. Under the Access to Information and Privacy Act, specific details of these sales such as destination are proprietary data which are provided to the Department of External Affairs by Canadian industry on the understanding that they will be maintained as confidential.

GOODS EXPORTED UNDER EXPORT CONTROL LIST TO PAKISTAN

Question No. 479—**Mr. Riis:**

Since October 1, 1984, what was the value of goods exported to Pakistan under the Export Control List for the categories (*a*) Section 7001 subsections (1) and (2) (*b*) Section 7002 subsections (1), (2) and (3) (*c*) Section 7003 (*d*) Section 7004 subsections (1), (2) and (3) (*e*) Section 7005 subsections (1), (2), (3), (4), (5) and (6) (*f*) Section 7006 subsections (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12) and (13) (*g*) Section 7007 subsections (1), (2), (3) and (4) (*h*) Section 7008 subsections (1), (2) and (3) (*i*) Section 7009 subsections (1), (2), (3), (4), (5) and (6) (*j*) Section 7010 subsections (1), (2), (3) and (4) (*k*) Section 7011 (*l*) Section 7012 subsections (1), (2), (3) and (4) (*m*) Section 7013 subsections (1), (2), (3) and (4) (*n*) Section 7014 (*o*) Section 7015 (*p*) Section 7016 subsections (1), (2), (3) and (4) (*q*) Section 7017 subsections (1), (2), (3), (4) and (5)?

Right Hon. Joe Clark (Secretary of State for External Affairs): Under the Access to Information and Privacy Act, specific details of defence exports such as destination, equipment type and price are proprietary data which are provided to the Department of External Affairs by Canadian industry on the understanding that they will be maintained as confidential.

[*English*]

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

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

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I would ask that you be so kind as to call Motion No. 19.

DPW—CONTRACTS FOR WIRING SYSTEM IN LIBERAL CAUCUS ROOM

Motion No. 19—**Mr. Don Boudria:**

That an Order of the House do issue for a copy of any contracts issued by the Minister of Public Works to install, investigate, repair, alter, modify and/or maintain the electronic translation and/or wiring system in the Liberal caucus room.

Mr. Lewis: Mr. Speaker, this motion is acceptable to the Government and the documents will be tabled immediately.

Motion agreed to.

Mr. Lewis: Mr. Speaker, I ask that all other notices of motion for the production of papers be allowed to stand.

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

Mr. Speaker: Order, please. I sense a desire on the part of the Hon. Member for Ottawa—Vanier (Mr. Gauthier) to present a petition. Is it acceptable to the House that the Hon. Member be allowed to do that?

Some Hon. Members: Agreed.

* * *

PETITIONS

RIDEAU HALL—PUBLIC'S ACCESS TO GROUNDS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have some 20-odd petitions regarding the closure of the Government House grounds to constituents of and visitors to the national capital area. The petitioners ask the Government and Parliament to open up this decision and to consult with the citizens of the area and of the country in order that a *modus vivendi* can be arrived at so that we can better enjoy this property.

GOVERNMENT ORDERS

[*English*]

ARCHIVES OF CANADA ACT

MEASURE TO ENACT

The House resumed from Friday, June 6, consideration of the motion of Mr. Masse that Bill C-95, an Act respecting the Archives of Canada and records of Government institutions of Canada and to amend the Copyright Act, be read the second time and referred to a legislative committee.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

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

CANADA PENSION PLAN AND THE FEDERAL COURT ACT

MEASURE TO AMEND

Hon. Jake Epp (Minister of National Health and Welfare) moved that Bill C-116, an Act to amend the Canada Pension Plan and the Federal Court Act, be read the second time and referred to the Standing Committee on National Health and Welfare.

He said: Mr. Speaker, it gives me great pride to bring forward legislation entitled an Act to amend the Canada Pension Plan and the Federal Court Act, Bill C-116. It is the culmination of several years of consultation and co-operation among Canadians on the subject of pension reform.

The amendments to the Canada Pension Plan which we are discussing today will have far-reaching implications for virtually all Canadians in the labour force and for their families. As well, they will implement significant improvements for many individuals who are already receiving benefits under the plan. Indeed, there are few Canadians who will not benefit from the reforms to the Canada Pension Plan which are proposed to come into effect on January 1, 1987. I believe I can state that this legislation is one of the most important Bills that the Government will introduce during its present mandate. Twenty-five years from now many of the issues that have preoccupied both sides of this House will undoubtedly have faded to the dusty volumes of history; but the Canada Pension Plan changes that we now have before us will still be affecting the lives of millions of Canadians.

I would venture to suggest to my hon. colleagues that there are few issues of greater concern to all Canadians than the evolution and sound financial management of a social insurance program which provides Canadian workers and their dependent family members with protection against the loss of employment income in the event of retirement, disability and death. Furthermore, I believe that the legislation to amend the Canada Pension Plan is the capstone to federal-provincial initiatives which will result in a wide range of benefit enrichments, as well as in the establishment of a financing arrangement to ensure the plan's long-term stability.

The Canada Pension Plan came into being 20 years ago in 1966 as a result of foresight and co-operation among federal and provincial legislators at the time. The plan's benefits and benefit levels were established in response to the economic needs and social attitudes of the day. It was agreed at the outset that any major changes to the plan in future years would require the consent of both the federal Parliament and two-thirds of the provinces having two-thirds of the Canadian population.

[*Translation*]

During the last two decades, the CPP has served Canadians well. With the federal Old Age Security program, it forms the solid basis for pension income for Canadian workers. As we know, many of these workers have yet to enjoy adequate protection under an employer-sponsored plan, especially if they frequently change jobs—something which is becoming more and more necessary nowadays. And since CPP benefits are fully portable, the plan is the most important vehicle for providing income for retired workers.

• (1520)

[*English*]

I believe it is also appropriate to note that the federal Government, in addition to spearheading reforms to the Canada Pension Plan, has taken the lead in the area of reform of private employer-sponsored pension plans. While the majority of these plans fall under the direct jurisdiction of the provincial Governments, we have introduced legislation which will amend the federal Pension Benefits Standards Act which governs employer-sponsored pension plans in such federally regulated institutions as banks, railways, telecommunications services and federal Crown corporations.

The proposed amendments to the Pension Benefits Standards Act will implement important provisions for improved portability of pensions as well as earlier vesting of pension credits and greater flexibility in the age of eligibility for retirement benefits. I know that reform has been long sought by many people both in the House and out. These people have pointed out the need for vesting and portability in private pension plans and I am pleased to see that the Government and Parliament are moving very rapidly to fulfil those legislative requirements.

Moreover, we have consulted closely with the provincial Governments on the entire field of pension reform. Most of the provinces have indicated their intention to amend their own pension standards legislation and I am confident that in the wake of current federal and provincial initiatives, Canadians can look forward to a significantly great degree of uniformity in pension standards throughout the country in coming years. As Hon. Members know, standardization is important in a federal state such as Canada. In the past, it has been disquieting when people who wish for employment reasons to move from one province to another fear for their pension credits.

The continuation of federal-provincial initiatives such as those which have culminated in the reforms of the Canada Pension Plan encourages me, and, I am sure, all Hon. Members, to maintain a spirit of optimism for continued progress in the development of Canada's pension system. I must add that the co-operation of Canada's Parliamentarians from all sides toward reform of the nation's pension system has been a demonstration of the best aspects of democracy in action. I would like particularly to commend my two critics, the Hon. Member for Sudbury (Mr. Frith) and the Hon. Member for Beaches (Mr. Young), who not only have co-operated but have put forward suggestions. From time to time, people decry the way Parliamentarians act, but I think people will look back at the manner in which this matter has been handled and will feel that it was one of the brighter spots in Parliament with all sides acting together on behalf of Canadians.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): This non-partisan attitude has been evident through the consultation and discussion processes, particularly in the work of the special committee on pension reform, many of whose recommendations are addressed in the legislation that amends the Canada Pension Plan and the Pension Benefits Standards Act to which I have already referred.

Of course, the federal Government has also supported and implemented improvements in the income-tested benefits that are provided over and above the Old Age Security Program to low-income Canadians who have not had the opportunity to make adequate provision for retirement income. Even before we formed the new federal Government in September 1984, we supported the $50 monthly increase in the Guaranteed Income Supplement for needy single pensioners age 65 and over. This increase achieved two important objectives. It brought the income guarantee for single pensioners to a level that ensured a more decent minimum income for all of its recipients and it also implemented greater parity between single and married pensioners who qualified for the supplement. Nevertheless, during the 1984 election campaign, we indicated to Canadian voters that we were concerned about a significant anomaly in the income-tested spouse's allowance which provides benefits to eligible persons in the 60 to 64 age category who meet the residence requirements for the Old Age Security Program.

At the time, under the legislation, some widows and widowers could qualify for this benefit and others could not. A widowed person's eligibility for this allowance depended on the age of both partners in a marriage at the time one partner died. We promised that we would terminate this obvious inequity and introduce legislation to provide the spouse's allowance to all low-income widows and widowers in the 60 to 64 age group regardless of the age of their spouses at the time of death. This commitment was an immediate priority when we assumed office and, as Hon. Members present will recall, the necessary legislation received Royal Assent by the end of June 1985, and the new widowed spouse's allowance became payable the following September extending benefits to thousands of needy Canadians who had been denied them under previous legislation.

Of course, improvements in social programs must always be carefully considered by the Government in light of present and projected financial considerations. Indeed, because expenditures on social programs normally involve a continuing and escalating outlay, there is probably no area of spending that must be subject to more careful thought. This guiding principle applies equally to changes under a program such as the Old Age Security Program which is funded entirely from general taxation revenues and to a contributory program such as the Canada Pension Plan which is self-financing, being entirely funded by its members' contributions and the interest earned by the investment of surplus money in the plan's fund. In both cases, it is the money of workers and taxpayers that is paying for benefits, and the Government believes that Canadians should demand top value for their dollars which they pay in taxes or contributions toward those programs.

In the case of the Canada Pension Plan, it is necessary to obtain a federal-provincial consensus on major changes. This is required not only because of the unique rules for provincial consent to Canada Pension Plan changes but also because of the need for parallelism between the federal plan and its counterpart in Quebec, the Quebec Pension Plan. Discussions involving my Department, the Department of Finance and the provincial Governments were put in high gear very soon after the 1984 election and led to the federal-provincial agreement announced in December of last year. The results of these discussions are put in concrete terms in the Bill before the House today.

I think it is also important to pay special attention to the Minister of Finance (Mr. Wilson) who, with his provincial counterparts, negotiated many of the financial aspects of this Bill. It is important to note that when this legislation was passed by the House, in its wisdom, in 1966—and I think the House was right to do so, not only because I am Minister of National Health and Welfare—the House saw this as a social policy initiative rather than a finance initiative. It is important as well to show co-operation among the various finance Ministers, both federal and provincial, and I commend and thank them for that co-operation at this time.

• (1530)

Four concerns dominated the federal-provincial discussions: first, maintaining the long-term health of the plan's fund; second, ensuring the affordability of premiums paid by working Canadians and their employers; third, adapting benefits to the changing needs of Canadians; and fourth, maintaining parallelism between the Canada Pension Plan and the Quebec Pension Plan.

To meet the objective of putting the plan on a sound and stable footing for the future in the fairest and least disruptive way, it is proposed that gradual increases in the annual contribution rate will take effect each year beginning January 1, 1987. These rate increases will follow a 25-year schedule. Rates will increase by 0.2 per cent per year for the first five years of the schedule and by 0.15 per cent for the remaining 20 years. Therefore, by the year 2011—and obviously I invite all Hon. Members to be here at that time—the contribution rate will stand at 7.6 per cent, and of course workers and employers will each continue to pay half of the total contributions.

For Canadians earning an average wage, the premium increase in the first year of the new rates will add approximately $26 to the amount which they will contribute annually. In addition to the increase which will result from the annual growth in the year's maximum pensionable earnings for Canada Pension Plan purposes, or the YMPE as my colleagues will come to know it during this debate, it should be noted that the impact of the increases on take-home pay will always be

less than actual contribution increases because plan contributions are deductible for income tax purposes.

Two additional measures are proposed to ensure the stability of the Canada Pension Plan. The size of the plan's fund will be targeted to be approximately equal to two years of benefits in the long term rather than the present six years. This will guarantee a reserve sufficiently large to cushion the effects of economic and demographic fluctuations without building up a needlessly large and costly fund. By the year 2011, the fund will be slightly above the target in order to provide the cushion needed prior to the retirement of the so-called baby boom generation.

It is important for Canadians to know—and I think Hon. Members have been asked these questions in their ridings—whether the fund is solvent and whether there will something left when they retire. I want to tell them today that the fund is solvent, is in good hands, is paying its own way, and is secure. Yes, Canadians are contributing to the Canada Pension Plan fund which will pay them the benefits we are describing today.

There will be a procedure to review the financing of the plan at five-year intervals in the future, thereby ensuring that Canada Pension Plan finances are in good shape, that the contribution rate increase schedule is on track, and that there is always a 20-year to 25-year schedule of rates in place in advance.

As I indicated at the outset of my comments today, we have also secured agreement on a package of important Canada Pension Plan benefit reforms which nevertheless will have only a moderate impact upon long-term costs of the plan. Perhaps the most important feature of this reform package, the feature which will benefit the largest portion of plan contributors as soon as it is implemented, is the provision for greater flexibility in the age of eligibility for retirement benefits under the plan.

Before getting into the details of the changes, perhaps I should tell the House what we as a federal Government thought was most important. Not only did we want to guarantee the viability of the plan and to assure Canadians of its financial stability, we were absolutely insistent in the negotiations that we use the opportunity, whereby we knew we had to increase the contribution rate to improve the plan at the same time. The plan in 1966 was a good one, and it is a good one today. However, we knew there could be improvements. I know my hon. colleagues in the Opposition will say that there could be additional improvements to the plan, and I agree with that as well. What I am saying is that we should use every opportunity we have, as we have now done because the plan had to be reviewed from the point of view of its financial viability, to bring in improvements to a pension plan for which Canadians had paid.

As I have already mentioned, the benefit in the plan which I think will receive the most attention is the matter of flexible retirement entry. I should point out to Hon. Members that this provision is already in place in the Quebec Pension Plan. When I speak about parallelism, the Quebec Pension Plan in a number of ways, especially in this provision, has shown leadership in terms of bringing in new adjustments to reflect more closely the situation in the workplace and the retirement requirements of Canadians. I am pleased that the Canada Pension Plan is reflecting what has already taken place in Quebec.

To date, plan contributors cannot begin to receive their retirement benefits until the month following their sixty-fifth birthday. There has always been a provision whereby persons who wish to continue working and contributing to the plan beyond this age could do so until age 70. However, this provision was usually beneficial only to individuals with very short contributory histories. Essentially the plan gave them no compensation for the years of benefit payments they were giving up by delaying receipt of their pension.

Under the new provision, all contributors to the Canada Pension Plan will be able to co-ordinate the plan with their personal retirement arrangements. Contributors will be able to make a choice to begin receiving their Canada Pension Plan retirement benefits at the most appropriate time from the age of 60 through to the age of 70 with corresponding actuarial adjustments. The way in which the provision will work is that when a contributor chooses to begin receiving his or her retirement benefits sooner than age 65 and after age 60, the pension will be calculated in a normal way according to the contributor's earning history. Then it will be reduced by one-half of one per cent for each month prior to the month following his or her sixty-fifth birthday. This means that there will be a reduction rate of 6 per cent per year and a maximum reduction of 30 per cent if the contributor begins receiving the pension at age 60. Similarly, the pension will be increased by as much as 30 per cent for a contributor who delays the start of benefits until age 70. As well, contributors will have to meet a test of full or partial cessation of employment in order to qualify for the Canada Pension Plan benefits prior to age 65.

Given this range of potential reductions and increases, individual contributors' choices as to when to begin receiving benefits will be very important and should not be taken lightly. However, the Government feels that Canadians have both the right and the responsibility to make these choices for themselves, and that Governments should do what they can to help them tailor their retirement income plans to their individual needs.

I should like to put it in very human terms. I refer to a cartoon which I saw in one of the national newspapers last weekend. It showed a gentleman reading a newspaper which indicated that he could now retire at age 60, and its caption was "Free at last". Perhaps that describes the attitude of some Canadians to this provision better than I can describe it.

The new provision will be especially advantageous to individuals who find themselves out of work in their early sixties and are confronted with limited job prospects for unemployed individuals in that age category. The provision will also help workers whose private employer-sponsored pension plans offer options for early retirement. In such cases,

the company pension alone is not always sufficient to meet the income requirements, and he or she therefore is unable to take advantage of the option. Under the new legislation, however, workers who have this option will also be able to receive an early retirement pension from the Canada Pension Plan. In combination with the company pension, this should make it easier for them to retire sooner than age 65 if they truly wish to do so. We estimate that there are about 175,000 contributors in their early sixties who will want to take immediate advantage of this provision, or at least to look at the provision to see whether or not they want to follow those options. Moreover, I would like to emphasize that the implementation of this provision for flexible retirement will not add to the long term costs of the plan.

• (1540)

Another major benefit improvement, Mr. Speaker, one of which I am especially proud, will be a substantial increase in disability benefits under the Canada Pension Plan so that the maximum monthly disability benefit in 1987 should be in excess of $600, a dramatic increase over the 1986 maximum of $455. Moreover, because this increase is being applied to the flat rate portion of the benefit rather than to the variable, earnings related portion, there are about 155,000 current CPP disability pensioners who will see a significant rise in their payments next year.

As well, Mr. Speaker, the contributory rules for the plan's disability benefits will be relaxed, allowing workers who become disabled to qualify for benefits if they have contributed to the plan during two of the three years preceding their disablement; and the requirement that applicants must have contributed for at least one-third of their contributory period will be removed. As a result of these changes, an additional 5,000 people could qualify for benefits next year.

Under the Government's new legislation there will also be significant improvements in combined benefits under the Canada Pension Plan. The ceiling on combined disability and survival benefits, for example, will be increased to accommodate the higher flat rate benefit. The maximum combined pension in 1987 will be in excess of $700 per month. This change, Mr. Speaker, will also benefit as many as 5,000 people.

The ceiling on combined retirement and survivor benefits after age 65 will remain at the level of the maximum retirement pension during the year in which the combined benefit becomes payable. However, there will be simplifications in the calculation of such a combined benefit and this will result in increased payments to about 25,000 people during the first year of implementation.

There will also be a new category of combined pensions where a survivor beneficiary under age 65 has chosen to receive a flexible retirement benefit. New rules to cover this category of combined pensions are laid out in the Bill as well.

An important further provision regarding survivor benefits under the plan is that, starting next year, such benefits will no longer be withdrawn from a widow or widower upon remarriage. Benefits will be restored, on application, to former recipients whose benefits had been previously withdrawn upon remarriage. We estimate that some 35,000 people will qualify for reinstatment of their Canada Pension Plan survivor benefits as a result of this provision.

In preparing this package of benefit enrichments, the federal and provincial government representatives have been concerned with the need for improvement in the various forms of pension coverage that are available to women. Traditionally, women in Canada have experienced a greater degree of financial hardship during their senior years than men, and I am especially pleased that several features in the Government's legislation to modify the Canada Pension Plan particularly addressed the needs of women in retirement.

The improvements in survivor benefits, which I have just mentioned, are one part of these provisions. Another is the amendment which will ensure that, upon divorce, Canada Pension Plan pension credits earned by both partners in a marriage will be subject to sharing between the former spouses, without application, as soon as the necessary information is received by the planned administration. Similarly, when married couples separate or when common-law couples part, the division of the pension credits earned during the marriage or relationship will be mandatory upon application by one spouse. As well, Canada Pension Plan pensions earned during a marriage will be shared equally between spouses upon retirement if one of the spouses so requests. For this provision to apply, both spouses will have to be at least 60 years old and have ceased contributing to the plan. Spouses will have the right to preclude a division of pension credits or sharing of pensions, but only by mutual agreement explicitly referring to their Canada Pension Plan rights.

And finally, Mr. Speaker, I would like to refer to a small but important change governing the provision of children's benefits under the Canada Pension Plan. At present, the Plan pays a $91 monthly benefit in respect of a child of a contributor if the contributor dies or becomes disabled. We are now proposing to double the benefit in the cases in which the employment income of both parents is lost as a result of death or disability.

There are other provisions, but I do not have the time today, nor do I want to take up even more time of the House than I have already, relating to adoption. I have been concerned about what I think are archaic rules regarding the rights of adopted children. In some cases in federal legislation the rights of adopted children are not equal to those of children born to a family where benefits of the various provisions flow naturally and normally to a child. I would think the benefits in federal legislation generally—I am giving it as a general principle—should apply equally to adopted children as to those born to a family. I will not go into those details but I think in that area the same conditions will now apply under the Canada Pension

Plan for adopted children as for other children. That is a step forward, Mr. Speaker.

As I indicated earlier, these reforms to benefits and funding under the Canada Pension Plan have come about as the result of exceptional communication and co-operation among governments. The federal-provincial discussions which have culminated in the legislation now before Parliament have demonstrated that when responsible, committed Canadians agree on a mutual objective, they are able to arrive at a consensus which reaches across the borders between different levels of governments and Parties. Today, therefore, I wish to offer my most sincere expression of personal gratitude for the spirit of co-operation which has been evident from Hon. Members from all Parties in examining this legislation. I am not hopeful that Parliament, in giving this legislation its final consideration and in exercising further this co-operative spirit, will pass it with the expedience it obviously deserves and that the Bill will receive Royal Assent before the summer recess.

I am making this request to my hon. colleagues, because three major steps remain to consolidate these reforms to the Canada Pension Plan. First, the provincial Governments, which indicated their provisional agreement on the proposed legislation last December, must conclude their own ratification procedures before the end of this year. Second, my department must prepare for the implementation of substantial changes in the Plan's administration. Just as an aside, we have 19.5 million Canadians on record and every time a person contributes to the Plan, every Canadian employed, self-employed or otherwise, those changes have to occur and have to be accurate for each individual. It is the people's fund and their plan. I think Members of the House will see very quickly why the lead-up period of at least six months for implementing such changes for January 1, 1987 is needed to affect this in an administrative sense. Third, my officials must also prepare and disseminate important information about coming improvements in the Canada Pension Plan, both for current contributors to the Plan and for current and future beneficiaries. I call on Hon. Members of the House to use either their householder mailings, their good offices or contact with their constituents to indicate the changes coming about. They are complex and it is important that Canadians understand and know them.

In terms of disability, I am looking at getting a communication to doctors across the country. They might have information available, and as a person applies possibly for disability, the doctors will know the time frame in which the application has to be made. In that way people will not lose the benefits to which they may be entitled because of lack of knowledge of the regulations and provisions. There is obviously still a lot of work to be done on this matter.

• (1550)

I know that all of my colleagues in Cabinet, especially the Minister of Finance with whom I have shared jurisdiction over the preparation of this landmark legislation, join me in emphasizing the importance of ensuring its prompt passage so that we can provide much needed and much anticipated improvements in Canada Pension Plan benefits to Canadians in January of next year.

[*Translation*]

Mr. Speaker, we are well aware that even after these chages to the Canada Pension Plan have been implemented, there will always be room for improvement in this area, and I am referring both to the Canada Pension Plan and to the other public and private programs that make up of the retirement income apparatus in this country.

[*English*]

During discussions on the provision of improved retirement income for homemakers, including proposals to incorporate such a provision into the Canada Pension Plan as Members would also like us to proceed with, we will examine and seek solutions to the complex questions of equity, cost, and other related issues so that the necessary steps can be taken to achieve solid improvements in this area.

As I am sure my hon. colleagues can appreciate, this is a subject with broad social and economic implications. Nonetheless, the federal Government recognizes the importance for all Canadians of work done in the home. We want to ensure that homemakers can look forward to their retirement years without fear for their financial security. I am especially pleased that the provinces have agreed to pursue this subject further.

I am convinced that that is the next frontier in pension reform. I personally believe that the best vehicle is the Canada Pension Plan. There may be some who believe that there should be another vehicle, a separate account. I would like to have that discussed. I do know that just as we give value to and can administer work which is related to earnings, the time for a homemakers pension has come for work related to the home which builds the mortar and bricks on which the family unit is based. A homemakers pension is valid and Parliament should take upon itself responsibility to ensure that this next step is taken before long.

In closing, I believe that the Canada Pension Plan reform legislation now before us and the commitment of federal and provincial Governments to pursue further improvements in the area of pension reform are a salutory affirmation of the parliamentary process as it continues to serve Canada with distinction.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I would like to preface my remarks this afternoon by thanking the Minister of National Health and Welfare (Mr. Epp) for the compliments which he gave me and the Member for Beaches (Mr. Young). It is precedent setting in the sense that all three Parties in the House have allowed this legislation to proceed in order that we can pass this Bill before the end of June. I would like to thank the chairman of the Standing Committee on National Health and Welfare, the Member for Oxford (Mr. Halliday) for the work which he did as well.

Some Hon. Members: Hear, hear!

Mr. Frith: Due to the precedent-setting way in which we have introduced this Bill, Members of the Opposition will not be allowed to introduce amendments to the legislation at committee stage. For that reason, in the latter part of my remarks I will put clearly on record the way in which the Liberal Party would have moved to improve the legislation had we had the opportunity to do so.

I first commenced to gain knowledge of the subject matter when I was asked by the previous Minister of National Health and Welfare, the Hon. Monique Bégin, to head a task force in the early winter of 1983 to study two particular areas. The first was private pension plan legislation in the country and the second was public pension plan systems in the country. We were very fortunate that during the 10 months in which we studied that subject matter all three political Parties approached the matter on the basis of arriving at a consensus to allow us to move forward with the legislation program on the much needed reforms to both private and public pension plans.

It is a compliment to the parliamentary system that we were able to produce a largely consensual document in December of 1983. For that reason alone we are today advancing to the legislative agenda the much needed pension reform in the country. While we are paying compliments, we should compliment the members of that committee from three years ago because they were instrumental in allowing us to come to grips with the legislative agenda on pension reform.

During those 10 months of study in 1983 I learned that the subject matter is very complex. The more I thought I knew about the subject matter, the more I learned that I did not know about it. That having been said, as always happens, there came a day when the political parties had to make decisions on the improvement of pension legislation. We did so in December of 1983.

There were two major reasons why we required pension reform in the country. The first was the new emerging work patterns in the country which were totally different than the work patterns of my father's generation. The second reason is the monumental changes in lifestyle. With regard to lifestyle, I speak of the regrettable fact that we have a much higher rate of marriage breakdown in the country today than we had in previous generations. For that reason, many of the recommendations of the task force which you will see in Bill C-116 and Bill C-90, the Act relating to the private pension area, are much needed.

With regard to emerging work patterns, people who go into the workforce can be expected to work in two or three different provinces during their lifetime. They can be expected to be retrained at certain points during their work career. As a result, the system must become much more flexible and affordable. Many of the recommendations in this legislation and Bill C-90 were made as a result of those two emerging patterns.

I would like to indicate to the House why the Liberal Party decided to allow swift passage of this legislation. However, since we are not allowed to move amendments, I think it is necessary to put on the public record the amendments we would have moved to the legislation.

The agreement was reached because, frankly, the legislation before us is better than the legislation which presently exists. It goes a long way to addressing the needs of my own constituents and other working Canadians. I recognize that if we were not able to pass this legislation by the end of June the improvements to public pension legislation would have been delayed by a year. Rather than being able to institute these changes by January 1, 1987, they would have been delayed until January of 1988.

Having become intimately involved with the subject matter, I can appreciate the problem of the Minister of National Health and Welfare. Once one has mastered the subject matter, it is still difficult to transverse the regulatory mechanism in order to attain the changes. The Minister stated previously that it requires the agreement of two-thirds of the population representing two-thirds of the provinces in order to accommodate change to the public pension plan system. Therefore, even though you have finally reached the position, it takes a lot longer to arrive at a consensus among the provincial Governments. I recognize that is a major obstacle, hence an added reason for realizing that the Minister has already negotiated to the best of his ability a consensus package with his provincial counterparts. I will be the last one to stand in the way because I also recognize the complexity of that kind of negotiation.

• (1600)

I happen to believe, as the Minister does, and I think as the Hon. Member for Beaches does, that this is a very unique way of introducing legislative change on the floor of the House of Commons. Hopefully it can become a model, to some extent. We talk about the need for parliamentary reform, and that is a prime area where individual Members of Parliament can have some influence on the way in which legislative programs come into being. I hope that in future, prior to the Government entering negotiations with the provinces in order to attain this kind of change, it would feel able to reference the changes to the standing committee so it can have some input to the agenda for negotiation with the provinces. I think that would be an added step towards meaningful parliamentary reform.

I would now like to focus on three key areas where I feel the Bill could have been approved. I speak now as the Member of Parliament for Sudbury. I hope the things I have to say will reflect many of the problems individual Members of Parliament have with their constituents.

In my own constituency the one area I have a great deal of difficulty with is that of CPP disability pensions. The majority of my constituency workload is in this area. I was hopeful that, having undertaken legislative reform of the CPP after 20 years, we would have been able to improve the Section dealing

with disability better than we have in this Bill today. The Minister has correctly stated that this Bill will significantly enhance disability benefits. It will increase the amount paid from $458 a month this year to a little over $600 a month next year. To me that was reason enough not to stand in the way of passage of this legislation.

However, once that is accomplished, the flat benefit portion of a CPP disability pension will still represent only 80 per cent of the Old Age Security cheque. I think all of us recognize that those 65 and over are relatively well protected by the social safety net in place. Where we have problems is in the age bracket of 45 to 64. If a Canadian falls victim to a stroke or a heart attack, or has some long-term disability hit his family, and he has no private pension that will cover it, he falls solely into the arms of the Government for support. That is where our legislation is woefully inadequate. Even with this significant improvement, we still fall short of what is required for a decent standard of living.

This is where the Liberal Party differs. We would have preferred to have increased the flat rate to 100 per cent of the OAS. In addition, on the earnings related portion, which will remain at, I believe, 75 per cent of the earnings component, we would have put forward as an objective 100 per cent replacement. We could therefore have significantly improved the standard of living of those individuals who have to rely solely on the disability benefits under the CPP. How much would that have cost contributors? Not very much. The package we are putting forward today is very modest, although a significant improvement. The cost of increasing the payments to the levels I suggest would not have cost more than a 0.2 per cent increase in the amount of contributions. I do not think there is a working Canadian who would object to an increased payment of $24 a year to obtain a better standard of living for those unfortunate enough to have to rely on a disability pension for their livelihood.

Most Members of Parliament recognize that our constituents must almost have one foot in the grave before they qualify for a CPP disability pension. Yet if there is one province which deserves credit for improving the legislation, that has to be the Province of Quebec. What we have seen tabled in this Bill today has been in effect in Quebec for the last four years. As well, in January, 1984 the Quebec Government changed the definition of disability for contributors between the ages of 60 and 64 to the following. They are considered disabled if they are incapable of carrying on a job they had before becoming disabled. That kind of change would have been an improvement of this legislation. The problem at present is that when people apply for a CPP disability pension, a civil servant can ask that person to seek employment in an area with which he is not familiar. That is in effect another way in which we block access to a disability pension. Therefore I would have preferred changes in the definition of disability to allow more Canadians the opportunity to obtain a disability pension.

Last but not least, I believe there should be changes made to the eligibility criteria with respect to the number of years worked prior to the application. How many times has the bureaucracy, and this is not their fault because they are simply following regulations, refused a pension on the basis that the person should have applied for it prior to coming to us as Members of Parliament? There is absolutely nothing we can do once they come to us if they do not meet this particular eligibility requirement.

Having said all that, I want it clearly on the record that, despite these changes to the CPP, Parliament has to push forward on a national disability insurance plan. That is the only way in which I believe the public can best be served. It has to be separated from the CPP if we are going to properly address the needs of disabled Canadians. I just want it clearly on the record that in addition to those improvements in the Bill, the Liberal Party is in favour of the introduction of a national disability insurance scheme.

Another significant step forward, I believe, is the introduction of the concept of early retirement in this legislation. That is a very progressive step. It will allow someone the opportunity to take a pension as early as age 60, at a reduced amount. If at age 65 you are eligible for a $400 a month pension, and you take it at age 60, it will be reduced to $280. If you wait until age 70, it will be enhanced and could be worth as much as $700 a month. I hope our constituents understand that while this introduces the concept of flexible retirement, there will be a difference in the amount of pension that they can collect. Earlier flexible retirement is an excellent part of the legislation.

• (1610)

There is one area that I believe Parliament should consider when it next undertakes reform. It is the way in which the Canada Pension Plan is stacked and integrated with private pension plans. While Parliament is going to significantly improve early retirement benefits and disability benefits, I find it objectionable that we have not dealt with the workers who have access to a private pension plan at their place of employment. For every extra dollar we give today, they will lose a dollar from their private pension. I think that is a sad reflection on the way we, as legislators, have failed to protect workers' interests in this country. We could have also made significant improvements if we had studied this particular area.

I have already talked about how emerging lifestyles impacted on the legislation before us. As well, I stated that some 40 per cent of today's marriages break down. Significant portions of this legislation and Bill C-90 will go a long way to improving the lot of women in our society, because this is largely a woman's issue.

The Minister already noted the effects of survivors' benefits. The measures in the legislation which dispel the idea that one is no longer chattel in this country are a significant improvement. Previously, those who remarried lost survivors' benefits. Not only will that be corrected, it will be retroactive so that

people who previously lost benefits under survivors' benefits can apply to have them reinstated on January 1, 1987.

Last, but not least, I want to talk about the inclusion of home-makers in the Canada Pension Plan. I recognize, as does the Minister of National Health and Welfare, that there is significant public opinion on our side in allowing the introduction of home-makers into the Canada Pension Plan. This has only been a result of changes in provincial Governments in the Province of Quebec and the Province in Ontario. Those provinces, because of their size, effectively had a veto. Now that those provinces are at least in favour of the principle of the inclusion of home-makers in the public pension plan area, I think we have a reasonable opportunity to reddress a wrong that was done with the introduction of the Canada Pension Plan in 1966. I believe that when we allowed the workers of that generation to have access to a public pension plan in 1966, we should have embarked upon a study of the concept of a home-maker at that time.

The Canada Pension Plan was phased in over ten years after its introduction in 1966. Public pension plans operate in a way totally different from the private pension and people should understand that the public pension system is probably the best bargain for any worker in this and the previous generation. In the previous generation, for every dollar of benefit derived from the Canada Pension Plan, those contributors paid only 17 cents. The other 83 cents has been transferred to the next generation of Canadians, who include the Pages in the House. They will be paying the other 83 cents.

When we studied whether or not we should expand the Canada Pension Plan, we made sure that the recommendations we made to Parliament would not place an undue burden on the next generation. I have no fear about the solvency of the Canada Pension Plan, but it should be made clear that the Canada Pension Plan will remain solvent so long as that burden that we transfer to the next generation of Canadians can be tolerated. The moment we go beyond that, we are in danger of reneging on the intergenerational transfer of responsibility from one generation to the other. That fact bears close scrutiny when we undertake any future changes to the Canada Pension Plan.

During the ten-year phase-in of this plan from 1966, we were dealing with a male versus female problem. In those days, the majority of the workforce was male. Parliament was allowing them the best opportunity at the best bargain price to enter into a public pension plan, but we did not allow the mothers of that generation the same opportunity. They had worked equally hard to build the infrastructure in this country that my generation and future generations would be allowed to enjoy. That is why I am greatly in favour of the inclusion of homemakers in the Canada Pension Plan and I hope that the Minister of National Health and Welfare will strongly recommend homemakers to be included retroactively. The cost involved in giving our parents' generation an equal opportunity is not great. We are talking about those born since in 1901. I hope the Minister strongly urges retroactivity with respect to homemakers.

In the event that we are unable to successfully negotiate the inclusion of homemakers in the Canada Pension Plan, I want the public record to show that the Liberal Party will consider the Cofirentes model with respect to an improvement in the Canada Pension Plan.

Let me explain the Cofirentes model. The present Canada Pension Plan only replaces 25 per cent of the average industrial wage for those Canadian workers who earn one-half or less of the average industrial wage. The Cofirentes model, recognizing the need for low-income workers to have more of their pension requirements met by the public pension system, recommends an increase from 25 per cent to 50 per cent for the first half of the average industrial wage, while maintaining the Canada pension replacement at 25 per cent for the next half of the average industrial wage. In the event that homemakers are not included in the public pension plan system, I am stating for the record that we should be considering an option like the Cofirentes model for improving the lot of lower income working Canadians.

[*Translation*]

Mr. Speaker, I have already explained the situation concerning the problem due to the complexity of this question and the negotiations and, for all the reasons I have given, the support of the Minister of National Health and Welfare is required to amend the legislation. I support this measure and I hope we will have an opportunity to hear and question witnesses in committee. I am sure of that. I can appreciate the problem of the Minister and Parliament.

If we want to change the law we must have the co-operation of all Parties in the House. Today, Mr. Speaker, I am proud to give my support and to co-operate because, after studying this problem for a number of years, I am sure that the measure introduced today will improve the situation of Canadian workers.

[*English*]

Having said that, I know that the Hon. Member for Beaches wishes to join in the debate. In conclusion, after studying this problem for several years, I am proud that at least this study in which all parties took part did not gather dust. I can honestly say that with the Bill that will be passed today, and Bill C-90 which will be introduced before the end of June, we will significantly improve the lot of the average worker in this country.

Mr. Neil Young (Beaches): Mr. Speaker, at the outset, let me say that the co-operation that has been shown by members in my Party will continue in order to ensure the speedy passage of this Bill prior to the House rising for the summer recess. Let me also say that I have enjoyed working with the Hon. Minister of National Health and Welfare (Mr. Epp), the Member for Sudbury (Mr. Frith) and the Hon. Member for Oxford (Mr. Halliday), who was the Chairman of our

committee, as we tried to work through what I have previously described as a rather difficult but unique process. It has been difficult because of the nature of negotiations between the federal and provincial Governments with respect to bringing amendments to the Canada Pension Plan forward. While I appreciate that, and support the amendments in so far as they go—I believe they are a vast improvement over what presently exists—it does not mean I am entirely happy with the process or the question of whether the amendments go far enough or even whether the amendments will do what we like to believe they will do, and I will come back to that momentarily.

• (1620)

As has been pointed out, the amendments cover such things as early retirement, improvement in disability benefits, improvements in the area of credit and pension splitting and survivor benefits. We have gone through this lengthy and difficult process of negotiation with the provinces and the federal Government to arrive at the amendments now before us, and what disturbs me is that this is the first time in 20 years that there has been a major review of this plan.

I suggested to the Minister in committee the other evening that it is not satisfactory for an agreement to be negotiated, arrived at and concluded, then simply brought back to the House of Commons for our stamp of approval, because we cannot offer any amendments to the proposals which are before us. I suggested to the Minister, and I would suggest to any other Minister who is involved in much of the same kind of process, that some mechanism must be found where the Opposition Parties in the House of Commons are consulted in a very real way about the manner in which the negotiations between the federal and provincial Governments are carried out. I say to you in all seriousness, Mr. Speaker, that both the Hon. Member for Sudbury and myself, on behalf of my Party, could have been quite helpful in that process.

I understand there are still some negotiations to be carried out with the Province of Ontario. I am hopeful that at least on an experimental basis some all Party discussions can take place on a unified Canadian position with that province or with any other province in future negotiation. I think it would be a good thing to do. Not only would it be a good thing to do in terms of what we are interested in, but certainly in the spirit of Parliamentary reform. So I strongly recommend that to the Minister. Knowing him from the years I have worked with him, I am sure he will be open to that suggestion. Perhaps he will take it up with his officials to see if some mechanism can be worked out to accommodate that need.

As the Minister said in his opening remarks, he would be quite surprised if Members of the Opposition did not offer some criticism. I do not want to surprise him. I am sure he expects us to say a few words, albeit, not harsh words, about the Bill before us.

First, I really think we have missed an opportunity to take a hard look at how we could improve the benefit pay-out to all contributors to the Canada Pension Plan. There have been a number of recommendations made by various Parties over the years who have recognized that the Canada Penson Plan is probably, next to the Old Age Security Act, the best way of providing an adequate income when people retire. My colleague who is no longer with us, but who certainly served on the committee which took a look at parliamentary reform, Ted Miller, argued very strongly that there should be an increase in pension benefit pay-out to equal about 50 per cent of the average industrial wage. As we know, at least half of the people who are employed in Canada are not covered by private pension plans. For many of those Canadians it means looking forward to the so-called golden age of retirement as the golden age of poverty. It is a fact that 6 elderly single women out of 10 over the age of 65 are living on incomes well below the poverty line. In a country as rich as Canada, with our resources, potential and people, I think that is a national disgrace. In a country as rich as Canada, the fact that we allow 6 elderly single women out of every 10 over the age of 65 to live in poverty is not acceptable today, if it was ever acceptable before. It is something we should be able to do something about.

While I am on that subject, there is also a large population of single elderly women who have never had an opportunity to participate in the Canada Pension Plan and, therefore, are not elegible for a benefit under the CPP. There is a real need to do something about that group of Canadians. Unfortunately, the way the CPP is structured at the present time there is no relief. Certainly I hope the Minister of National Health and Welfare is taking a look at the Old Age Security Program to increase benefits in order to give some relief to that large group of single elderly women.

I would like to pose the question, Mr. Speaker, why the Government felt it necessary, when it loosened up the retirement age from 65 years to 60, to make the formula for reduction in pension benefits in the area of 6 per cent per year of early retirement? That will not be much of an inducement to take early retirement. If the object of the exercise is not only to improve pension benefits for Canada's elderly, but also to allow younger people to enter the workforce, I do not think a 30 per cent reduction in pension, if a person elects to retire at age 60, is much of an encouragement for that individual to leave the workforce. Many people cannot afford to live on that kind of income. I would have much preferred a formula more in line with what has been accepted in many private plans, which is something like a 4 per cent reduction in each year of early retirement rather than the 6 per cent proposed by the Government.

With respect to disbility benefits, I would agree with the Hon. Member for Sudbury. I had the opportunity of working on another committee with the Hon. Member for Oxford. It was a Special Committee on the Disabled and Handicapped in the last Parliament. Fortunately, that committee has now been struck as a permanent subcommittee which I hope will go on beyond this session, because it is of such value to the disabled community. However, in the previous committee we presented

a report to the House of Commons which was entitled "The Obstacles Report". Recommendations Nos. 39 and 40 in the report of that committee, which was an all Party committee, strongly recommended the setting up of a national disability insurance program for very good reasons, and I will not go into all of them today. We recognize that there are a large number of Canadians who have never been in the workforce and who will probably never enter it simply because they are disabled or handicapped to such an extent that they cannot perform within the workforce as we understand it. For them there is no such thing as a disability benefit under the Canada Pension Plan. We felt that a more sensible approach would be to set up a national disability insurance program to take into account that approximate 10 per cent of the population which is excluded. Not all of them are excluded at the present time, but certainly a great many of them are. For example, within the visually impaired community in Canada the unemployment rate is in excess of 90 per cent. In other words, if one happens to be visually impaired, or what is called legally blind, one's chances of finding employment in the regular workforce are practically zilch. It seems to us that a much better way of dealing with this problem would be to set up a national disability insurance program.

• (1630)

Every Member of the House who has ever dealt with a constituent who has attempted to obtain a disability benefit under the Canada Pension plan is as familiar with the problems as I am. First, in order to receive a disability benefit under the CPP one has to be practically comatose or bedridden. That is much too difficult a requirement to meet to make one eligible for a disability pension. While we applaud the increase in disability benefits proposed by the Minister, and while we very much agree with the proposed amendment which would allow a person who has been in the workforce for two years out of the last three to become eligible for disability benefits, I suggest that in many cases it is not helpful to a great many people unless they become eligible for the program in some other way. I would like to see a loosening up of that eligibility requirement. I agree that it is probably too late in dealing with these amendments to do much about that. But certainly in the next round of negotiations between the federal Government and the provinces the whole question of disability benefit eligibility requirements should be high on the list of priorities for negotiation.

I welcome the Minister's remarks today in which he said that his Department would step up a national program to the medical profession with respect to disability requirements setting out what is required of individuals in terms of contribution records in order at least to qualify to apply for a benefit. I say to the Minister quite plainly that if his Department wishes to put together some type of explanatory package which is easily handled and easily read I would certainly be interested in including such a package in the reports I mail out to my constituents. I would recommend to members of my caucus and to other Members of Parliament that they take advantage of this type of offer if it is forthcoming.

If there is one major problem that people have out there it is with respect to the lack of information on a whole host of government programs. It is also difficult to disseminate this information. However, if the medical profession were made aware of what is available to their patients, that would go a long way toward solving many of the problems we now have about how people find out what is available to them in terms of disability benefits. I welcome any offer that comes from the Minister's Department in that respect.

There is another area with which I wish to deal. I see that Section 116(2) of the existing legislation has had some minor amendments to it. As I understand the section, whenever any amendments are introduced or presented to the House the Chief Actuary is supposed to provide us with cost and impact figures with respect to what we are proposing to do under the Canada Pension Plan. I have not received those figures. I do not know whether the Chief Actuary has actually done that or not. However, he is supposed to do it with due haste and speed. The quicker I get my hands on that material, the better off I will be. It will provide some insight with respect to just what the costing is. Perhaps it will even erase some of the concerns I have at the present time. If such information is available I would like to receive it before we get into report stage and third reading of this Bill.

I would now like to deal with two other areas, one of which the Hon. Member for Sudbury (Mr. Frith) touched upon in his speech. I also spoke about it at great length when Bill C-90 was before the House. When someone leaves his employment due to a disability, at the present time under most private plans there is a benefit that is generally described as a bridging benefit. In other words, the individual receives a pension earned up to the point of leaving employment. There is usually then a supplemental benefit paid which equals either Old Age Security benefits, which would otherwise be received at the age of 65, or, in some cases, the full equivalent of Canada Pension Plan benefits, which would otherwise be received at the age of 65. However, what happens is that if this individual applies for a disability benefit under the Canada Pension Plan, usually on the advice of a physician, and the eligiblity is determined and accepted and the individual actually receives a disability benefit, then the insurance company immediately deducts dollar-for-dollar off the amount that it paid to this individual. I am fearful that unless something is done under this legislation to prohibit such a practice, then all we are doing as a result of increasing the disability allowance is in effect giving the private insurance companies a windfall. It will be those companies which benefit and not the recipient of the disability benefit under the Canada Pension Plan.

There are other areas which I am not sure the Government has considered. Under some plans in which an individual is entitled, as a bridging benefit, to full CPP benefits as if he had worked until the age of 65, if that individual decides to retire at age 60 on January 1 of a given year with a 6 per cent

reduction for each year of early retirement, does this mean that the employer will then turn around and say: "Look, the legislation does not say you should receive 100 per cent Canada Pension Plan so therefore we will reduce our pension pay-out to you by 30 per cent"? I do not know whether or not the Government considered the matter when it was discussing these amendments. If it has not, then it would be very useful if it did something with the regulations that would prohibit the private insurance companies from receiving a windfall profit, as I have suggested.

• (1640)

While the Government's proposed splitting of pension credits on marriage breakdown has gone as far as it should probably go, I am a bit disappointed by the proposals for the splitting of pension benefits at age 65 between married couples or at age 60 if the couples have elected early retirement. I am disappointed because that is elective rather than mandatory. One or the other spouse would have to elect to split that pension benefit rather than have it be mandatory.

As long as I have been around here, women's organizations and others concerned about pension matters have argued loud, clear and long on that matter for very good reason. For example, in the case of a marriage breakdown, there are an awful lot of sharp lawyers out there with sharp pencils who attempt to make the pension credit a part of the divorce settlement by offering the woman a lump sum payment rather than the credit. Very often, because of the circumstances of the marriage breakdown, that lump sum seems to be attractive at that particular point in time. However, when the woman reaches age 65 and discovers how much pension she is about to receive, she then questions if it was indeed wise to accept the lump sum payments. Therefore, I would much prefer to have the proposal regarding pension splitting on retirement mandatory rather than elective.

Mr. Epp (Provencher): There are problems with provincial property rights.

Mr. Young: The Minister tells me that that presents problems with provincial property rights. That may very well be, but I would suggest to the Minister that this is one of the reasons opposition Members should be involved at least in a consultative way prior to the negotiations with the provinces. Perhaps we could request the provinces to change the legislation to accommodate what I think would be the right thing to do.

I have one last point to make and this is a point which has been raised with me many times. I appreciate some of the difficulties involved in it. However, it is something that I think should be explored. I am talking about what happens when people are temporarily out of the workforce or are in the workforce but, because of their employer-employee relationships, are denied the opportunity of making contributions to the Canada Pension Plan. As I understand it, perhaps because of the income tax laws, taxi drivers cannot pay into the Canada Pension Plan. I do not know if this problem lies with income tax people. I know they have a lot of problems and they give us problems many times. However, it seems to me that we may be creating other problems for people on retirement if we do not allow those individuals to pay into the Canada Pension Plan. We may be faced with increased welfare payments when they reach age 65, and it may be false economy to deny people the opportunity to participate by making contributions into the CPP.

As well, if a person leaves the workforce on a temporary basis, say because of a heart attack, that individual is not allowed to make contributions on his own behalf while outside of the workforce. As a result, he faces a reduced pension at retirement age. I do not know if this is a bureaucratic thing or if there is some sensible, logical explanation behind it. If there is, it escapes me. If an individual is willing to pay his or her share plus the employer's share into the Canada Pension Plan, then I cannot for the life of me see why he or she should be denied the opportunity to do so. Perhaps that is something else that could be given consideration before we return to negotiations with the provinces on further amendments to the Canada Pension Plan.

As I said before, I want to assure the House of our continued support to ensure that this legislation is passed by the end of next week so that the Department will have an opportunity to do all the things it needs to do to ensure that these benefits are indeed passed on to Canada's pensioners on January 1 of next year. If the Minister would like to think about some sneaky ways in which he could sneak my suggestions into the legislation, it would be even better.

[*Translation*]

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I welcome this opportunity to speak to a question which I see as extremely important. However, I warm you that unlike the three previous speakers, my reaction to the Bill will be as negative as theirs was positive, if not more so. I shall explain.

If we look at the amendments proposed by the Minister, following consultations with the provinces, if we look at the figures released by the National Welfare Council in 1985 on the poverty profile, when we see that in 1984, 54 per cent of the elderly were living below the poverty line, and if you then ask me whether this Bill, together with Bill C-90, will remedy the situation, I have to say it will not.

Mr. Speaker, earlier we were looking at certain advantages of this Bill that would enable people to retire early and receive benefits under the Canada Pension Plan at age 60, as is already the case in Quebec, but subject to a penalty.

Mr. Speaker, when I see Members of this House, whatever their political stripe, who believe that this Bill will make it attractive for people to retire early, I think they are being very naïve, because, this is another measure aimed at helping the rich. The benefits received under the Canada or the Quebec Pension Plan alone are not enough for a person to live on. It

means that this person has to have a good RRSP and a good private pension plan, to afford to draw his Canada Pension Plan benefits at a 5 per cent discount per year.

Mr. Speaker, when we talk about early retirement and look at the whole range of important decisions that are supposed to make it attractive for people to take early retirement, I don't think that cutting unemployment insurance benefits for people who agree to retire early from a full-time job and find part-time work will do it, nor imposing a 5 per cent reduction in Quebec or Canada Pension Plan benefits as a condition for allowing people on average and low incomes to retire early and thus give younger people a chance.

Mr. Speaker, what the Canada Pension Plan Bill does is increase taxes. It will increase our taxes by $286 million in 1987, $615 million in 1988, $1.04 billion in 1989, and if no changes have been made by the year 2000, by $7,746 billion annually.

At the same time, Mr. Speaker, there are provincial governments that owe considerable sums of money to the Canada Pension Plan, nearly $30 billion. The Province of Ontario alone owes $15 billion. These provinces are not being pressed to pay back what they owe. If they were, perhaps this would keep contribution levels from increasing so quickly or, if we were to increase contributions at the rate proposed in the Bill, we could then increase benefits by 50 per cent.

• (1650)

Mr. Speaker, if we look at this Bill and Bill C-90, which introduces changes to private pension plans, we see that both Bills are aimed at improving the situation and indeed, there is an improvement, but it benefits those who are well-off. Bill C-90 does nothing for people who have no indexed pension plan, as CN retirees and others know too well.

There is no new policy, no improvement for the thousands upon thousands of Canadian men and women who work for companies without pension plans, the thousands of Canadians who work for small—and medium-size businesses which have no pension plans either, and their future is not made any brighter by these two Bills which we will be considering in the next few days.

Mr. Speaker, I think the Minister of National Health and Welfare (Mr. Epp) must take the blame for this situation. In May of last year, as you may recall, the Minister of Health failed to rise in Cabinet to defend the interests of elderly Canadians and he simply stood by while the old age security pension deindexation project was approved. Elderly Canadians themselves had to march on Parliament Hill on June 19, forcing the Government to recant and admit that the Opposition Parties and retired Canadians were right.

Just looking at the propositions contained in this Bill and in Bill C-90, I can tell they come from the same Minister. There has been some improvement because it was this Minister who sponsored the Bill concerning the spouse's allowance for widows and widowers, but he did not do anything to stop discrimination against people who are unmarried, separated or divorced, and again we find out that he lacks the leadership and courage to stand up for his own convictions.

I agree with the Minister that negotiating with the provinces is no picnic, but I think these propositions amount to a very minor reform. I sincerely believe that nothing is being done to make sure that all Canadian workers, men and women alike, can look forward to a financially secure retirement. In my opinion, the only groups that stand to gain in this case are the provincial Governments.

Mr. Speaker, let us consider the choices made by this Minister and this Government, let us consider their suggestion that people be allowed to invest in RRSPs to prepare for retirement. I have here an article written by *La Presse* financial reporter Claude Piché who clearly explains who stands to gain most through RRSPs. Can a man or a woman earning $10,000 afford to invest $1,000, $2,000 or $3,000 in a RRSP for his or her retirement days? No.

Let us refer to the table in Mr. Piché's article. An unmarried taxpayer with a gross income of $10,000 who invests $1,000 in a RRSP will end up with tax savings of $159. Another one whose income is $30,000 and who invests $1,000 in a Registered Retirement Savings Plan will save $347 in taxes. Yet another one who earns $50,000 and invests $1,000 in such a savings plan will pay $432 less in taxes. And if that same person earns $80,000 in Canada, is single and invests $1,000 in a RRSP, it means saving $510.

Mr. Speaker, it is quite clear these measures tend to improve the situation of people who are well off. And how do they affect someone who has been a Member or a Minister here for 15 or 20 years? He will be entitled to his Member's pension. He will be entitled to benefits under the Quebec Pension Plan or the Canada Pension Plan and will be allowed to draw these benefits when he is 60. He won't mind the 5 per cent penalty. He will also have his RRSP and be entitled to this and that and the other. And what do the people in our ridings think about this? There are hundreds of men and women and young people—and I am not talking about people who have already retired. I am talking about people who will retire, eventually. It was hoped that as a result of a thorough reform of our pension system, future generations would not go through what our senior citizens are going through today. We hoped things would be done the way they were done in Europe, in all countries that for over one or two centuries have been concerned about giving people a decent pension plan, a decent retirement plan. Mr. Speaker, we have failed to improve the situation of three quarters of the people in our ridings.

And if we consider all these people who work in a corner store or a grocery store, all these people who work in small businesses? We all know that increasingly, in Canada and Quebec, small business is the industry of the future, but where there are only 10, 15 or 20 employees, there is no provision for a private pension plan, considering the cost and employe earnings.

Bill C-90 does not do anything for these people. If we look around in our ridings, none of the people working in the textile and footwear industries, mothers with children, and so forth, have any protection today. We are doing nothing to improve their quality of life. And tomorrow, these people will still have to go and get their Old Age Security pension and their Guaranteed Income Supplement and they will still be living below and on the poverty line. And why is this going to happen? It is because we have not seen fit to take our responsabilities seriously.

Mr. Speaker, the Canada Pension Plan is excellent. When they decided to increase contributions they should have made sure that the provinces would repay the money they owe, for the Canada Pension Plan must no longer be a loan fund from which the provinces can borrow at will to pave roads and build sewer systems and highways. That money belongs to working men and women throughout Canada.

Their first objective should have been to make sure that the benefits paid to any Canadian worker from the CPP or the QPP amount to 50 per cent of his or her income. No, Mr. Speaker, the private sector must be left alone, so only one class of people stand to benefit.

There is a three-tier plan in England. The public pension plan is equivalent to what we have in Canada, the old age security pension plan. There is a very important public pension system similar to the Canada Pension Plan or the Quebec Pension Plan, and if a company with a collective agreement offers a private pension plan, there is an opting-out option, but people do get decent and reasonable retirement benefits.

I agree there has been some improvement, Mr. Speaker, but unfortunately this same Government in 20 months . . . let us keep in mind what it has done to the elderly.

The spouse's allowance, people between 60 and 64, discrimination against 80,000 Canadians, 85 per cent of whom are women, people who are unmarried, separated or divorced, and their civil status is the only reason why they were turned down. The deindexation of old age security pensions: thanks to the elderly, the Government was forced to backtrack and admit it was wrong. Unemployment insurance cut-backs: they brag about making it easier for people to take early retirement. This same Government says: We will allow people aged 60 to 65 to retire early, but there will be a 5 per cent penalty, yet at the same time another Minister states: No way, unemployment insurance benefits will be cut off.

Those are three proposals intended for senior citizens, and as we know home care projects that were offered to provide home care services have been cut, the New Horizons programs, and now they come up with hidden tax increases for future pensioners. Each and every Canadian taxpayer will have to pay more taxes out of his pay cheques, and in return will be entitled to improved benefits if and when disabled. But if the taxpayer does not become disabled, his increased contributions to the Canada Pension Plan will not come back to him as improved benefits, unless he decides to keep working until age 70. Mr. Speaker, we have 1.5 million surplus workers looking for jobs, but this Government is having a policy that encourages people to remain in employment. At the same time, they say: We will let people take early retirement, but if they do so, they will be subject to a 5 per cent penalty. Mr. Speaker, this is inconsistent and ill-concerted. We have the same thing with Bill C-90, and I would like to refer again to the National Welfare Council paper on the poverty level: 50 per cent of senior citizens live below the poverty line. Those between ages 60 and 64 are the less privileged, and the Government intends to increase the percentage of people in that situation by telling them: You are entitled to the Canada Pension Plan, but we are cutting back benefits, you are going to live below the poverty line, and this is what we want. I for one believe the Minister could make another effort before the Bill is adopted. My colleague said he was ready to cooperate and let this Bill pass before the summer recess, but I am wondering if all Hon. Members are doing the right thing. Since we are sure those amendments will not effectively improve the situation for the majority of Canadian men and women, would it not be advisable to ask the Minister to make one more effort and move further amendments. We have in Canada a very efficient communication network—we can use the telephone, make conference calls. We have air travel facilities that allow Ministers to convene. We can use the Hercules. Instead of taking the Minister's family on a junket, we can pick up all the Ministers and have a conference. Sincerely, I feel the Minister could make another effort. I would remind him that last year, in May, he failed to make an extra effort for senior citizens, but senior citizens made that effort and won their day.

If the Minister cannot do anything about the Canada Pension Plan legislation, certainly he can do something about pension reform. Bill C-90, to ensure—and I think that this is what all the Members of this House ultimately want—that the main purpose of any legislation passed to improve Canadian pension plans will be to guarantee that, in the future, no senior citizen will be under the poverty line. We would then need legislation to ensure that these people receive about 50 per cent of their previous income. Otherwise, if we are satisfied with minimal changes simply to improve the standard of living of those who are already well-off, each one of us will have to assume the burden of guilt for letting people live under the poverty line during the next five, ten or fifteen years.

Mr. Speaker, while the spokesmen for the three parties bragged about having done good work and gave us fifteen minutes of mutual compliments, I am convinced that some Members of this House are not completely satisfied with what has been introduced.

Mr. Speaker, for the information of the Hon. Member for Chambly (Mr. Grisé), the National Welfare Council is an advisory board appointed by the Minister of National Health and Welfare to advise him. The situation is too serious and too important for us not to act to ensure that the thousands of retired Canadians and homemakers will have the decent pension plan which everyone should have in Canada.

• (1700)

[*English*]

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to the Standing Committee on National Health and Welfare.

* * *

CANADA SHIPPING ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed from Thursday, May 29, consideration of the motion of Mr. Mazankowski that Bill C-75, an Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act in consequence thereof, be read the third time and passed.

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, may I just, before I start my remarks, make a brief intervention by way of a point of order? The Speaker is currently considering a decision taken during report stage of Bill C-75. May I have your indulgence to rise on a point of order at some point later on regarding a matter of procedure?

It gives me a fair amount of pleasure to rise to speak on Bill C-75 at third reading. This Bill has been before us since September of last year. It will amend the Canada Shipping Act, the Arctic Water Pollution Prevention Act, the Maritime Code Act, the Oil and Gas Production and Conservation Act and a number of consequential Acts as a result of measures included in these amendments.

We have made some important improvements to this Bill during the committee's deliberations at second reading. As I mentioned a moment ago, it is with respect to those amendments that I might want to open a question of procedure later on.

• (1710)

I would first like to compliment the committee and its Chairman, the Hon. Member for Brant (Mr. Blackburn), for their very diligent work in the review of this Bill. Over 60 witnesses representing 20 organizations and associations have been heard over the past two or three months. More than 20 amendments were made to the Bill as originally introduced. As a result of the committee's work I believe that we have an improved Bill which will go a long way toward bringing the Canada Shipping Act into line with similar legislation of our major trading partners around the world.

As I have said on a number of occasions, we have recognized the open-endedness of Clause 4 dealing with the recovery of some portion of Coast Guard expenses. The Minister responded by establishing an appeal process and by embodying principles of fairness and equity in the legislation itself. During his appearance before the committee the Minister advised that it was the intention that Clause 4 would not be proclaimed before January 1, 1987, and that charges for Coast Guard services would not become effective until January of 1988. He also noted that this action would be preceded by an extensive consultation process with Coast Guard stakeholders in major centres across Canada.

The Senate committee hearings are currently in progress. I believe the preconsideration of the Bill was concluded last evening and I think the other Chamber will be moving in concert with us in seeking third reading and passage by the House. In reading the transcripts of the committee hearings I have noted that there still appears to be some misunderstanding with regard to the revenue target set for the introduction of charges under this section of the Canada Shipping Act. I would like to reiterate once again the statements that I and the Minister have made, both within and outside of the Chamber, and to the legislative committee.

I would like to quote statements made to the legislative committee in this regard on March 12, 1986. The Minister of Transport (Mr. Mazankowski) said:

> We are looking at something less than 15 per cent, and maybe to be more specific, we will try to quantify that in specific dollar terms. The target in mind would be to realize an additional $20 million net revenue by 1988. That would be commencing in 1988. This would be over and above the forecasted revenue from existing sources of approximately $28 million in 1988-89.
>
> This would have the effect of increasing our revenue to expenditure ratio from the current 3 per cent approximately, to 7 per cent approximately, in net terms, by 1988.
>
> Included in this 7 per cent is revenue forecasted from services which are already subject to cost recovery.

What the Minister has said is quite clear. It is hoped that we can recover an additional $20 million in that time frame. However, that will only increase the percentage from approximately 3 per cent to 7 per cent. As a comparison, approximately 42 per cent of the costs of air transport are now recovered.

It is important for Members to recall that the Auditor General made observations in his reports of March 31, 1983, and March 31, 1985, on cost recovery. He said that cost recovery is an important requirement of the Department's strategic plan. He further stated that the Coast Guard could recover part or all of its cost from users of its services.

There is support for our initiative to recover a small portion—and I emphasize "small"—of Coast Guard expenses. The Council of Boating Organizations of Canada has said that the principle of paying for services is a very legitimate one. Similar expressions of support have come from the Great Lakes Waterway Development Association, the St. Lawrence

Ship Owners Association, the Council of Forest Industries of British Columbia, the Seafarers International Union, Stelco, Oshawa Harbour Commission, the Dominion Marine Association, and Canada Steamship Lines. I could elaborate, as was done before the committee, but suffice it to say that we are encouraged by the very positive reaction from these important associations, companies and organizations.

I would also note that in committee the exclusion clause for Canadian mobile offshore drilling units drilling on Canada Lands was removed so that the revised Bill provides the enabling legislation for the drafting of regulations to cover Canadian MODUs at all times. The Bill provides that when the regulations for certification and training and for design and construction are submitted for Governor in Council approval, they will be jointly recommended by the Minister of Transport (Mr. Mazankowski) and the Minister of Energy, Mines and Resources (Miss Carney).

You may wish to note that there is precedent for joint recommendation by two Ministers in Part IV of the Canada Labour Code. It is also important to note that drill ships and MODUs are, at one and the same time, floating marine platforms subject to the laws of hydrodynamics as well as industrial sites involved in oil exploration. It is, therefore, appropriate that both the Minister of Transport and the Minister of Energy, Mines and Resources should recommend regulations in this circumstance. We see this, however, as only an interim solution to a very difficult and complex problem.

Pending completion of the comprehensive legislation specific to mobile offshore drilling units announced by the Minister of Energy, Mines and Resources on April 14 of this year, a single agency concept was recommended by the royal commission investigating the *Ocean Ranger* marine disaster. This amendment, proposed by the Government, moved in that direction within the framework of the existing legislation.

I would like to emphasize that this legislation will allow Canada to accede to six international conventions and five codes dealing with certification of masters and seamen, ship construction, ship safety, liability and compensation and prevention and control of pollution from ships. The most important conventions are the conventions for standards of training, certification and watchkeeping for seafarers, the convention for the prevention of pollution from ships, the convention on civil liability for oil pollution damage and the convention on the establishment of an international fund for compensation for oil pollution damage. These codes deal with ships carrying liquified gases in bulk, ships carrying dangerous chemicals and the construction and equipment of mobile offshore drilling units. You will appreciate the importance of this particular piece of legislation as it relates to standards which are international in scope, levels of compensation for damage, and to fines for violation of those provisions.

I would like to talk about certification of pleasure craft operators for a moment. During the course of committee hearings there were very obvious misunderstandings and, as a result, a lot of legitimate apprehension and concern among pleasure boat operators. I think a word on that matter is in order. It is our view that these views were erroneously perceived and that there should not be much concern for the people involved. For example, there was great concern that in order to paddle a canoe on a little lake in the woods one had to be a certified operator of a boat, in other words, that one had to have a watchkeeping certificate, that one had to know and understand something about navigation and that one had to know and understand something about engineering. In other words, one has to be something of an expert. That includes your little rowboat, raft, windsurfer, indeed everything. Of course, that is nonsense. That was never the intention at all. In order to reassure the boating public and in response to the concerns expressed by Members and the general public, we amended the Bill to exempt pleasure yachts of less than 20 metres and vessels, boats or craft of any length propelled manually by oars.

• (1720)

Finally, I note that the amendments made during the committee review, taken as a result of strong representations by the Official Opposition, mean that Canada will have stiffer penalties for pollution incidents in our waters. This means that the three existing Part XX penalties of $100,000 will be increased to $200,000. One would be increased to $250,000, and the existing penalty for a Master who does not give reasonable assistance to a pollution prevention officer would be increased from $5,000 to $10,000. If people wonder what I am nodding at, we wondered whether or not the Speaker had ruled these amendments out of order. Apparently they are in order and I am very pleased at that.

The Government gave proof of its willingness to listen to representations made by witnesses and committee members and to react to them in a very positive way. Members of all Parties will understand the importance of this legislation to the shipping community and shipping activity in Canada generally. This Bill significantly improves and modernizes a 50-year old Act dating back to 1936. I urge Members to consider the important safety features fundamental to the amendments to the Canada Shipping Act and recognize the improvements made in this legislation as a result of Bill C-75. For reasons which I believe are evident and in the interests of safe shipping, I ask the House to give expeditious passage to this legislation which has been long awaited both nationally and internationally by the shipping community.

Mr. Rompkey: Mr. Speaker, while I congratulate the Government on bringing forward these long overdue initiatives, I want to ask the Parliamentary Secretary if he could tell us whether he had interventions from organizations such as the Newfoundland Fishermen, Food & Allied Workers Union. As well, can he tell us what the impact is going to be on fishermen? I have some concerns about the general trend of user-pay in the Atlantic area. I am particularly concerned about its impact on small boats. I am talking about boats up to 65 or 75 feet in length. There are major companies in the Atlantic area

which can afford to pay fees for their vessels, but there are other fishermen who cannot. They are already going to be charged for environmental forecasts, berthing fees, Coast Guard operations, dredging, and a whole host of other things. Can the Parliamentary Secretary tell us what the impact is going to be and what steps the Government has taken to relieve those fishermen of the burden which might otherwise be imposed by this Act?

Mr. Deputy Speaker: I regret to say that for the Parliamentary Secretary to answer the question he will need unanimous consent. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Forrestall: As I understand it, Mr. Speaker, if there is not unanimous consent I would simply be closing the debate. I have no wish to do that.

I would respond to the Hon. Member by saying that the Minister would not want to prejudge or intervene in the consultative process he will establish very shortly. I should have indicated that in the course of my general remarks. It would be his intention to strike a consultative committee, widely based. It will have as members people from the fishing fraternity. It will include broad representation from all the principal sectors of the marine community. Hopefully, in the terms of reference the Minister will give that type of direction to the committee which would reflect the concern the Hon. Member is expressing. This applies not only to fishermen but, for example, to the potato farmers of Prince Edward Island. There are a number of areas where undue cost recovery would indeed create significant problems. I am confident the terms of reference will take those concerns into consideration and not result in undue burdens or costs being imposed, particularly on the fishing sector.

Mr. Deputy Speaker: Is there unanimous consent for another question or comment by the Hon. Member for Thunder Bay—Atikokan (Mr. Angus)?

Some Hon. Members: Agreed.

Mr. Angus: Mr. Speaker, I want, first to apologize to the Parliamentary Secretary for not being able to hear his opening remarks. We were having certain discussions about particular items in the Bill. I can assure him that everything has been resolved in favour of the decision the committee made. Because I did not hear his opening statement I want to ask him if he will confirm that the Government does not intend to withdraw Clause 4 and ignore the Prime Minister's promise to the Premier of Quebec to have another look at that clause.

Mr. Forrestall: Mr. Speaker, it is not the intention of the Government, as he well knows, to withdraw Clause 4. Very real and legitimate concerns were expressed by the Government of Quebec, the Minister of Transport, and the Minister of Consumer and Corporate Affairs (Mr. Côté), and meetings were held between the federal and provincial Ministers of Transport, following which the provincial Minister indicated quite publicly his support for Clause 4. He recognized that while it might well be argued that it could reduce the competitive position of the Port of Montreal or the Port of Quebec, the fact is that in the interests of the maritime community some cost recovery has to be achieved. I am pleased to advise the Hon. Member that the great Province of Quebec is now on side. Our federal Ministers have been persuasive in that regard.

Mr. Angus: Liberals and Tories together again.

Mr. Deputy Speaker: Resuming debate.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I am pleased to be able to participate in the third reading debate on Bill C-75. May I say at the outset as well that I regret I was not here to listen to the words of wisdom from the Parliamentary Secretary at the beginning of his remarks. With his knowledge, consent and co-operation I was with my friend from the NDP ensuring in discussions with the Speaker that these very important amendments to which the Government consented in committee were a legitimate part of this Bill. Those amendments deal with the penalties imposed upon people who knowingly pollute Canada's waters.

Let me begin my remarks by saying to the Parliamentary Secretary that I have found him personally to be extremely co-operative in so far as the examination of this Bill is concerned. I have found the Parliamentary Secretary, personally, to be more than willing and able, on occasion, to ensure that the time required by the legislative committee to examine this Bill was forthcoming and available to us. I have found the Member to be one who has approached many of the amendments of the opposition Parties with an open mind and a fair and reasonable outlook. In fact, in a number of important areas he has responded on occasion to the recommendations not only of the opposition Parties but indeed of members of his Party and members of the general public who have made comments on this Bill. I wanted to state that for the record.

• (1730)

Let me outline some of the more important amendments which were brought to Bill C-75. They include the amendments dealing with the requirement for certification of vessels beyond a certain length, to ensure that not every small boater in this country would find that he was suddenly borne down by the great weight of bureaucratic red tape as represented by this Bill. Another important set of amendments were those dealing with penalties to be imposed on those people who knowingly discharge into Canadian waters pollutants which negatively affect our environment. There are now in place some substantial and stiff penalties. Those were good amendments.

If the Bill dealt primarily with a rewrite of the Canada Shipping Act, which is decades old, if it dealt with excluding small Canadian boaters from bureaucratic red tape, if it dealt with substantially increasing the fines for those who pollute

our waters, and if it came to the House in that form only, not only would I be able to say that the Parliamentary Secretary has been co-operative, helpful and reasonable, I would be able to say that he has done a great service to Canadians with this Bill.

However, there is one small problem. Clause 4 is the problem. It is not an amendment of a provision that previously existed in the Act. Clause 4 does not beef up fines that previously existed in the Bill. It is not a change in previous regulations that affected the size of boats. Clause 4 is a new clause that has been introduced despite the screams, the shouts, the protest and reasoned arguments of people who are interested, concerned and knowledgeable about the shipping industry. This clause has been imposed in what otherwise would be a good Bill.

I suppose that the Opposition has two choices. It could say that as far as the Canada Shipping Act and the changes that have been made in the Bill are concerned, it is not a bad Bill and maybe we can ignore this festering sore that the Government has introduced to the Bill.

Our other choice is not to accept what is essentially a good Bill that has been seriously flawed by the Government as a result of its introducing an entirely new measure that heretofor was unheard of. That measure is Clause 4.

My friend from northwestern Ontario asked the Parliamentary Secretary an all too familiar question these days; whether the Prime Minister (Mr. Mulroney) was going to keep his commitment to the Transportation Minister of Quebec, Mr. Côté, and the Premier of Quebec, Mr. Bourassa, that he made last week on the CBC national news. That commitment was to re-examine Clause 4 of the Canada Shipping Act before it received final reading in the House of Commons. The Prime Minister told the Quebec Transportation Minister and, more important, the Premier of Quebec: "I will take another look at Clause 4." He said he would take another look at this change which has been thrust upon what otherwise is not a bad Bill. That statement was made a few days ago, but in the House today, when we pick up the latest version of the Bill and look for evidence that the Prime Minister has taken another look, we see Clause 4, unchanged, staring at us from the pages of the Bill.

By now, we are being asked, what is Clause 4? Is it a disease?

Mr. Angus: Yes.

Mr. Tobin: Is it communicable?

Mr. Angus: Yes.

Mr. Tobin: Will it wreak havoc on Canadian citizens?

Mr. Angus: Yes.

Mr. Tobin: My colleague from the New Democratic Party says: "Yes, yes, yes." What is Clause 4? It is an enabling provision that gives the Minister of Transport (Mr. Mazankowski) the power and authority, which he does not and never did have in the history of this country, to impose upon the users of Canada's navigation system charges for services that the Government has always provided as a right to Canadian citizens. It is a provision by which the Minister seeks the authority and power to impose charges on fishermen in Atlantic Canada for Coast Guard services and lifesaving services. They will be charged if they are in danger at sea.

This provision allows the Government to impose charges on all Canadian vessels of every size for icebreaking services everywhere in the country. This provision means that only those who can afford to pay for navigational aids will have them. Therefore, those who live on the bluff of Cape St. George on Port-au-Port Peninsula in the Province of Newfoundland and cannot afford to pay these user fees for navigational aids for search and rescue facilities will not receive them.

This provision allows the Minister of Transport to apply additional user charges for the St. Lawrence Seaway. That is a major mode of transportation which is in decline throughout the Province of Quebec and all Canadian provinces. Those additional user charges may make that transportation system more uneconomic and may put its very future in doubt, thereby choking the life from that major Canadian transportation artery.

If that is not bad enough, let me tell the House what is worse. Not only does the Minister of Transport want the power to impose all these charges on the people of Canada, he will not tell us who will be charged, how much and for how long, until later. When one hands someone a gun and that person says he wants the hammer pulled back and the bullet shoved into the breech, is it not logical to ask for whom the bullet is intended, and why? The Minister, asking for the authority to impose charges through Clause 4, is asking for a loaded gun. It is a user-pay concept, as my colleague, the Member for Grand Falls—White Bay—Labrador (Mr. Rompkey) points out. The Minister wants the gun and the ammunition but he will only tell us we are the targets after we get the bullet right between the eyes.

The Government, in asking for this authority, made no reference in this 111-page Bill to who will be charged, how much and how these charges will affect their economic wellbeing.

The Government has done absolutely no analysis of the impact on the St. Lawrence Seaway. It has done no analysis to find out whether fishermen in the Gaspé of Quebec, in Shediac, New Brunswick, White Bay, Newfoundland, in South West Nova or along the coast of British Columbia can afford these additional charges. I see Hon. Members opposite from fishing constituencies. I know that short of Party discipline and the threat of the Party Whip being laid across their backs, they would be on their feet in outrage that such a regressive

measure would be imposed upon their constituents. I empathize with those Hon. Members as much as I do with the fishermen.

• (1740)

I am sure the Minister of Fisheries and Oceans (Mr. Siddon) is a Minister who is congnizant of the fact that the fishermen in the area of the Great Northern Peninsula had a summer storm yesterday which rolled in over an area of 100 miles and wiped out their lobster traps, destroyed their gear and took away their means of livelihood. I am sure he is aware that those fishermen are not comfortable with the notion that the Minister of Transport has been given a gun, that it has been loaded and it is pointed at them. They do not know whether they can carry on their backs, on top of a poor fishery—better prices but poor landings this year, as the Minister is aware—the provisions of this Bill.

The Minister is so unsure of the political reception this Bill is going to receive that he says he will tell us about it a year from now. After he has been given the gun he will tell us a year from now who is to be shot with it. The fishermen of Atlantic Canada and British Columbia have already had one shot through the bow and they are taking on water.

The Minister of Fisheries and Oceans himself is imposing berthing fees for the first time in the history of Atlantic Canada. He is going to charge a fisherman to tie up to a wharf. Can you imagine, Mr. Speaker, such a ludicrous proposition? The Government of Canada has a wharf. Tied to the wharf are 10 vessels going out in a straight line. The wharf is only big enough for one boat to tie up to it. The question becomes, who pays the berthing fee? Is it Tom who is tied up to the wharf, or Bob who is tied up to Tom, or Harry who is tied up to Bob? The Minister is going to impose the wharfage fee because he has had a $100 million shameful and shocking cut-back in the Department of Fisheries and Oceans. That is the issue.

We cannot look at Clause 4 of this Bill in isolation. The provisions of Clause 4, even though it is a Bill of the Minister of Transport, will apply to the constituency of the Minister of Fisheries. They will apply to the constituency of the Minister of Agriculture (Mr. Wise) because the potato farmers in Prince Edward Island are being told that if they want to move their potatoes to market, and if there is an ice problem, the Government will send in an ice-breaker but the potato farmers will pay for the ice-breaking costs. Can you imagine that, Mr. Speaker? If a farmer grows potatoes where there is ice, he will pay an extra charge. If a farmer happens to live in the interior of this country, and not on the Atlantic Coast, he does not have to carry those kinds of charges. We are going to have first and second class Canadian farmers based on this Bill. Those who live in areas where the Government is expected to provide ice-breaking services are second class Canadians, according to this Bill. But if a farmer happens to live in the central region of the country by the railroad lines—we do not have one in Newfoundland, at least for a few more days—or if he happens to live near a trans-Canada Highway, there is no problem, it is gratis, compliments of the Government of Canada. But if he happens to be clinging to the rock on the edge of the Atlantic Ocean trying to scrape a living out of an area where unemployment is high and opportunities are few, then, by God, we bring down the hammer and slap another charge on his back. I see the Hon. Member from Port aux Basques sitting opposite. He is nodding his head in agreement.

I intend to talk a little more about Clause 4. But as an introduction to some of the kinds of things which bother me about what could have been a good piece of legislation, I would like to speak about another major flaw in this Bill. A major recommendation of the $15 million royal commission, established jointly between the Government of Canada and the Government of Newfoundland to look into the *Ocean Ranger* disaster, was to include within Bill C-75 provision for bringing oil rigs which operate off Canada's East Coast, Newfoundland and Nova Scotia, under the provisions of the Canada Shipping Act. That was a recommendation of the $15 million royal commission co-sponsored by both Governments which looked into the February 15, 1982, sinking of the *Ocean Ranger*, which was a disaster regretted by all Members from all Parties. It resulted in the loss of the entire crew of that vessel, 84 men, including 69 Canadians, 56 of whom were from my home Province of Newfoundland. That is a disaster which none of us wants repeated, and a great deal has been done to improve the conditions in the offshore. There is no question about that. A great deal has been done by this administration and by the previous administration.

The major cause identified by the royal commission studying the disaster was inadequate training and inadequate command structure. The solution was to include those rigs under the Canada Shipping Act. It was recommended not to leave them out there in limbo under the jurisdiction of the Minister of Energy, Mines and Resources. That recommendation has been ignored in Bill C-75, nothwithstanding the fact that the Liberal Party in committee moved amendments to this Bill to include those rigs under the jurisdiction of the Canada Shipping Act. Those amendments were defeated by the unanimous, negative, no vote of Members of the Progressive Conservative Party.

I take this opportunity to thank my colleague in the New Democratic Party who at least saw the wisdom and voted for the amendments I had the pleasure of moving on behalf of my Party. The Royal Commission on the *Ocean Ranger* Marine Disaster indicated in its report that the main contributing factor to the breakdown of the command structure on board the vessel was the fact that the captain who commanded the oil ring, when the rig and crew were in danger, did not have the proper qualifications to avoid what transpired. That was on February 18, 1982. Today, as we in this House debate the provisions of Bill C-75, we are aware that still today six rigs operate in the offshore of Newfoundland and Nova Scotia, four in Newfoundland and four in Nova Scotia. Those rigs still do not have the command structure in place. They do not have

a captain in place who is qualified and certified, which was recommended by the Royal Commission on the *Ocean Ranger* Marine Disaster.

All of that could be corrected so that proper procedures, as is the case in any other ocean-going vessel, are in place, had the Government moved to include those provisions in Bill C-75. To be fair, I have to point out that I know that the Parliamentary Secretary of the Minister of Transport (Mr. Forrestall), the Minister of Transport himself, Hon. Members of the House and officials of the Department of Transport wanted to accommodate the major recommendations of the royal commission. They wanted to include in Bill C-75 the oil rigs under Canada Shipping Act. They wanted them where they belonged under the jurisdiction of the Minister of Transport as outlined by the provisions of the Canada Shipping Act. So I have to be fair. But why did it not happen? It did not happen because around this place we have the strange phenomenon called "empire building". It is a strange phenomenon which demonstrates that "all roads lead to Rome". There are 40 different Romes and 40 different Caesars in this place. They are called Ministers of the Crown. We have a strange, warped phenomenon in which a Minister's importance is judged in some circles by the size of his or her Department and budget and by the varied responsibilities which he or she has.

• (1750)

So in the little charade which occurred around this place, particularly since we now have the largest number of Caesars in Canadian history occupying the the hallowed halls of power, and notwithstanding the recommendations of a $15 million royal commission, the Minister of Energy, Mines and Resources (Miss Carney) says: "No. I am not going to give jurisdiction for oil rigs to my colleague, the Minister of Transport. I am keeping that because I am the Minister of Energy. The Minister of Transport will not get one additional dollar in his budget, or one additional person-year of personnel. He will not gain the political profile in terms of jurisdiction or responsibility for rigs because I am keeping it. I am the Minister of Energy".

Canadians watching must be saying: "Surely there must have been better reasons than that. Surely this royal commission missed something. It functioned for three years and spent $15 million of my money and travelled the length and breadth of the globe looking at the systems in place for offshore oil exploration in every other part of the world. Surely they were wrong. Surely the Minister of Energy knows something we do not know". Canadians are saying: "Of course that is the fact. This crazy Newfoundland Member of Parliament cannot be right". It is a tragic commentary on what motivates people around this place, but the Hon. Member is right. What is more tragic is that every Member who sits in this House knows that I am right. What is more tragic than that is that every high-paid $80,000-a-year bureaucrat knows that I am right. It is one of those things about which we do not like to talk. It is an illustration of the type of ego-bumping that goes on in the night that causes people to take rational and important decisions.

Bill C-75 is flawed in another fundamental way. The Bill has turned its back on not only the work of the royal commission but on the people who are at sea today in rigs still manned and operated by captains who are not qualified according to the definition in Bill C-75. That is the tragedy. I do not give a damn that the Bill has turned its back on the work of the royal commission, because frankly I do not care that particular individuals were paid large amounts of money and did not have their recommendations adhered to. The public is asking: "What happens in other jurisdictions? There is offshore drilling in the United States, Norway and the British North Sea. What happens there? Do they have such an obviously transparent, faulty, frail and fragile flaw in their systems?" No, they do not. There is no such flaw. Norway requires that a ship's master be a person in charge of the oil rig, as he would be in the case of a ship. The United States makes exactly the same requirement. However, the Canadian Government does not.

What do the Canadian courts say about oil rigs? The public is asking whether they are rigs just floating around out there bobbing along in the Atlantic or are they ships? It is an interesting question. I am glad the public has asked itself that question because the Canadian courts have said something different. The Canadian courts are perfectly parallel in their thinking with the Royal Commission on the *Ocean Ranger* Marine Disaster. In the case of *Seafarers International Union of Canada and Crosbie Offshore Services Ltd.*, March 5, 1982, the Federal Court of Appeal was faced with the question of whether federal or Newfoundland legislation applied to the crew of supply boats. In the course of describing the nature of the services supplied by the boats to the rigs Mr. Justice Thurlow noted: "The rigs are also ships. They have means of self-propulsion but for one reason or another may be towed to a drill site".

Let us look at another court case. I refer to *The Queen v. St. John's Shipbuilding & Drydocks Co.*, July 7, 1981, when the Federal Court of Appeal considered not whether an oil rig with 100 men aboard was a ship but whether a floating crane was a ship within the meaning of the Federal Court definition. After reviewing the cases, Mr. Justice Urie stated with respect to the question of the crane's status: "Applying the foregoing law to the floating crane described earlier herein, I am of the opinion that the *Glenbuckie* was a ship . . . While it appears that she was not capable of navigation herself"—much like a rig—"and was not self-propelled"—much like a rig—"those facts do not detract from the fact that she was built to do something on water, requiring movement from place to place. Therefore, in my opinion the *Glenbuckie* was a ship". So a floating crane is a ship.

Let us go further and consider a third case. I refer to the case of *Falconbridge Nickel Mines Ltd. et al versus Chimo Shipping Ltd. et al.* In that case Mr. Justice Kerr decided that

a barge used for cargo was a ship, using the definition found in the Canada Shipping Act.

So according to the Canadian courts a barge which moves primarily all types of products with no humans on board is a ship and therefore falls under the jurisdiction of the Canada Shipping Act. A floating crane which operates primarily in harbour and not out 200 miles in the stormy and savage North Atlantic is also a ship. There is no problem there. However, an oil rig, which the Federal Court has decided is a ship under the Canada Shipping Act, is not a ship. It is there as part of a personal kingdom, one of the emperor's toys under the jurisdiction of the Minister of Energy. This is so notwithstanding the fact that the Minister of Transport knows better, as does his Parliamentary Secretary, who is honest enough to admit he knows it. This is so notwithstanding the fact that if a free vote were taken in the House, every Member would say: "For God's sake, man, let's do the right and intelligent thing". For some reason or another the Minister of Energy, for her own political, egotistical reasons, has been able to keep out of the Canada Shipping Act the recommendations of a royal commission primarily designed to prevent a repeat of a disaster which all of us regret and which all of us would not want to see happen again. It is for those reasons that I cannot support this Bill at third reading.

Earlier I mentioned the St. Lawrence Seaway. In this environment of so-called free trade talks, when the Government of Canada wants to co-operate with the Government of the United States to set up a free trade zone, it might be worth noting that the American counterpart to the St. Lawrence Seaway Authority has written the Prime Minister of Canada requesting that he put a hold on Clause 4. The American counterpart jointly manages the Seaway. It is asking the Prime Minister what he is doing unilaterally—

Mr. Deputy Speaker: I regret to interrupt the Hon. Member whose time, of course, has not expired on this matter.

It being six o'clock, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, June 12, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

APARTHEID

STATEMENT OF SECRETARY OF STATE FOR EXTERNAL AFFAIRS

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, eight months ago in Nassau, Canada and 48 other Members of the Commonwealth of nations established a group of seven Eminent Persons to seek ways of dismantling apartheid and erecting the structure of democracy in South Africa. That was done in the belief that the multiracial Commonwealth, of which South Africa had once been a member, had a better chance than any other institution to encourage change without violence. Twenty-three days ago today, while the Eminent Persons Group was still in Capetown, the Government of South Africa launched bombs and raids on Zambia, Zimbabwe and Botswana. This morning, in London, the Eminent Persons Group issued its report, significantly, a unanimous report.

It concludes that at present there is no genuine intention on the part of the South African Government to dismantle apartheid. It reports that political freedom, far from being established, is being more rigorously curtailed, and the cycle of violence and counter-violence grows. It finds that the concrete progress looked for in the Nassau Accord has simply not materialized.

For anyone who might still doubt the attitude of the South African Government, its intransigence was demonstrated again last night by the imposition of a state-wide state of emergency.

[*Translation*]

The Prime Minister of Canada and six other Commonwealth leaders will meet in London August 3rd to 5th to consider what further action the Commonwealth can take together to increase pressure against apartheid. Already one thing is clear.

By its actions, its words, its raids against its neighbours, the South African Government has closed one more door on dialogue. The temptation is to conclude that they will never respond to our entreaties, never change by choice. That is not the view of the Eminent Persons—not yet. But it is their view that steady pressure is essential to any prospect of peaceful change. I quote their report:

[*English*]

> We point to the fact that the Government of South Africa had itself used economic measures against its neighbours and that such measures are patently instruments of its own national policy. We are convinced that the South African Government is concerned about the adoption of effective economic measures against it. If it comes to the conclusion that it would always remain protected from such measures, the process of change in South Africa is unlikely to increase in momentum and the descent into violence would be accelerated. In these circumstances, the Eminent Persons conclude that the cost in lives may have to be counted in millions.

Canada has already taken several economic and other measures against apartheid. After the August meeting, we are prepared to take more, in concert with the Commonwealth if possible, on our own if necessary. We believe the Commonwealth will move forward united against apartheid. To encourage that result, to maintain that pressure, I am announcing today four more Canadian measures against apartheid. Two were listed in the Commonwealth Accord of Nassau.

We are ending Canadian Government procurement of South African products. I have today communicated with the provinces urging them to consider parallel action in their own jurisdiction. We will ban the promotion in Canada of tourism to South Africa. We are allocating $2 million more to our program for the education and training of blacks in South Africa. Finally, I have directed my officials today to inform the South African Government that Canada will no longer accept the non-resident accreditation of the four South African attachés to Canada for Science, Mining, Labour and Agriculture. They will no longer be authorized to carry on their official functions in this country.

[*Translation*]

Those are measured steps—economic, diplomatic, humanitarian—to maintain steady pressure against apartheid. In addition, the Canadian Embassy in Sought Africa will be closed on Monday, June 16th, to commemorate the Tenth Anniversary of the tragedy of Soweto. Members of the Embassy will be attending the services that will be taking place that day, to mark the aspirations of the majority of South Africans for a society based on freedom and equalithy, and to share their hope for peace.

The Prime Minister has asked Mr. Bernard Wood, Director of the North—South Institute, to visit a number of Commonwealth partners in preparation for the August meeting. Mr. Wood will consult with President Kenneth Kaunda, the Chairman of the Front Line States, and other Commonwealth leaders.

Statements by Ministers

[*English*]

The Prime Minister (Mr. Mulroney) spoke last night with Prime Minister Hawke of Australia, and will be in touch with Prime Minister Gandhi of India, to maintain the partnership which proved so effective in Nassau. He will be meeting Prime Minister Thatcher during her visit to Canada in July.

• (1110)

Of course, we are also consulting countries outside the Commonwealth. Canada's representative on the Commonwealth Committee on South Africa, our High Commissioner to London, Roy McMurtry, will represent Canada at the United Nations World Conference on Sanctions in Paris next week.

What we are doing is designed to maintain the effectiveness of a Commonwealth we value, and to keep Canada in the forefront of those who oppose apartheid. These measures do not rule out further steps in the near future. On the contrary, they portend more severe measures, if the South African Government intends to refuse to enter a dialogue except on its own narrow terms.

In closing, on behalf of all Canadians, I want to pay tribute to the dedication, the wisdom and the generosity of Archbishop Ted Scott. He has performed a great service, as have his colleagues in the Eminent Persons Group. We are grateful to him, and to all of them. Canada will act in the generous and determined spirit which inspired their work.

Some Hon. Members: Hear, hear!

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, in the unavoidable absence of the Hon. Member for Saint-Henri—Westmount (Mr. Johnston), I want to reply to the Minister's statement on behalf of the Official Opposition.

While we discuss this grave matter in the Canadian Parliament the tragedy grows more serious in South Africa—lives are lost, innocent people are imprisoned, the few rights that some had are suspended and homes and property are destroyed. Reasonable and moderate people all over the world are outraged and saddened.

Over the past few years Canada and other democratic countries have taken certain steps to apply pressure on South Africa to end its racist and odious apartheid system. Unfortunately, no real change of mind has taken place in that country. There has been only minor tinkering with the system. According to the report of Eminent Persons that we saw this morning, it appears that South Africa, contrary to world opinion, has decided either to rough it out or to shoot it out.

When Bishop Tutu was here he pleaded for Canadians, and others, to get tougher with the regime in South Africa. Some people in Canada and in other countries are afraid that additional mandatory sanctions will only hurt those whom we are trying to help. But many in South Africa are already risking their lives. Each day they go to the battlements for justice. In any case many of them have little to lose. They are already second class citizens in their own land. More must be done.

Our goal must be to force the hand of the South African Government to change its policy, to negotiate with the majority in the country. Our goal must be to support those in South Africa who are working for change, and to mobilize public opinion in that country. If possible, these actions must attempt to force the end of apartheid with a minimum of violence and a minimum of impact on those to be helped. We know that may not be possible.

Furthermore, our actions, as much as we can, must be directed at the ruling elite in that country. I fully agree with the Minister that joint action is essential. Canada alone cannot bring down apartheid; but Canada need not wait. Others have not waited. Strong action by Canada will encourage others. I believe the key to effective action to bring about meaningful and lasting change in South Africa lies with the Governments of the United Kingdom, the United States and West Germany, the larger countries which do trade with and invest in South Africa.

I am pleased that the Minister has said that the Government envoy will be immediately approaching others in the Commonwealth, and others outside the Commonwealth, to get them onside in terms of effective action as soon as possible, even before the meeting in August.

What the Government has proposed today is good. It is another step in the right direction. However, I feel it will not be enough, if we take seriously what has been said to us by the Eminent Persons Group. These measures which the Government has announced have value in that they will encourage others; they show that Canada is willing to act immediately. However, as the Minister has said and as we have said, Canada must be prepared to do more, and to do more quickly. We must totally render ineffective and, if possible, topple the ruling political, economic and social elite in South Africa, and all those who support the apartheid system.

In approaching our allies in other democratic countries who have the same concerns as we, we must consider severing diplomatic relations. We must consider programs in which there will be no new investment in South Africa and a program of disinvestment with respect to those investments we already have. We now have a voluntary request that the krugerrand not be sold in Canada. I suggest to the Minister that we have to go further and make some of these voluntary actions mandatory. We should, with all allies, attempt to stop all landings by South African airlines in our countries. This is something that would strike at the ruling elite. The great majority of those in South Africa who are flying about the world are not the black majority. With our allies we must press for full arms and energy embargoes.

We in the Opposition encourage the Government to puruse the toughest possible measures, and we will support the Minister in that pursuit. I know the Minister will agree that

there can be no compromise with respect to any policy of racist supremacy and apartheid.

Some Hon. Members: Hear, hear!

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, we in this Party welcome today's statement by the Secretary of State for External Affairs (Mr. Clark). He will remember that I welcomed his statement last September, following the August meeting of the Commonwealth Prime Ministers, and welcomed Canada's limited, voluntary measures against the South African regime at that time. At the same time we called for new Canadian initiatives and leadership to bring apartheid to an end. I urged the Government to match the initiatives of the people of Canada, some of the Provinces and the labour movement. I called for Canada to take the lead in the international community by implementing staged economic sanctions.

We welcome the fact that this Government, unlike Governments before it, is prepared to take some strong initiatives. However, given the escalating violence and tension in South Africa, given the report of the Eminent Persons Groups which we saw this morning, given South Africa's rejection of that report and its declaration last night of a brutal state of emergency, we feel that the Canadian Government is not moving with the sense of urgency that the situation demands.

Ending Canadian Government procurement of South African products is really not very much. The Government buys very little from South Africa and should, in fact, have ended any purchase from that country long ago. The Government should follow the lead of Denmark, for example, which this week imposed a trade embargo on South Africa. In particular, Canada should end all agricultural imports from South Africa, which account for half of our $275 million in yearly imports from that country.

A ban on the promotion in Canada of tourism in South Africa is also long overdue. Given the staggering state of affairs in South Africa and the report from the Eminent Persons Group indicating that violence there may ultimately cost millions of lives, ending the advertising of tourism is hardly the full response required by Canada.

• (1120)

Bishop Tutu told a crowd of 10,000 in Toronto only two weeks ago the following:

> I stand here appealing to people of conscience. Help us, please help us. Our country is burning, our children are dying.

He told the crowd that economic sanctions are the only remaining non-violent means to end apartheid. He called on the Canadian Government to make a moral choice.

Ending the promotion of tourism is not enough. Canada should end all corporate and private investment in South Africa. It should make the Government's earlier announced voluntary sanctions mandatory. There should be an end to bank loans, oil sales and air links because only through such economic measures can we hope to bring real pressure on the Government of South Africa.

Finally, the diplomatic efforts announced by the Minister are very welcome but here too I feel very strongly that we can do more. We can take an immediate initiative, without waiting until the Prime Minister (Mr. Mulroney) meets with Mrs. Thatcher in July, to press upon the Thatcher Government the fundamental necessity of changing its position. We must also press immediately upon the United States, and the Vice-President of the United States is here now, the importance of a stronger American reaction to apartheid. My leader has already said that he will do that during his meeting with the Vice-President and I know the Minister will want to do the same thing.

Above all, we should not wait until August for the meeting of the seven Commonwealth heads. We must not wait until August. We must urge the Prime Minister to encourage the other six leaders to meet now. We must meet now if we are to bring about what is implied in every sentence of the report of the Eminent Persons Group, namely, economic sanctions, the only non-violent method to bring an end to apartheid.

* * *

POINT OF ORDER

ALLEGED USE OF UNPARLIAMENTARY LANGUAGE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I rise at this time on a point of order with respect to allegations appearing in an article written by Derik Hodgson in this morning's *Toronto Sun*, allegations which may tend to give rise to disorder in the House. In that article I am alleged to have shouted an obscenity across the floor during yesterday's Question Period. At no time did I utter the words attributed to me nor would I. What I cannot condone when committed by other Members I refuse to engage in myself.

Notwithstanding my conviction and knowledge that I did not say those words attributed to me, I checked carefully the transcript of *Hansard* as well as the sound and television records. There was nothing there that indicated that any such words or any words that could be interpreted as being remotely similar to the allegations made against me were spoken.

I think it is also important to note that at the time I am alleged to have made the statement in the House, I was engaged outside the Chamber with the House Leader of the Official Opposition discussing inter-Party negotiations with respect to the extension of hours of the House of Commons during the last sitting days.

If I had used the words in question, I assure you, Mr. Speaker, that I would have been the first one to rise to withdraw those words unequivocally. I think obscenity in the House is unacceptable and that all Members agree with me. I simply say that I did not say those words. I hope that Mr.

Hodgson and the people who are involved in publishing the *Toronto Sun* will print an absolute retraction with respect to this allegation which I think does a disservice to this institution. As an Officer of the House, I very much regret anything that does a disservice to the House of Commons which we all love so well.

Some Hon. Members: Hear, hear!

* * *

COMMITTEES OF THE HOUSE

MARINE ATLANTIC INC. ACQUISITION AUTHORIZATION ACT—REPORT OF THE LEGISLATIVE COMMITTEE

Mr. Gordon Taylor (Bow River): Mr. Speaker, as Chairman of the Legislative Committee on Bill C-88, an Act to authorize the acquisition of Marine Atlantic Inc. and to provide for other matters in relation thereto, I have the honour to report the Bill to the House in both official languages. Your committee has considered Bill C-88 and has agreed to report it without amendment.

EIGHTH REPORT OF THE STANDING COMMITTEE ON LABOUR, EMPLOYMENT AND IMMIGRATION

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I have the honour to present the Eighth Report of the Standing Committee on Labour, Employment and Immigration concerning a request for an extension of its reporting deadline on the order of reference relating to family-class immigration. If the House gives its consent, I intend to move concurrence in this report later this day.

DUTIES RELIEF ACT—REPORT OF THE LEGISLATIVE COMMITTEE

Mr. Derek Blackburn (Brant): Mr. Speaker, as Chairman of the Legislative Committee on Bill C-98, the Duties Relief Act, I have the honour to report the Bill to the House in both official languages. Your committee has considered Bill C-98 and has agreed to report it without amendment.

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

* * *

PETITIONS

DECOMMISSIONING OF LIGHTHOUSES—REQUEST FOR INQUIRY

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, I have the honour to present to the House a petition from a number of residents of the coast of British Columbia urging that the House redress a very serious grievance concerning the removal of staff from lighthouses on the coast of British Columbia. The petitioners point out that this will in fact create a danger to air transportation and marine transportation on the coast of B.C. and urge the Minister of Transport (Mr. Mazankowski) to call a public inquiry into the matter.

USE OF PENSION INCOME IN CALCULATION OF UI BENEFITS

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, I also have the honour to present a second petition concerning unemplyoment insurance. This is from numerous retired armed forces members who continue to express their serious concern about the Government's removal of their rights and the access to unemployment insurance for those people who are retiring from the forces and urge that their benefits under the previous legislation be reinstated.

RIDEAU HALL—PUBLIC'S ACCESS TO GROUNDS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the honour to present a petition concerning the closing of Rideau Hall and the grounds surrounding that historic property. Area residents and visitors to the National Capital Region are asking the Government and Parliament to change the decision to close the grounds to the general public, so that there will be further consultations with a group of citizens representing the large and growing opposition to the closing of the grounds in order to find a *modus vivendi* that will both cope with security measures and the freedom of access to those green spaces.

PROPOSED CONSTRUCTION IN BYWARD MARKET

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I also have some 60 petitions signed by over 1,500 people from my riding and visitors to the Byward Market, the primary heritage area and tourist attraction in my riding. The petitioners are asking, since the City of Ottawa is considering a proposal to construct a 17-storey building in the heart of the Byward Market, since the National Capital Commission is an agent of Parliament and major actor and property owner in the Byward Market, and since we have invested millions of dollars in the properties in the Byward Market, the House of Commons and Parliament assembled to ask the National Capital Commission to state its position for or against the above development and the proposed constrution.

* * *

• (1130)

FARM DEBT REVIEW ACT

MEASURE TO ENACT

Hon. John Wise (Minister of Agriculture) moved for leave to introduce Bill C-117, an Act to facilitate financial arrangements between farmers and their creditors.

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

LABOUR, EMPLOYMENT AND IMMIGRATION

CONCURRENCE IN EIGHTH REPORT OF STANDING COMMITTEE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I should like at this time to move concurrence in the eighth report of the Standing Committee on Labour, Employment and Immigration, presented to the House earlier this day.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the following questions will be answered today: Nos. 561 and 562.

[*Text*]

SECTORAL ADVISORY GROUPS ON INTERNATIONAL TRADE

Question No. 561—**Mr. Althouse:**

Is there an industry advisory committee for agriculture, food and beverages to assist the Government in trade negotiations with the United States and, if so, what is the name of each member and (*a*) in which province does he/she currently reside (*b*) what is his/her occupation (*c*) in which company is he/she currently employed?

Right Hon. Joe Clark (Secretary of State for External Affairs): Yes. The Chairman is Mr. Benoit Lavigne, an agricultural consultant from the Province of Quebec. Mr. Lavigne, in consultation with the Minister of International Trade, will be choosing approximately 15 other members. The membership should be announced in the near future.

STUDY TEAM REPORT TO THE TASK FORCE ON PROGRAM REVIEW

Question No. 562—**Mr. Althouse:**

1. What was the total cost of each volume of the Study Team Report to the Task Force on Program Review?

2. With reference to the report on agriculture, what were the expenses for (*a*) study team members, including (i) per diems (ii) travel (iii) accommodation (iv) other (*b*) research and support staff, including (i) stipends (ii) travel (iii) accommodation (iv) other (*c*) rental charges (*d*) printing (*e*) distribution?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): 1. The total cost of printing and photocopying of the volumes of the Study Team Report to the Task

Force on Program Review was $343,703.62. The cost of each volume is unavailable.

2. With reference to the report on agriculture the expenses for: (a) study team members, were as follows: (i) *per diems*: nil, (ii) travel: $16,185.71, (iii) accommodation: $3,581.72, (iv) other: $2,416.28.

(b) Research and support staff: The cost of research and support staff including secretaries and temporary help was not accounted for by study teams and therefore the cost for the agriculture study team is not available from our records.

(c), (d) and (e) See part 1 above.

[*English*]

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

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

Some Hon. Members: Agreed.

Mr. Speaker: May I inform the House that because of the ministerial statement Government Orders will be extended by 20 minutes beginning at 10 o'clock this evening. Therefore, the adjournment proceedings will begin at 10.20 p.m.

Mr. Gauthier: Mr. Speaker, I rise on a point of order. I do not want to appeal Your Honour's decision, but I should like to know on the basis of what regulation or Standing Order we are working which would allow us to sit extra time at ten o'clock. I thought the idea at the beginning was to extend Government Orders into the luncheon hour. Since we are not taking a luncheon break—

Mr. Tobin: And no supper break.

Mr. Gauthier: —I know of no provisions in the Standing Orders which say that we must sit after ten o'clock.

Mr. Deans: Mr. Speaker, without arguing the merit from a technical point of view, I think there would be agreement among the House Leaders not to extend the sitting beyond 10 p.m. It probably would be unnecessary, and therefore I would suggest that we not make that decision at the moment. Perhaps we could get back to Your Honour and offer some compromise which we will have worked out in the meantime.

Mr. Hnatyshyn: Mr. Speaker, I was to make a 20-minute speech today. Perhaps each of the House Leaders could agree to making 10-minute speeches and accommodating the House. In any event, we will get back to Your Honour after Question Period.

Point of Order—Mr. Deans

POINT OF ORDER

DECORUM IN THE CHAMBER OF THE HOUSE OF COMMONS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I beg your indulgence to allow me to raise a point of order with regard to a matter which was of some concern to me overnight.

I have had an opportunity to reflect upon the proceedings of yesterday; and I do not want to reflect upon them in the House because I recognize that that would be improper. However, I was wondering whether I might ask Your Honour to consider the possibility of inviting House Leaders to join with you at some point between now and an appropriate time in the near future to discuss ways and means which might be put in place to avoid a repetition of what occurred yesterday in the House of Commons.

Without placing blame in any way, yesterday's events were unfortunate. They reflected badly upon the House. Without in any way trying to dampen the exuberance of Hon. Members in the pursuit of their various and many responsibilities, if the question could be discussed among the House leadership, we might be able to come up with some informal way of trying to avoid any such repetition.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, the Hon. Member for Hamilton Mountain (Mr. Deans) and I have discussed the matter. I am glad to see that the Hon. House Leader of the Official Opposition is in the House now. I share the point of view. We discussed the advisability of having an opportunity as House Leaders, at Your Honour's request, to discuss ways in which we may consider, in the best interest of the House of Commons and the service we all want to perform on behalf of Canadians, methods of dealing with the question of decorum.

I whole-heartedly support and agree, as I indicated in discussions before with the Hon. Member for Hamilton Mountain, as have all House Leaders agreed on previous occasions. It is important for us to find methods by which we can in fact continue with free and unfettered debate on the floor of the House of Commons, while at the same time maintaining a sense of *decorum*. I think the people of Canada would applaud all Hon. Members of Parliament if they worked together toward that end. Mr. Speaker, if you are so inclined, I will be available at any time.

Hon. Herb Gray (Windsor West): Mr. Speaker, certainly as House Leader of the Official Opposition I have, as I hope have all Hon. Members of the House, an interest in the continued operation of this institution as an integral and central part of our process of governing. Therefore, I would be happy to have an exchange of views with my colleagues on the subject raised by the House Leader of the New Democratic Party.

I want to say, however, in this regard that what the House Leader of the New Democratic Party mentioned is something that should be of equal importance to all sides of the House. In this connection I think there is a particular responsibility, even though I have said it is of importance to Members on all sides of the House, on those occupying the ministerial benches, because very often their approach to proceedings in the House has something to do with the attitude of the House as a whole.

Having said that, I would be very happy to meet with my colleagues to discuss this matter further.

Mr. Speaker: I thank the House Leaders. It should come of some interest to them to know that I asked my office to start calling their offices at about 10.45 this morning to try to arrange such a meeting.

Mr. Deans: I was on a green bus.

Mr. Speaker: Perhaps I should have telephones installed in the green buses—no, not really.

• (1140)

GOVERNMENT ORDERS

[*English*]

CANADA SHIPPING ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed from Wednesday, June 11, consideration of the motion of Mr. Mazankowski that Bill C-75, an Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act in consequence thereof, be read the third time and passed.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I am pleased to carry on where I left off yesterday having made a very cursory examination of some of the problems that we in the Opposition in the Liberal Party see with Bill C-75. I might briefly review the three major points I made yesterday before I introduce new material for debate today.

Members will recall that I had concluded yesterday afternoon on behalf of my Party by saying that the Canada Shipping Act is some decades old, has been around for many years without amendment and undoubtedly needs a good housecleaning job and needs to be brought up to date. That is the Minister's responsibility, and failure to do otherwise would be a failure by the Minister to carry out his duties.

Bill C-75 started out as a good, sensible exercise, one supported by opposition Parties—the New Democratic Party and the Liberal Party—and the government benches but, more important, was an exercise in updating a decades old Bill supported by those clients of the Minister and, in particular, those clients affected by the Bill itself. Here I am talking about the people in Canada involved in the shipping industry. Whether we talk to those who run the great ships that ply the St. Lawrence Seaway, the great freighters that move across the Atlantic and Pacific Ocean into Canadian ports, those

people who are running pleasure craft for moving tourists around Canada's great national parks in some of the most beautiful locations in our country, the fishermen, skippers of large fishing vessels or even those people who are in laser sail boats and canoes, everybody agrees that the Bill is decades old and needs to be reviewed and updated.

Having made that point about the unanimous opinion of all the clients affected by Bill C-75, that an update of Bill C-75 is required, let me hasten to add that practically without exception, which is an incredible phenomenon in itself, all of those same users and clients affected by Bill C-75 have expressed grave reservation about one particular clause in the Bill, namely, Clause 4.

As I said yesterday, Clause 4 does not result from updating, upgrading or modernizing something that heretofor existed. Clause 4 is a brand new animal that has been introduced in a Bill that otherwise, having gone through the housecleaning process, would have been one that I could have stood in my place today and supported. Clause 4 does not sound too ominous. It does not sound too threatening. Nor does it sound too devastating unless one takes the time to examine the Bill to find out exactly what the new provision is which the Minister of Transport (Mr. Mazankowski) has offered for public consumption and, indeed, for public consideration and debate in this House of Commons.

What is it, Mr. Speaker? I describe it as being akin to a gun. Anytime I am with someone to whom I pass a gun, particularly when he demands that the gun be loaded, I want to know what the target is. I want to know who is about to be shot. Clause 4 is a provision in Bill C-75 that gives the Minister of Transport the power to impose user charges for services that have historically, over the decades and down through the generations, been provided in this great marine country—the great Atlantic and Pacific coasts—as a matter of right of citizenship.

Some Members will be wondering what we are talking about. What services have been provided as a matter of right to Canadians in the country that the Minister suddenly wants to tell people they are going to pay for. What services? We are talking about aids to navigation, buoys, lighthouses, radio aids, dredging, et cetera. We are talking about ship movement systems and services. We are talking about ice-breaking, Arctic and other ship support. We are talking about—and this is the most scandalous and disappointing, this is the one that clutches at the heart—marine search and rescue. Canada will respond to the desperate and life-threatening need of one of its citizens providing that citizen is going to pay.

Mr. Forrestall: That is not true.

Mr. Tobin: We value the life, liberty, limb, health and welfare of one of our citizens providing that person is going to pay.

Mr. Forrestall: That is not so.

Mr. Tobin: It is the same kind of mentality that exists south of the border which does not have a medicare system. You are in good hands and you can have the best of service south of the border provided you have a fat wallet.

What other services is the Government going to charge for? I suggest it is public wharves and harbours, direction, administration, for a total bill now being paid out by the Government of Canada on behalf of all of our citizens to ensure that this great, not land-locked country, but I imagine—I am not quite sure—the country in the world with the largest coastline of any nation. If one looks at the Atlantic coastline, the Pacific coastline, the northern coastline and Arctic waters, there is no other nation on earth with as much coastline.

Logically, as an extension of the reality that we are a marine nation, the Government of Canada historically in its wisdom, I must say without regard to partisanship, be they PC Governments or Liberal Governments—I am sure even my colleagues in the New Democratic Party if they had an opportunity to govern would pursue this course—has provided marine services. This has been done in recognition of the reality that we are a marine nation, and with an understanding and recognizing of our environment demands—that the Government of Canada should provide facilities to ensure that our people can exist and carry on, no matter where they live.

The cost to the country of providing this infrastructure, which is a measure of sovereignty and necessary to good citizenship and commerce, which after all benefits the whole country whether you happen to live on the coastline where the goods come in or in Toronto where the goods are received, has been $824 million. The Government of Canada has now decided that it wants to impose a user pay concept. The Government wants to recover some of those costs. That in itself is not such a shocking notion. It is questionable and debatable. One could argue whether it is possible that certain industries can afford to have this extra charge imposed on their backs over and above their personal and corporate income tax, because they thought that paying personal and corporate income tax was to look after these charges. One could perhaps argue whether it is even economically viable.

The Government is not just going to bring in these new user-pay charges, but seeks the authority in Bill C-75 to impose those charges. Yet the Government will not tell anybody in this House or anywhere else in the country what those charges are going to be until later. To go back to my analogy of the gun, the Minister is asking for the gun he is asking for the bullet in the breech, he is asking for the barrel to be primed and he will tell us later who he is shooting. As a fishermen said to me on the wharf in Little Port a few weeks ago, he is afraid that he won't know who the Minister's target is until he gets a bullet right between the eyes. It is a poor time to find out which way the gun is being aimed when you have discovered that your head has been aerated by the irresponsible aim of a Minister of Transport who has not understood the full implications of this user pay philosophy.

How is it that we can responsibly be expected to regard ourselves as Members of Parliament? What does that mean, "Members of Parliament"? Are we a bunch of people who have come here to speak in these hallowed halls, listening to our voices reflecting off the marble pillars, bouncing back at us, attending cocktail parties, sending our householders out four times a year and showing up at election time with a ready smile and a commitment to work hard again? Is that why we are, or are we here to make and examine legislation and to reflect the interests, the concerns and the views of our constituents?

If we are here to make legislation and to reflect the views and the concerns of our constituents, it is an insult, not to Members of Parliament but to the people who send us here, that we should be asked to pass a Bill this day that has contained within it the power and authority given to the Minister of Transport to impose charges on our constituents. I cannot tell my constituents, as this Bill goes sliding through the House, what those charges are going to be. I cannot even tell them if they are going to be charged, if they will be charged how much, or if how much for how long. The Minister says that we should give him the authority now and he will tell us how he is going to use it later.

• (1150)

In Boston a few hundred years ago they tossed the tea over the wharf. It was called the Boston Tea Party. Maybe we need a replay. Those people were standing up for the principle that there shall be no taxation without representation. In this case our constituents have representation in this place, but the representatives are being asked to allow the Minister a new taxing power without knowledge of how the Minister intends to use that power.

The Minister has never had this power before. Throughout the annals of the history of the Parliament of Canada, one cannot find an iota of a power similar to that which the Minister is demanding today. If we were to allow that kind of a measure to go through this House unchallenged as if we were a sea of blind men and women, then the role we play in this House would be no more important than that of the mace which sits on the table. The mace sits unemotionally, uncaring, and unconcerned day in and day out, a blind symbol of authority which can sometimes be used wisely and other times abused. I stand today because I will not have my constituents, through me, insulted by this kind of arrogant, insensitive, uncaring, undemocratic, brutal, blind, and vicious measure called Clause 4.

Clause 4 will not affect only my constituents. In relation to the Canada Shipping Act I am concerned primarily, but not exclusively, about the fishermen of my riding. Fishermen in my riding live on the great northern peninsula, the Port au Port Peninsula, the Bay of Islands, the White Bay region, the northeast coast of Newfoundland, and the great historic and beautiful area of the northeast coast of Notre Dame Bay. I speak as well because I am a Canadian. I understand that my job is to be a member of the Parliament of Canada, albeit from Newfoundland.

I speak as well for fishermen who live in the great Province of British Columbia, those fishermen tied up at the wharves in the community of Prince Rupert, along the British Columbia coast line and in the area of Vancouver Island. I speak as well for those fishermen who live in the great province of Nova Scotia, be it Southwest Nova or on the great island of Cape Breton. I speak as well for fishermen in P.E.I. and New Brunswick who do not have a voice in this place today because too many Members are prepared, as time grows short and we move toward a recess, to sit silently and blindly allow this measure to pass through Parliament. We in the Liberal Party are not prepared to do that. I hope that when I resume my seat we will find that other Members in the House, perhaps even the Parliamentary Secretary, are not prepared to allow that.

I would like to make people understand those who are about to be affected by the powers contained in Clause 4.

Mr. Dingwall: Mr. Speaker, I rise on a point of order. Yesterday in the midst of Question Period I made a very unparliamentary comment to the Prime Minister (Mr. Mulroney) which I subsequently withdrew. I wish to apologize to the Prime Minister for the use of that language. I wish to apologize to you, Mr. Speaker, for the use of that unparliamentary language. I apologize to all Members of Parliament because I believe that conduct is unwarranted in this Chamber.

Some Hon. Members: Hear, hear!

Mr. Tobin: Mr. Speaker, I was saying a moment ago that I would like to put a human face on those people who are the recipients of the measures contained in Clause 4. I think I can best do that by reminding Members that through Clause 4 the Government wants to charge for ice-breaking services. Some Canadians might ask themselves what is so bad about that. I will describe a typical community on the great northern peninsula of Newfoundland, an area which I know well because I represent it. That area has an ice-breaking problem.

I will not use as an example a large urban community on the great northern peninsula because such a community has 700 or 800 residents. I will use as an example the small community of Flower's Cove or the community of Port au Choix. People live in those communities by choice because they appreciate a particular way of life. They appreciate a connection with mother earth, uncrowded villages, uncrowded highways, low crime rates, fresh air, a clean environment and a chance to make a living, not in the steel, concrete and glass towers of Ottawa, Toronto, or Montreal, not at the end of a high tech piece of computer technology and not in the rat race of the merchandising centres in the concrete canyons of our cities, but off the land and the sea.

They happen to live in an area where the fishing is good in season. However, on the great northern peninsula in the month of November or December they quit fishing because the

weather gets cold and the cold temperatures of the icy waters will kill a man in 60 seconds if he goes in. When the ice moves in on the coastline it remains frozen solid 15 and 20 feet thick along the shoreline separating their boats and themselves from the resources of the sea from November or December until June and, in some years, July. If mother nature does not come to move that ice in June, occasionally my constituents and friends call upon the Government of Canada to send an icebreaker to break that ice. One sweep comes through and breaks it up and helps the wind move it off. It used to be when the ice sat there they would hunt for seals in the spring of the year. They cannot do that anymore so they want to go fishing. After a long winter of unemployment insurance, which my fishermen are grateful for but would rather not have if they could be working, they want that ice moved because they want to get back to work and put bread and butter on the table. The Minister is saying in this legislation that they can get back to work, they can put bread and butter on the table, the Government of Canada will move the ice as it has for decades, but now they are going to pay. Someone has to pay. For a Canadian living in Port au Choix, Flower's Cove, Anchor Point or Trout River, the cost of being a Canadian has gone up. The cost of being a Canadian on Vancouver Island, where these facilities are needed, is going up.

• (1200)

Those of you in this great maritime nation who occupy our Pacific or Atlantic coastline will pay for the privilege of living in areas which already suffer rates of unemployment much higher than the national average. I think that puts a little bit of a human face on this clinical legislation, this clinical Clause 4, cost recovery. When this kind of measure is passed, you place on the backs of some of Canada's most hard-pressed citizens an economic burden they simply cannot bear. That is the kind of measure the Government proceeds with.

As I said earlier, I do not speak just for fishermen, be they in Newfoundland or elsewhere. There are others who will be negatively affected by this Bill, both in this country and outside. Virtually every witness who appeared before the legislative committee on Bill C-75 expressed concern about Clause 4. The fishermen did not come and say they do not want to pay anything more. The people plying the Great Lakes did not come and say they do not want to pay anything more. The Council of Boating Organizations of Canada did not come and say they do not want to pay anything more. They simply asked the Government if it would mind telling them what it expects them to pay before this authority is given to the Minister, that is all. Even though this has never been done before in the history of the Department, these people did not say they were not prepared to dig deeper in their pockets to find the last few spare pennies and cough them up. They were only saying that before Parliament gives the Minister the authority to impose these charges, they want to know what it was going to cost them, what is their share.

Let us examine together whether or not in the course of trying to make the goose lay one more golden egg the Government will kill the goose. Let us try to find out, before we try and make the St. Lawrence Seaway lay some more revenues on the Government of Canada, whether we will kill the Seaway. The Government has even managed to hit farmers in this Bill. Potato farmers in P.E.I. are going to pay for icebreaking services so they can get their potatoes to market. The cost of raising those potatoes is two or three cents a pound more than what they sell for. They are operating at a loss. The farmers are saying let them find out before you impose an additional charge on them whether or not you are going to break their backs. Fishermen are saying the same thing. The Government says no, trust it, give it the power, the gun and the ammunition and they will find out what those charges are going to be a year from now.

I have in my hand a telex to Mr. Forrestall, Parliamentary Secretary to the Minister of Transport. They are contacting him to express the very serious concerns of Prince Edward Island fishermen regarding some provisions included in Bill C-75. They wanted their comments expressed to the committee studying the proposed legislation. Fishermen are concerned about the long range implications for them of the amendments in Clause 4 of the Bill to the Canada Shipping Act.

They go on to point out that if the charges are imposed on the fishery in that province in an indiscriminate manner, it could break the back of the fishery in that province. I do not know whether that has been responded to or acknowledged in committee, but certainly the message has not gotten through.

Who else has opposed Clause 4? The Council of Boating Organizations of Canada says Clause 4 departs from the principle of cost recovery by Government, that principle being based on the theory of user pay. It is their contention that Parliament should not delegate a taxing power to the Canadian Coast Guard. The Great Lakes Waterways Development Association says the clause as it stands is too broad in scope and as a result has the potential of causing major disruption to the lake shipping industry and shippers with no assurance that it will achieve its announced objective of deficit reduction. It is a wonderful day in this country when we can get fishermen from P.E.I. and Newfoundland and the St. Lawrence Ship Owners Association involved in the same debate, saying the same thing. When has that ever been seen before? Those in the corporate boardrooms and the fellow sitting at the end of the wharf on top of his lobster pots are saying the same thing and coming to the same conclusion.

The St. Lawrence Ship Owners Association says it does not agree that we should give the Government a blank cheque which would allow it to set a fee system about which they know nothing at present. I mentioned the farmers getting into the act. The Council of Forest Industries of British Columbia came before the legislative committee. They urged the committee to consider the competitive position of exports and the port position. The Government can recover costs, but they can be out of business because they do not know what the

charges are going to be. The Seafarers International Union says we cannot have full cost recovery if the Canadian marine industry is to survive.

Imagine, not only the fellows in the corporate boardrooms of the shipping companies, not only the fisherman at the end of the wharf sitting on his lobster pot, but the unions representing the employees of those fellows who is sit in their corporate boardrooms are coming to this conclusion. Of course, they say, we will lose jobs on certain cargoes, the lake companies will just not be able to compete. The union is standing up and defending the interests of their employer. Is that not an incredible phenomenon? How often do we see the union coming before a legislative committee to say that the boys in the corporate boardrooms, sitting in their concrete and glass towers at the end of a fat cigar, are right? This Bill is irresponsible.

● (1210)

The Canadian Harbour Commission reports there is great potential for discrimination in such an open ended legislation as proposed in the new Clause 4 against Canadian ports. Having regard to the international association of Great Lake Ports, the single concern of this organization is the future competitiveness of the Great Lakes. Its competitiveness is now threatened. Toll increases announced in 1986 will result in a further decrease in volume. Charges imposed as a result of Clause 4 will cause deterioration of an already faltering system.

I noted on the national news last week that the Prime Minister (Mr. Mulroney) was in the Province of Quebec and he met with the Minister of Transportation for that Province, Mr. Côté. He also met with the Premier of Quebec. I think we are all aware in this Parliament that one of the great issues about which discussions take place in meetings between federal Government and provincial Government representatives in Quebec is the issue of the Constitution. I am sure that was discussed. You know, Mr. Speaker, being from the great Province of Quebec, that the economy in Quebec is also on the minds of the people of Quebec and her representatives. Despite the other important matters on the table in the meeting between the Prime Minister and the Premier of Quebec, what do we see on the national news? We saw the Prime Minister come out and tell reporters that he will have another look at Clause 4 of Bill C-75 before third reading.

Well, it is third reading time and the Prime Minister, if he has had another look, obviously did not take seriously this new mode of co-operation rather than confrontation, consultation rather than unilateral action. He did not take seriously the representations of the Minister of Transportation of Quebec, Mr. Côté, and the Premier of Quebec, who said get rid of Clause 4; when you can tell us how it is going to impact on our province and our industries then we are prepared to say yes, let us have some cost recovery, but get rid of it in the meantime.

What happened? The Prime Minister gave his commitment; he was going to have another look. Three or four days later, as is usually the case when the Prime Minister gives his commitment, the world proceeds as usual, nothing has changed. Clause 4 is still retained as the most controversial item in the Bill.

One of the international associations of Great Lakes Ports says the Great Lakes-St. Lawrence Seaway system is a shared asset of Canada and the United States. For the first time in the history of the Seaway each country is moving unilaterally on matters involving the Seaway. Think about that. The St. Lawrence Seaway was built in the '50s, '40s, at a cost of $450 million at the time, shared between both countries, as a great artery of transportation through the North American continent jointly managed by both countries, an example of how we can co-operate and live together. That system, in the face of an attempt by the administration to engage in a free trade regime between our countries, is now going to be the subject of a joint administrative process which is going off in two different directions. Here is the Prime Minister of Canada telling the people of Canada that he can work out a comprehensive trade package for the country between Canada and the United States, and at the same time the Prime Minister of the country and his Government cannot work out a joint management system of the St. Lawrence Seaway system.

Some people are saying the Member is exaggerating. Surely it is not all that bad. Surely there is no problem. Let me enlighten Members and Canadians about what our partners in the management of the St. Lawrence Seaway are saying about this particular Bill and Clause 4.

Mr. Donald Rothwell, the President of the Great Lakes Waterways Development Association wrote the Leader of the Opposition (Mr. Turner), on June 3, only nine days ago, asking that the Leader of the Opposition ensure that Clause 4 not be retained in the Bill, that we speak against it. My leader responded and assured Mr. Rothwell that, indeed, we would raise the points he was concerned about during the course of the debate in Parliament.

Mr. Rothwell is a very hard working fellow. He quite nicely included in the letter he sent the Leader of the Opposition a number of what he thought were relevant representations that have been made regarding Clause 4. Let us examine some of those representations.

We have a letter here to the Prime Minister of Canada, the Right Hon. Brian Mulroney, from ULS International Inc., obviously on friendly footing with the Prime Minister. It states:

> Dear Brian: I would like to draw to your attention our concern over Clause 4 of Bill C-75. In its present form the authority it provides this and future Governments to charge for coast guard services is virtually unconstrained. As a result the potential for economic dislocation to the detriment of Great Lakes-St. Lawrence traffic is openended. Bearing in mind your interest in the economic progress of ports on the Lower St. Lawrence—

That is an area the Prime Minister knows something about, he represents that part of Quebec, or near that part of Quebec.

—I know it is unnecessary to recite recent statistics to prove that utilization by both grain and iron ore was in free fall last year. The tonnage is down on the St. Lawrence Seaway culminating a downward trend that began in 1979.

Clearly positive action is required if that trend is to be reversed before permanent damage is done in this context. The imposition of any additional cost at this time is extremely negative.

Clause 4 requires a great deal of revision before it is ready to be passed into legislation. In view of the fact that it would be totally inappropriate to impose any fees for coast guard services under conditions forecast for this year and next, this time should be used to draft soundly conceived legislation. In the meantime Clause 4 should be removed from Bill C-75. I urge you to take that action before serious damage is done.

Yours sincerely,
The Chairman.

That is a letter written to the Prime Minister nine days ago urging him to remove Clause 4 from Bill C-75.

Notwithstanding the fact that that letter was written, notwithstanding the fact that the Premier of Quebec as recently as last week received a commitment from the Prime Minister to have another look at Clause 4, here we are today with what I call a festering sore that has been grafted onto what is otherwise a decent Bill still in place, namely, Clause 4. That is not too serious just yet.

A moment ago I said it is inconceivable to me that the Government would claim it could make a free trade deal with the Government of the United States, a comprehensive deal, if it cannot even do its part in jointly managing the St. Lawrence Seaway system which, after all, is co-owned and co-managed by both Canada and the United States. In Canada the St. Lawrence Seaway Authority looks after our part of managing the St. Lawrence Seaway, and in the United States the Great Lakes Commission looks after their end of the deal.

The Great Lakes Commission, our co-partners in managing the Seaway has also written the Prime Minister of Canada. May I, with your permission, Mr. Speaker, read their letter?

Dear Mr. Prime Minister:—

Not as familiar as the previous fellow, no "Dear Brian".

—the Great Lakes Commission is deeply concerned about proposed Bill C-75 which would authorize the imposition of cost recovery for Canadian coast guard services.

The Commission respects Canada's need to raise additional revenues. It also accepts Canada's choice of user fees as one vehicle to accomplish that end. However, the Commission, as the only co-ordinating and advocacy agency established by the States and approved by Congress to provide a collective voice for the eight Great Lake states on water resource and related issues, would be remiss if it did not express opposition to the current language of Bill C-75.

The Commission has monitored the progress of C-75 in Parliament, has participated in regional discussions about potential impacts of the Coast Guard cost recovery provision, Clause 4.

• (1220)

There is that dastardly Clause 4 again. The British Columbia Council of Forest Industries, the farmers in Prince Edward Island, the fishermen in Newfoundland, Atlantic Canada and along the coast of British Columbia, those fellows in the corporate boardrooms of the shipping companies and the American Great Lakes Commission all identify this unsightly wart of Clause 4 on what is otherwise an almost pristine piece of decent legislation.

The Commission emphasizes four provisions that it believes to be necessary before this legislation can proceed. Federal user fees should be uniform in application from seaport to seaport, from coastal range to coastal range. There must be clear determination of the purpose for which fees are to be collected and the activities to which they are to be applied in advance of passing the legislation. Any fee system as it may affect the Great Lakes-St. Lawrence system should be co-ordinated with U.S. cost recovery programs and should give due consideration to total elimination of existing St. Lawrence Seaway system tolls. In other words, they want to go the other way and make the system more competitive. Finally, they recommend that any user-fee proposal should involve thorough public consultation with all user groups.

They go on to note that they have been in touch with Canada's Ambassador, Mr. Gotlieb, and appreciate his presence at the Commission's semi-annual meeting in Washington. They quote the Ambassador as having told them: "There is no doubt that your interest as a vitally affected party will not be ignored in the development of any user-fee program."

I want to tell the Great Lakes Commission that they are in good company. They are in the same company as the Premier and the Minister of Transportation for Quebec, the fishermen of Atlantic Canada, Canada's shipping industry and hundreds of witnesses who have made submissions before the legislative committee. The Great Lakes Commission, the American authority, has been treated even-handedly and fairly, and no better or worse than Canadians. They too have been ignored. Their advice has been sloughed off and we are debating this measure which should have been flung over the wharf, as my friends at home would say.

We have a letter from our Ambassador, who speaks on behalf of Canada, to the Southwest Senate Coalition. These Senators who represent the states along the Great Lakes are also concerned about Clause 4. In a lengthy letter, which I will not read in its entirety, the Ambassador assured them that their concerns will be looked at and we will try to work in conjunction with them. That has not happened.

Who did the Government disappoint down south, after saying it would work with them in jointly managing the Seaway? They are, to name a few, Alan J. Dixon, a U.S. Senator. John Glenn, a former astronaut, who is now a U.S. Senator, and the others; Carl Levin, Rudy Boschwitz, Don Quayle, William Proxmire, David Durenberger, Richard Lugar, Donald Riegle Jr., Bob Kasten, Jr., Howard Metzenbaum and Paul Simon, all of whom are U.S. Senators. All of them have written to the Prime Minister of Canada and have been in contact with our Ambassador, expressing their concern that Canada would proceed with one user-fee recovery system on the Seaway while the Americans are going in the other direction.

Given that the concern expressed by these U.S. Senators was made on April 14 in a letter to the Prime Minister, is it any wonder that the U.S. Senate almost defeated a motion to proceed with free trade talks with Canada in a vote of the U.S. Senate Finance Committee? These 10 influential Senators, who represent 10 per cent of the total U.S. Senate, discovered that we cannot even get our act together in jointly managing the St. Lawrence Seaway. Is it any wonder that the Senate is sceptical about Canada understanding what is involved in trying to negotiate a comprehensive trade pact?

Mr. Forrestall: What does this have to do with Bill C-75?

Mr. Tobin: It has everything to do with Bill C-75 because Bill C-75 will apply to the St. Lawrence Seaway which is jointly managed by Canada and the United States. The American authority has written to the Prime Minister of Canada to ask what the Government is doing because it is going left while the Americans are going right. They say that such an approach will not work if we are to work together. It has everything to do with Bill C-75. If the Americans come to the conclusion that we are unable to run the St. Lawrence Seaway, surely no one would be surprised at their scepticism that the Government can get its act together to negotiate a free trade arrangement.

I have another letter which the Great Lakes Waterways Development Association wrote to the Prime Minister. They point out that it has been recognized that the traffic conditions on the lake Seaway system are not likely to be capable of supporting any further Government charges for at least the next two years. They suggest that the intervening time be used to redraft Clause 4. They say: "In the meantime, we recommend it be removed from Bill C-75 prior to enactment."

Incredible as it may seem, all of these people have been ignored by the Government of Canada. The Minister of Transport, sitting in one of those mirrored office buildings here in Ottawa, has somehow developed the notion that he is more sensitive and more aware of what is happening in the Great Lakes area of the St. Lawrence Seaway, and better understands how to meet the bottom line than all those organizations who make their bread and butter from and recognize the value of that major artery which moves the life blood of this country. He believes that he knows better than all of them and will proceed with this legislation.

Somehow the Minister has prevailed over the international representations of the U.S. Great Lakes Commission, the representations of Canada's major shipping industries, the representations of the little people in this country who are trying to scrape a living out of the sea and this clause is still in the Bill. Somehow he has prevailed over the commitment given by the Prime Minister to the Premier of Quebec last week.

I consider the Minister to be an intelligent person. I do not believe that he is insensitive or that one must hit him over the head with a hammer to get his attention. Therefore, the obvious reason why this measure is being pursued is that it is an extension to this particular Department of the user-pay philosophy that the Government is imposing on every agency of the Government of Canada.

This is part of the Government's plan to operate its services and agencies much like McDonald's operates its hamburger stores. MacDonald's is a market driven company. It is going to sell hamburgers if the volume is right. It will build a store where the population is high enough. One will not find a MacDonald's hamburger joint in Trout River, in the great northern peninsula of my riding, or in St. Anthony, or in Port-au-Basques.

• (1230)

If the Government continues with its philosophy, one will not find a federal Government presence in any of those places either. The Government has now decided we are going to run the Government of Canada and its services in the same way in which MacDonald sells hamburgers. Where population warrants, where volume is high, where we can make a go of it, we will have a service. And all those Canadians who live where populations are not high and we cannot make a profit, we will not have a service. I want to tell the Government that it is not its mandate to function like MacDonald's hamburgers. The people of this country are not, in the strict sense of the word, shareholders in this business. Budgets are not designed to provide attractive numbers for accountants to look at. Budgets are about people. The Department of Transport does not serve as an entity unto itself, to meet its own internal objectives. The Department of Transport is an arm of Government. It is an extension of the people, providing the people with the services they need, depending on where they live. The philosophy, somehow, in a short 18 months, has been turned on its head so that the Department of Transport and, indeed, many departments of the Government, have taken on more the philosophy of MacDonald's than the philosophy of an agency responsible to its shareholders, and some of the shareholders live in places other than Toronto, Vancouver and Montreal. They live along the coastlines of this great country.

I have been talking about the St. Lawrence Seaway—

Mr. Forrestall: You are not talking about anything. You are filibustering.

Mr. Tobin: —trying to suggest to the Government that to bring these additional charges to bear on the Seaway and the companies operating on the Seaway at this time is irresponsible. The banner headline in the *Windsor Star* last fall reads: "The St. Lawrence Seaway Crumbling". A banner of another newspaper last April reads: "Low Volume Has Seaway Struggling to Keep Afloat". Another headline reads: "Seaway Dying from Neglect, Shipper Says". Here is another headline: "The Foundering Seaway", and again another: "The St. Lawrence Seaway Has to Fix More than a Broken Lock". And yet another: "Canal Lock-out. A Collapsed Wall Halts Shipping in Foundering Seaway". If the St. Lawrence Seaway was a human being, it would be akin to a fellow floating in the water, having gone down twice and having taken in a lung-full

of water, and the Government comes to his rescue by throwing an achor into the water and taking him straight to the bottom.

The fact is that the Seaway is in trouble. Traffic in the St. Lawrence Seaway is being siphoned off to other routes, one of which is most worrisome, that is the Mississippi route. There are no user charges on the Mississippi. We have had a bridge collapse so that we were closed down and traffic over the last 24 months was blocked, which gave the St. Lawrence Seaway an international black eye. We had the wall of a canal collapse and trap a ship, which closed down the Seaway for another period of time.

Now when traffic is moving out of the Seaway what does the Government do? Does it intend to fix the Seaway up? No, it took $30 million held by the Seaway authorities in trust for expansion, and the Minister of Finance (Mr. Wilson) put it back into general revenues. The Government says: "We have to watch those fares. We are going to shoot ourselves in the foot. In our desire to get an extra penny, we are going to lose a dollar", and raises the tolls on the Welland Canal by 15 per cent. Does the Government say: "We have to restore the international reputation of the Seaway and provide some dollars for upgrading and renovation"? No. The Government brings in Bill C-75, which includes Clause 4, and on top of 15 per cent charge for new tolls on the Welland Canal, and on top of taking away $30 million with which the Seaway authorities had to work, it is now going to impose additional charges.

Some Hon. Members are saying: "Surely, that fellow from Newfoundland does not know what he is talking about. There is not really a serious problem on the Seaway". Well, if there is no problem with the Seaway, why has the Minister of Transport requested the Standing Committee on Transport, of which I am a member, to strike a subcommittee to go to work this summer to examine the problems of the St. Lawrence Seaway? Hon. Members of the House who are going to serve on that subcommittee on the one hand acknowledge there is disaster. It is like a fellow standing on the gallows with a noose around his neck about to go through the trap door. They acknowledge the situation. So the Government sets up an emergency task force to examine the problem and save the Seaway on the one hand, and on the other hand puts across the back of that system additional user charges. Never before in the history of Canada and in the history of the Canada Shipping Act has there been such a provision, such a power to lay charges. Heretofor, that had not even been contemplated, dreamed of or even existed.

Mr. Forrestall: Nonsense. Go back to 1983 and check the record. Try to be relevant, will you?

Mr. Tobin: Not nonsense, my friend. Never before has a Government come before its people and asked for authority to raise money without telling them in advance how much money is to be raised, who is to pay and what it is being paid for. Can you imagine that, Mr. Speaker? It is like a fellow who walks into the grocery store and meets the cashier who tells him to pay $200 now and pick up his groceries later. The Minister of Transport is asking Parliament to give him the authority to raise money, but he is not going to tell us from whom it shall be raised, or how much will be raised.

Mr. Forrestall: Why don't you talk about the consultative committee and the undertaking by the Minister? Why not tell the whole story, not just selected parts of it?

Mr. Tobin: A consultative committee? The Hon. Member may not be aware but his constituents sent him here to represent their interests. I think in most regards he does a fairly good job of it, but if he believes his constituents sent him here to give the Minister of Transport this incredible and dangerous power—

Mr. Robichaud: Choking power.

Mr. Tobin: Yes, choking power, a vile, dastardly, and undemocratic power. He wants this power now and will tell us later how it is to be imposed. He ought to go back to the nearest wharf and have a chat with the fishermen, and into the nearest corporate office and have a chat with the shippers. That is not why his constituents sent him or any other Hon. Member here. Does anyone want to consult with a fellow who has a gun in his hand? The Minister now has the power to impose the fees. He says to the fishermen: "I am here to consult with you. I now have Bill C-75, and Clause 4, through the House. I now legally have the power to impose whatever fees I want. I now come to you and ask if you mind". What kind of consultation is that?

• (1240)

I consulted a fellow like that once when I was 12. He consulted me a whole bunch. It was in a school-yard. In my back pocket I had a little play gun and this big bully came and consulted me. He said: "I want that gun". I said: "No, you can't have it". He pummelled me. He pounded me. He kicked me and stoned me. He left me lying in the dust, and he took my gun. The teacher said: "What happened?" I said: "He beat me up and took my gun away". He said: "No, I did not. I consulted him". That is the type of consultation the Minister of Transport (Mr. Mazankowski) is having with the users of the country. Once he has this power, this authority granted through Parliament, is he going to consult with them? Don't be so silly! That type of consultation is the type of consultation that is happening in South Africa today. It is simply not good enough, as the Secretary of State for External Affairs (Mr. Clark) so properly indicated to the House. We do not need that type of consultation in the country. It is not consultation by any stretch of the imagination, no matter how you look at it.

The St. Lawrence Seaway is doomed as a commercial sea link if Ottawa continues its policy of neglect. That is what Paul Martin, Junior, said, and he is owner of Canada's largest lake freighter fleet. "Posing an even greater threat to Great Lakes shipping are some of the proposed changes to the Canada Shipping Act," Martin said. The alterations as

currently worded have the Government levying additional fees on Seaway users to recover $800 million in annual costs to the Canadian Coast Guard and for maintaining navigational aids.

What do we find out in examining the Seaway patterns over the last number of years? We find out that the volume of Seaway traffic has been steadily eroding. It has been steadily declining. Last year, as compared to the previous year, there was a 27 per cent decrease in traffic. That is incredible. We are not talking about a system here that is just slightly wounded.

Mrs. Sparrow: The grain is moving the other way.

Mr. Tobin: That is right. The Hon. Member from Calgary is absolutely right. The grain is moving the other way, and some of it is moving on the Mississippi system. It is going the other way and our system is not being used. Why? The perception is that it is not dependable. The perception out there in the world is that Canada is not committed to the Seaway, not committed to rejuvenating it. The reality in that perception is that the Government is attempting to lead, squeeze, pound, twist and turn every last penny possible out of the Seaway.

My mother, God bless her, used to have a very simple description of the Government's policy. She used to call it penny wise and pound foolish. The Government is nickelling and diming the carriers, which affects the traffic and the volume of it on the Seaway. Canadians will say: "Why should we be concerned?" If we cannot get the Government to commit itself to rejuvenating the Seaway then we will see its steady decline, its free fall continue. Literally tens of thousands of jobs will be lost, as will a major international artery, a major mode of transportation, be lost to the country. That is why Clause 4 has to be opposed, and opposed extremely vigorously.

Last season the decline of traffic on the Seaway was terrible. Some 37 million metric tonnes were carried on the Montreal-Lake Ontario section. That is a reduction of more than 20 per cent from previous seasons. Volumes on the Welland Canal sank 22 per cent to 42 million metric tonnes. Even worse, volumes and market share in grain and iron ore, which between them account for almost three-quarters of the Seaway's traffic, are steadily dwindling, as the Hon. Member for Calgary South (Mrs. Sparrow) mentioned a moment ago. Money is tight and it is becoming tighter. Last year total revenues totalled $47 million, some $11 million less than the previous year. The year before total revenues amounted to $58 million. We have seen a 22 per cent drop in traffic and an $11 million drop in total revenues, yet the Government says it can fix that, no problem. The Government says: "We can get that money back. We will raise the rates".

Mr. Riis: Why is this happening?

Mr. Tobin: Because the Government has not indicated to the people who use the Seaway that it has confidence in the Seaway, that it is prepared to invest in its future. Carriers are saying to themselves that the time has come. After all, it is an aging Seaway. It is time for the Government to either recommit itself to the Seaway, to show signs that it is serious about its long-term future, or to begin the process of walking out.

Mr. Riis: Give me an example of that.

Mr. Tobin: The carriers do not see the Government of Canada recommitting itself to the Seaway. They do not see the Government saying that the Seaway has a long-term future. Because they are in the business of moving bulk traffic they are saying: "We'd better find an alternate means of moving our traffic now before we get caught once again behind a collapsed bridge or a collapsed canal".

Why is the Government of Canada not serious about this matter? I will give the Hon. Member an example. The St. Lawrence Seaway Authority had removed from its jurisdiction $30 million in accumulated revenues by the Minister of Finance (Mr. Wilson) as a result of his Budget of last May. This was money which could have been spent by the authority in the pursuit of restoring confidence in the Seaway. Yet the Government, in the face of a disastrous year and in the face of declining tolls, took that money out of the hands of the Seaway. The Government did more than that. It increased by 15 per cent the tolls on the Welland Canal.

Mr. Riis: That doesn't seem fair.

Mr. Tobin: Not only it is not fair, it is, as my dear mother would say, penny wise but pound foolish.

I say to the Government that the representations by the Great Lakes Seaway Authority, by American Senators, by our partners in the U.S. who help manage the Seaway, by the major carriers, by the Seafarers International Union, and by the Montreal Chamber of Commerce must be listened to. This is what the Montreal Chamber of Commerce had to say on the subject: "It is surprising that on every other aspect of Bill C-75 there has been extensive consultation with industry, but on Clause 4 there has been no consultation whatsoever". Those are the words of the Montreal Chamber of Commerce, which is the heart, the cradle of the St. Lawrence Seaway. It has said that there has been no consultation whatsoever.

Whatever happened to that brand new day that the Prime Minister promised Canadians? I ask Hon. Members if they remember that, or were we all asleep? Was it just a pleasant dream? Was it only something we thought occurred? Was it just an idle promise that we would see a brand new day for Canada, a day on which consultation and not confrontation would be the watchword? Did we not believe that it would be a day on which co-operation as opposed to unilateral action would be the watchword? Would it not be a day when the provinces and the federal Government would sit down at the same table and resolve some of their problems by discussion? Was that all a dream? Was I asleep? Was that the vision that was painted and trailed across the land for all Canadians to behold? Was that the vision that Canadians reached for desperately in excitement in returning 211 Members to the opposite side of the House? Or was it all a passing dream?

Mr. Forrestall: You're a dreamer.

Mr. Tobin: Are we now discovering that we have woken up and that the world is a nightmare in which the Montreal Chamber of Commerce, the very cradle of the St. Lawrence Seaway, can say with respect to Clause 4 that there has been no consultation whatsoever? The Montreal Chamber of Commerce also said that the problem is that in the case of Clause 4 of Bill C-75 there has been no prior consultation with either the shipping community or the business community in order to assess the economic and other impacts of the Bill. The Montreal Chamber of Commerce points out that the shipping industry has suffered very heavily economically during the last four or five years and that it is going through a depression. For this reason it is particularly costly and sensitive and will react very quickly to any change in cost.

• (1250)

What does the Canadian Merchant Service Guild say about Clause 4 of Bill C-75? The representatives of that guild are people of few words. They begin by saying that they are against Clause 4. That could not be any clearer. They go on to say that their concern is the loss of jobs because that is their business and that is what could happen.

Canada Steamships Limited has said that the Canadian shipping industry has carefully honed its competive edge through continuous innovation and productivity and that additional costs will dull that edge, harming them and many important Canadian industries including agriculture.

Mr. Forrestall: Do they reject the principle of cost recovery?

Mr. Tobin: No, they do not. That is the incredible thing. One would have to have the face of a robber's horse or the nerve of a toothache to make the comment that the Parliamentary Secretary to the Minister of Transport (Mr. Forrestall) just made. Do the representatives of Canada Steamships Limited reject the principle of cost recovery? Of course they do not reject the principle of cost recovery. They do reject the same thing that was rejected by the people who threw bags of tea into Boston Harbour, and that is taxation without representation.

Bill C-75 asks for an authority to impose charges while all of the users of the services are told that they will find out later what charges shall be imposed. They do not reject cost recovery. They reject dictatorship. They reject non-democratic action. They reject taxation without representation or consultation. They reject the arbitrary, arrogant, uncaring, brutal and ruthless move to recover costs even to the extent that it will ruin industries and cost jobs in Canada. That is what they reject.

I am amazed, puzzled, bewildered and absolutely surprised that the Government of Canada has not got that message. The Government promised the dawn of a brand new day for Canada, according to the Prime Minister, but it has not got the message. I am amazed that the Government of Canada would proceed with this legislation.

I mentioned Canada Steamships Limited. It went on to say that Clause 4 could attempt to achieve a system of cost recovery whereby the high operating budget of the Canadian Coast Guard may be recovered primarily from a Canadian shipping industry which can ill afford additional charges at this time.

Representatives of Ultramar have said that they subscribe to the principle of cost recovery but there is no recognition that Canadian cost recovery policies need to be closely co-ordinated with those of the United States. As I pointed out earlier, the St. Lawrence Seaway is not under exclusive Canadian jurisdiction but under joint jurisdiction. We cannot even get our act together when managing that jointly. How in the name of heaven does the Government expect the people of Canada or, for that matter, the Americans to have any confidence that the Government is able and prepared to negotiate a comprehensive trade agreement if it cannot even run a seaway with coherent policies, particularly as it applies to user charges?

The Petroleum Association for the Conservation of the Environment wishes to endorse the position of seeking cost recovery but wants consultation on how charges are to be imposed before legislation is passed. The Canadian Shippers' Council has said the following:

> You can be sure that any user-fees the Coast Guard levies will be passed directly to exporters with a consequent reduction in our competitiveness. User-fees for Coast Guard services could result in some cargo being diverted through the U.S. transportation system and through U.S. ports.

Let me read that again, Mr. Speaker. The Canadian Shippers' Council—note that it is Canadian—has said:

> User-fees for Coast Guard services could result in some cargo being diverted through the U.S. transportation system and through U.S. ports.

What did I just say, Mr. Speaker? I just said that traffic on the Welland Canal is down by 22 per cent and that 37 million metric tons were carried on the Montreal-Lake Ontario section, a reduction of more than 20 per cent. Revenues are down by $11 million over the previous year. Traffic is moving to U.S. transportation systems creating jobs and new industries south of the border and increasing volumes on the Mississippi. The Seaway Authority is collapsing. The Canadian Shippers' Council is saying that user-fees will result in cargo being diverted south of the border.

Let us understand what we are talking about. We are not talking about inanimate objects being diverted south of the border. We are not talking about barges being diverted south of the border. We are not even talking about grain or cargo being diverted south of the border. We are talking about human beings. That is what these numbers symbolize. We are talking about jobs. We are talking about the ability to put bread and butter on the table. That is what is being diverted south of the border.

The people who currently hold the jobs that will be lost cannot move south of the border to take up those jobs. They

will find themselves unemployed. South of the border, someone who did not have a job will get one. The Government of Canada is making a blood transfusion out of that major transportation artery, the St. Lawrence, to the Mississippi and other U.S. transportation systems.

What does Noranda have to say? Its representatives say that they feel the taxes for navigational aids and ice-breaking services would really penalize Noranda for operating in a climate and along a shoreline not of its choosing. Is that not the real issue? All of those companies that would wish to establish themselves in the riding of my friend from New Brunswick, the Province of Newfoundland or the Quebec north shore—another impoverished area which in fact is represented by the Prime Minister (Mr. Mulroney)—shall be penalized because they will have to pay the costs of the environment. The Government is going to charge them for the weather. It is cold in the North and cold creates ice. The Government of Canada will charge those companies that wish to provide regional development and jobs a penalty for setting up in those parts of the country along the coastline or in the North.

It is incredible that the Prime Minister, who was the President and chief operating officer of the Iron Ore Company of Canada which had mines in Quebec, Wabush and Labrador City and depended upon not only a rail link but on the St. Lawrence Seaway to move its product to market, would not respond to the respresentations of the very man who now occupies his job. The Prime Minister abandoned his job as the President of the Iron Ore Company of Canada just as he abandoned Schefferville which was closed down. He abandoned the salary, job and title that he used as a stepping stone to get the job of the Right Hon. Member for Yellowhead. Did he abandon the region when he abandoned his principles? Did he abandon the concept of regional development? Did he really want to run for election in Montreal or perhaps a suburb of Toronto? He walked away from Schefferville by closing it down and waiting for it to be bulldozed over. He was an employee of an American company because Iron Ore Company of Canada is a subsidiary of a big American concern. He had been working for that company for a long time. As President of the Iron Ore Company, he abandoned Schefferville, watched the ploughs come in to bulldoze it over, and arranged for pension cheques to be paid out because he was running for the leadership of the Conservative Party. Did he just abandon the town, or did he abandon the concept that Canadians have a right to services no matter where they live in the country?

• (1300)

We have noted that the Government JetStar has taken the Prime Minister more often to West Palm Beach, Florida—and that is from the Government's own records—than the JetStar has taken him to Baie Comeau. We on this side of the House have noted that the government JetStar has flown more times with the Prime Minister to West Palm Beach than it has to Baie Comeau or Manicouagan. We are thinking of renaming him the Member for West Palm Beach.

I do not know whether there is some symbolism in that. I do not know whether it is an indication of where the Prime Minister's interest lies. I do not know whether that is an indication of his preference in terms of where he would like to spend his time and with whom.

However, I should like to tell the House the thoughts of those of us who live in large, rural, coastal constituencies like that of the Prime Minister. In fact, the Prime Minister's constituency is right across nine miles of water from mine. We have the great northern peninsula of Newfoundland, nine miles of water, and the north shore of Quebec, and that is the Prime Minister's riding. His riding is nine miles away. One can take a ferry from Newfoundland across to it. It is nine miles away, but I have never seen him. Those of us who live in similar constituencies are wondering whether the fact that the JetStar with the Prime Minister aboard goes more often to West Palm Beach than it goes to Baie Comeau or Manicouagan is an indication of where the Prime Minister places the Baie Comeaus of the world on his list of priorities.

One of the reasons the Government is so insensitive to the impact of the Clause 4 user charges, this penalty for living in rural Canada which will be imposed by the Minister of Transport is that cabinet Ministers do not ride VIA Rail any more. They do not ride the buses any more. They do not even deign to put themselves in such a shabby place as the first-class compartment of Air Canada! They do not travel in first-class compartments; they take whole airplanes—get an entire JetStar and fly! While the rest of us are wondering whether Air Canada will land in our riding so that we can have some kind of link, the Prime Minister is taking an L-1011 to Europe. Flying along at a slower pace behind the L-1011, chugging for all its worth and trying to keep pace, is a Hercules aircraft loaded with two trucks and video gear to take pictures of the Prime Minister.

Mr. Robichaud: Is that what it is for?

Mr. Tobin: Yes, that is what it is for. It is a Hercules aircraft. Mr. Speaker, did you ever see such a brute? It has a big belly. The Prime Minister also has two vans which he keeps on standby here in Ottawa. The door of the aircraft goes up and they drive them aboard. There are seven crewmen and eight technicians, as well as video cameras, audio equipment, light systems, and sound systems, and the Prime Minister goes off to make the latest version of "Bedtime for Bonzo".

The reason this kind of legislation can be introduced is that after 18 months the Government is no longer living in the real world. I know Hon. Members opposite are living in the real world. I know there are Members opposite sitting in the House today who are as concerned as I am about the tendency, not toward presidential-style politics, but toward emperor-style politics. Thank God for the Hercules, in some ways. It is a Trojan Horse for the people of Canada to have a peek at the emperor's entourage and the presidential travelling style of the Prime Minister.

We now have some idea about where the Government's mind is. We now have some idea about what is the Government's preoccupation. Its preoccupation is not to manage the country or its problems; its preoccupation is to manage PR. The Government believes that if it can manage PR and can manipulate public opinion, it does not really matter whether the Welland Canal walls are collapsing, the St. Lawrence Seaway is going bankrupt, and jobs are being moved south of the border as traffic leaves the St. Lawrence Seaway. However, we have a great picture of the Prime Minister! With his brand new presidential-style podium, with his brand new seal attached to it, with his brand new backdrop, with his brand new lights, with his brand new vans and Hercules aircraft, and with his brand new video cameras taking a nice picture of the Prime Minister, supposedly everything is fine. When we strip away the lights, the podium, the new presidential seal, and the backdrop, we find that there are problems in the country and everything is not fine.

On the one hand the Government is spending millions making video films of the Prime Minister, they say for posterity. At the same time it is imposing user charges on fishermen, for God's sake, living on the great northern peninsula of Newfoundland. We can be damned sure that the fishermen are not travelling in presidential style. Most of them are moving around in pick-up trucks over dirt roads to inadequate wharfs to try to scrape a living from the sea, from the salt water of the Atlantic, while clinging to the rocks. They do not seem to give a damn that a user fee will be loaded on to their backs in the face of that abuse of taxpayers' dollars for propaganda purposes, a user fee which will wipe them out.

I dare say that if the money spent by the Prime Minister alone to build up his personal entourage had been applied to the Department of Transport, it would not be looking for user-fees. I remember the Prime Minister promising a brand new day for Canada. We were also promised that the fat and out of control massive bureaucracy surrounding Pierre Elliott Trudeau had to go. During the campaign the Prime Minister used to ask: "Can you imagine 60 people in Prime Minister Trudeau's office, all those bureaucrats, and that waste of taxpayers' money? They have to go". However, what did the Prime Minister do? He has 120 people on his payroll. He doubled the number of people on the payroll.

One can draw two conclusions from that. The first would be that Mr. Trudeau's people were twice as bright and twice as good as the Prime Minister's people and therefore the Prime Minister needs twice as many people. However, I do not believe that. I reject that. I do not think Mr. Trudeau's people were twice as productive as those of the Prime Minister. The other conclusion would be that the Prime Minister, too early in his term, before he spent enough time examining the cracks in the Welland Canal, conditions in Atlantic Canada, and the position of the people in his own riding, spent too much time in West Palm Beach, hanging around with all the other megalomaniacs who find it necessary to have a personal entourage chase them around.

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

Mr. Tobin: Is there a problem?

The Acting Speaker (Mr. Charest): A small problem. I just want to raise the question of pertinence with the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin). I understand that the Hon. Member ties his remarks to the substance of the Bill. However, to some extent, entertaining a speech on the subject of the PMO versus the Bill for a very extensive or long period of time raises in my mind a question of pertinence. I only raise the issue for the benefit of the Hon. Member, to tell him that I have some problem with it.

Mr. Tobin: Mr. Speaker, I am glad you raised that point, because it would be inappropriate for me to spend a long period of time pointing out to the people of Canada that if all that money had not been wasted by the Prime Minister, it could have been applied to the Department of Transport, and therefore the Government would not need Clause 4 in Bill C-75. However, I have been watching the clock, and I have not spent a long time making that point. I have only touched upon it for about the last three minutes, and a check of the record by the Speaker will indicate that. I appreciate the Speaker's warning and I appreciate the Speaker's advice. I shall try to remain relevant, as I always do, to the matter before the House, and I hope the Speaker will watch the clock as well.

• (1310)

Some Hon. Members: Oh, oh!

Mr. Gustafson: I am sure your constituents are not pleased.

Mr. Tobin: My constituents are extremely pleased that someone is getting up on his hind legs and not allowing this Bill to go through this House without even a whimper, without a sound or a word of protest. It is not my constituents who are not pleased, it is the Hon. Member's constituents who are wondering where he is.

I think Members have heard me list off the hundreds of organizations opposing this Bill. Some of them, I presume, are in ridings of Members opposite. All of those organizations are wondering where Members opposite are. Somebody described them as surfers. Surf in with the tide and surf out. I do not know.

The Inuit Tapirisat and Baffin Island Inuit Association say:

> Increased volumes of shipping in the North will create serious environmental problems to this virgin area. Breeding and feeding areas for marine mammals will be disrupted, animals will migrate to other areas and any spill of contaminants will be very difficult to clean up.

The legislation contains nothing to meet the concerns of these native people in Canada's North, nothing.

The organization went on to say:

> The technology and capability do not exist to adequately clean up a major oil spill in the Northwest Passage. To further compound the problem, the North is not equipped to deal with such an eventuality and the response time from the South will be such that major damages will already be irreversible.

Let me talk about the North. The Government of Canada's policy with respect to the North is, to say the least, akin to being insane. It is not addressed in this Bill. For the first time in the history of our country the Government of the United States, without asking our permission, without a care for what our feelings are on the subject, sailed the *Polar Sea* through our territorial waters. That has never happened before. It has only happened since the Government said: "We will always give the Americans the benefit of the doubt". The Americans took advantage of that commitment by the Prime Minister. They said: "Let's go doughtily through the Canadian territorial waters and let us not even bother asking".

What does our Government do? The Government announces to the House that the only reason the Americans went through the Northwest Passage was as a result of the previous administration having left us without a vessel to stop them. Can you imagine the mentality? The only reason the Americans boiled through and churned up our waters is that we did not have the artillery to stop them. On the one hand the Government says that, and on the other hand the Government says that the Americans are our best friends and that we will always give them the benefit of the doubt. You cannot have it both ways, Mr. Speaker. The Americans did not go steaming through our waters because there was not the equipment necessary to stop them. That is not why they went through. The Americans went through because for the first time in decades they saw a Government that claimed at every single step that it would give them the benefit of the doubt. The Americans made a passage through Canada's waters as a way of indicating for future court references that they do not acknowledge our jurisdiction nor our territories.

How do you establish a territory in any kind of a case? You establish it primarily by occupancy, by living in it, occupying it and using it. What does the Government of Canada do to makes its case for sovereignty? Does it assist the people who live in the North because they are our best guarantee of sovereignty? The people who live there call themselves Canadians.

Mr. Robichaud: They are Canadians.

Mr. Tobin: They are Canadians. Canadians are occupying the North. Therefore we occupy the land. Therefore our case is *de facto* made. Does the Government say: "We have to assist the people who live in the North? We must not put any more charges on the people in the North", as is being proposed by Clause 4 of the Bill? Does the Government say that? No, Mr. Speaker. The Government says that it is going to penalize people for living in the North.

Mr. Riis: Make life miserable for them.

Mr. Tobin: That is right, "We are going to make life miserable for the people who live in Canada's North. We are going to charge them to live there". It is going to cost those people more. Then, to handle our sovereignty problem, the Government is going to build a $500 million ice-breaker so that nobody does anything as a knee-jerk reaction to the American passage of the *Polar Sea* through our waters.

Mr. Robichaud: To keep the Americans out.

Mr. Tobin: Yes, to keep the Americans out. The Americans are really shaking in their boots. Would it not be much better to spend the $25 million to dredge the Mackenzie, which runs from Pine Point in the Northwest Territories—yes, it does—and Great Slave Lake straight through to the Beaufort Sea?

Mr. Robichaud: Tuktoyaktuk.

Mr. Tobin: Tuktoyaktuk, that is right. Would it not be better to spend $25 million there rather than spend $500 million on an ice-breaker? Would that not be much better? It would make the life of that community that much more rewarding. Would it not be better to remove the airport tax on people in the North who do not fly by air because it is a pleasant way to go but because there is no other way to go in the winter? Roads are impassable. Water transportation is frozen. The only way they can move is by air. There is no choice. That is it, and yet we tax those people in the North exactly as we would tax somebody leaving Toronto going to West Palm Beach on holidays. Isn't that ridiculous, Mr. Speaker?

Would it not be much better to say to the people who live in Canada's North that we are going to retain in those isolated communities basic means of transportation? In so far as summer operation is concerned, we should open up the Dempster Highway and upgrade it rather than spend $500 million on an ice-breaker. The Government again is more interested in managing public opinion than in managing the problem, and public opinion demanded that the Prime Minister pound his chest and say "We are going to build a half a million dollar ice-breaker".

We know how the Prime Minister thinks. He takes Hercules aircraft full of audio and video equipment. The Prime Minister must have a Hercules aircraft full of audio and video equipment. Let him go to the Province of Alberta and, if he does not have time to go himself, let the video crew go to Alberta, let them go out on the streets and talk to the people who are suffering from a collapsed world oil price. Let the crew talk to the newly unemployed. If the Prime Minister must have a video crew, a crew and an aircraft at a cost of millions, let them go to Newfoundland to the great northern peninsula. Let them talk to the fishermen who are being told that Clause 4 of this Bill will impose additional charges. If he must have an aircraft, two vans, 15 personnel, audio and video equipment at a cost of millions, let him tell the crew to quit chasing around, go to the great Province of British Columbia where the cedar shakes and shingle workers are now unemployed. If we must have that video equipment crew, if they are going to do some good for the Parliament and the people of Canada, let them travel the country and talk to the softwood lumber workers in every province who fear for their jobs.

Is it any wonder that Clause 4 of this Bill has received an overwhelming negative response from almost every single group, except for the Minister himself who has appeared before the legislative committee that examined the whole matter? What did the PEI Potato Marketing Board say about this Bill? It said "Cost recovery will further erode the PEI potato producers in reaching central Canadian markets".

This further erodes the potato farmer's position.

How many Canadians are aware that in PEI today it costs potato farmers more to grow potatoes per pound than what they get per pound when they sell them? Potato farmers are already operating at a deficit. On top of that deficit, along comes the Hercules with video equipment flying the Prime Minister of Canada who is saying "We have Clause 4 of C-75 to load on to to your backs".

• (1320)

In 1986, just before the election, Mr. Lee, the former Premier, said: "If ice-breaking charges for shipping potatoes are added, we could be blown off the map as far as competition is concerned". Those were very prophetic words. The Premier said that if those charges were applied, they could be blown off the map. The first one blown off the map was Premier Lee. There was an election in P.E.I. only a few months ago. The election was held in the middle of the examination of this Bill in the standing committee. The potato farmers of P.E.I. were telling the Government of Canada not to apply those charges because they would go bankrupt. The Premier of P.E.I. agreed but said that those guys in Ottawa are good guys and that the Prime Minister and he were good friends.

The Premier's words were prophetic. He said that if ice-breaking charges for shipping potatoes were added they could be blown off the map as far as being competitive is concerned. The Premier was the first victim. He was no longer competitive and was blown off the electoral map. He lost his own seat and lost the election. There is now a new Premier in the Province of P.E.I., Premier Ghiz.

The cost is not only to ordinary Canadians, fishermen, farmers, and employees of the shipping lines which ply the Great Lakes and the St. Lawrence Seaway. The cost of the Government's policy also applies to its political friends. The former Premier of P.E.I., the Leader of the Conservative Party of P.E.I., is no more. I understand that his only potential for future involvement in political life is to find a seat in the Senate if the Prime Minister finds that he has indeed paid a high price for his allegiance, loyalty to and association with the high-flying, high-spending ways of this country's Prime Minister.

I see that the Minister of Agriculture (Mr. Wise) has come into the House. If he were not bound by cabinet solidarity and an oath of office which says that he cannot criticize the policy of another Minister, if his job would not be put on the line and his head removed from his shoulders for making a comment to the contrary, he would be standing in his place today defending the potato farmers of P.E.I. because he knows they are in very serious difficulty. It is only the Minister of Agriculture's oath of office and commitment to toe the line and not break ranks under threat of losing his job that prevents him from throwing down his coffee cup, rushing through the curtains, taking his place and demanding the floor to oppose the dastardly measure which is being imposed upon the farmers of the country by the vicious, cruel, heartless, senseless and stupid provisions of Clause 4 of Bill C-75.

We understand that Ministers would be fired if they spoke out. However, why is it that all the other members of the Conservtive Party have not found their tongues? That is the puzzling thing, Mr. Speaker. Can it be that the several hundreds of representations have only been heard by the Opposition? Can it be that only the New Democratic and Liberal Parties are receiving these letters? Can it be that only we are hearing what is being said in the legislative committee? I do not believe that, Mr. Speaker. I think Members opposite have got the message as well but have not made the choice to rise to their feet and be heard.

The Great Lakes Commission is our co-partner in managing the St. Lawrence Seaway. It is the spokesman for the American states involved. At the annual meeting in Ann Arbour, Michigan, it was said: "If user fees are established for the use of Canadian federal navigation facilities, consideration should be given to the elimination of all Seaway tolls". The Government has gone in the opposite direction. It has raised tolls on the Welland Canal.

They went on to say: "When user fees are implemented, some current business is always lost and some new business would then have to be developed. It is our clear preference, based on our own experience with the U.S. government agencies, that the limits of authority be spelled out in legislative language in the original Bill rather than being left to administrative agencies of the Government for final determination". That is a crucial representation. It is their preference that the limits of authority be spelled out in legislative language in the original Bill rather than being left to administrative agencies of the Government for final determination.

They are saying that if the Minister must have this ability to raise fees and charge user fees, then let the Minister tell all users of Government services in advance what those fees are going to be. Let the Minister not expect to have a loaded shotgun in his hand and tell us later on whom that gun is targeted.

The St. Lawrence River Economic Development Group said: "We think it would be dangerous to pass Clause 4 until the main parties involved are aware of its impact". They also say that the threat of additional fees is causing a growing concern among our neighbours and partners to the south. Given that we are about to begin lengthy negotiations on enhanced trade between Canada and the United States, there is a definite danger that the restriction on marine transportation could be misinterpreted. The St. Lawrence Seaway system is jointly

owned and managed by Canadian and American authorities. If we cannot even get our act together to run the St. Lawrence Seaway Authority, how in the name of heaven can we possibly be expected to conduct free trade negotiations?

The Corporation of the City of Thunder Bay, Ontario, says that the St. Lawrence Seaway is already the only North American system which charges user fees. They say that it seems strange that the Government would propose changes which could put Canada in a less competitive position rather than offer the opportunity for Canada to trade more vigorously. They concluded their submission by saying that Clause 4 is totally counterproductive.

Clause 4 represents the first occasion in 26 years of operations that the Governments of Canada and the United States have not agreed on a joint action. It has been 26 years since the $450 million St. Lawrence Seaway was completed and we initiated the joint operation of that Seaway. In all of those 26 years the Governments of Canada and the United States have consulted and reached consensus on how the Seaway is to be operated. In all those years there has always been agreement on what services are to be provided and what charges are to be applied. This is the first time in 26 years that the Government has sought to apply new charges and impose fees which were not arrived at by consensus between the Canadian and U.S. authorities which jointly manage the St. Lawrence Seaway.

I find that regrettable. Quite honestly, I find it hard to understand in the face of the fact that the Prime Minister and the Government believe they can negotiate a comprehensive trade treaty when they have now clearly illustrated that they cannot even jointly manage the Seaway Authority which, for the past 26 years, has operated on a consensus basis.

• (1330)

The National Farmers Union says that Clause 4 will see charges passed on to farmers already strapped with a mountain of added costs. That has to be an understatement. The selling price of wheat is the lowest it has been in 60 years. Grain farmers in western Canada find themselves, as does the Government, caught in the squeeze of a trade war between the U.S. and western Europe. They are caught between the squeeze of the subsidies proposed by the U.S. Farm Bill and the tremendous subsidies being paid by the EEC to its member states and their farmers. Farmers in this country are in such a difficult position that an all-Party parliamentary committee of this House recently recommended that the price of wheat products be raised, that Canadians contribute something to our farmers by paying more for bread and pasta. On the one hand the Government asks Canadians to pay more to assist our farmers, and on the other hand it imposes through Clause 4 of Bill C-75, additional charges on farmers. One hand of this Government does not know what the other hand is doing. What would be more tragic than that one hand does know what the other hand is doing?

We see more evidence of the fact that we have a Government much more interested in managing perception, public reaction, and manipulating public opinion, than in managing the problems confronting our people. We spend far too much time in this Chamber discussing the sexy items which make the front page of *The Globe and Mail*, the controversial, slam-bang, exciting items which cause an uproar in this House, and far too little time debating matters affecting our citizens in their towns, regions and provinces. The people of this country, be they a prairie farmer, a sailor on the Great Lakes, a potato farmer in Prince Edward Island, or a fisherman in Port au Choix, Newfoundland, have unanimously said to the Government that Clause 4 of Bill C-75 is going to break their backs. It will be the clause that kills the goose that lays the golden egg.

This clause is an attack on the primary producer of this country. It is an attack on the people who work the land or the sea. It is an attack on the farmers who preserve, protect and enhance the bread-basket of this country. It is an attack on the men who go into our forest lands to cut the trees. It is an attack on those who go into the mines and bring ore to the surface. It is an attack on the primary producer who lives in the regions of this country. It will impose a tax on them for being the primary producer.

It is time that we in this place remembered that the money used to build the great cities of Canada and the palatial surroundings in which we find ourselves here, is not generated on Bay Street. It is not generated in the Vancouver, Toronto or Montreal stock exchanges. The money used to build our highways and create our cities is generated by the primary producer, the fisherman, forester, farmer and miner. What is speculated on in the stock exchanges is our forestry resources, our food and fish. The primary producer is the engine that moves this country. The health and welfare of the primary producer will ultimately decide the health and welfare of all of us who live in urban areas. I live in suburbia. It has nice streets, paved roads, lovely sidewalks and a beautiful little park in the back. I know that the engine which drives this country is not in the House of Commons. The House of Commons, by imposing this tax on the primary producer, becomes like the tail that wants to wag the dog. The House and the Government should remember that the tail that attempts to wag the dog will find some pretty strong and vicious teeth buried in it. The Government is destroying an important part of the mosaic that is this country.

I have spoken only briefly on Clause 4 and I want to come back to that. There is a second reason why this Bill has failed. It has to do with the failure of the Government to recognize the major recommendation of a royal commission, jointly sponsored, funded and administered by the Government of Canada and the Government of Newfoundland. On February 18, 1982, an oil rig 200 miles offshore called the *Ocean Ranger* went to the bottom in an Atlantic storm. Of the 84 lives lost, more than 60 were Canadian, and almost all of those were Newfoundlanders. The two Governments realized that they had to find a better way of ensuring the safety of our workers at sea. Again, these are the primary producers. The people on

those rigs, taking those risks, are primary producers. On February 18, 1982, disaster struck. The *Ocean Ranger* went down, every man was lost, and Governments jointly decided we had to find out why this unsinkable rig, the *Ocean Ranger*, went down. What happened? The Government appointed a royal commission jointly funded by both the Government of Newfoundland and the Government of Canada. That royal commission spent $15 million over three years and it travelled the length and breadth of the globe and of the country examining the operation of rigs in the offshore, examining the training systems, examining the management systems, trying to make a determination about how we could improve the operation of rigs in our offshore, how we could prevent, as civilized people, another disaster in our offshore. It examined how we, as parliamentarians, could offer our citizens at sea, those primary producers extracting that resource, that energy means from the ocean, a safe system in what is obviously a very dangerous occupation.

• (1340)

We knew, and the people who go out to sea in the rigs know that there are never any guarantees of safety. They know when you put men and equipment up against the North Atlantic that there is never any guarantee. They know that their lives are always at risk, even as we speak today and six rigs are operating off the East Coast of Canada.

In so far as the risk exists, we understand we have a responsibility to give them the best possible equipment and systems available to prevent disaster, and in the event of disaster, to ensure that rescue can be carried out. So the royal commission was appointed. It did its job. It spent $15 million and it made recommendations to the Government of Canada and to the Government of Newfoundland as to what should happen to prevent another such disaster.

Members should know that one of the major recommendation, if not the major recommendation, of the royal commission, was that when next the Canada Shipping Act, which is the Act we are dealing with today, was examined before Parliament, examined before the Standing Committee of Transport, oil rigs should be brought under the jurisdiction of the Minister of Transport and should be included under the regulations provided for in the Canada Shipping Act.

Canadians would be amazed to know that while a barge with no people aboard which floats down the St. Lawrence and the Great Lakes, or is used to dump garbage, is included in the Canada Shipping Act and, therefore, is subject to all the regulations of the Canada Shipping Act, an oil rig with 100 people aboard is not. I think the people of Canada would be interested in knowing that a crane that would operate on the waterfront doing repairs would be included and subject to all the provisions of the Canada Shipping Act, but an oil rig is not.

The royal commission said that one of the main causes of the disaster and the reason for the loss of 84 men, 69 Canadians, 56 Newfoundlanders, according to the *Ocean Ranger* report completed in August of 84, was a breakdown of the command structure in the final hours preceding the sinking of the oil rig. The main contributing factor to this breakdown was the fact that the captain, who commands the oil rig when the rig and crew are in danger, did not have the proper qualifications to avoid what transpired.

In other words, all those vessels that are covered under the Canada Shipping Act that navigate the oceans of Canada must have a command structure as laid down by the Canada Shipping Act. They must have qualified, certified personnel as laid down by the Canada Shipping Act, but an oil rig continues to be under the of the Minister of Energy.

As I touched on yesterday, what is tragic about the exclusion of oil rigs and the lack of an acknowledgement of the recommendation of the royal commission in this Bill is that there is not a Member of this House in good conscience who does not believe that oil rigs should be brought under the jurisdiction of the Minister of Transport. The Minister of Transport believes that, the Parliamentary Secretary to the Minister of Transport (Mr. Forrestall) believes that, every Member that I know from an oil-producing region believes that, regardless of Party, but still it has not happened. It has not happened despite the will of Parliament, it has not happened despite the will of a royal commission.

I suppose we spent that $15 million for some serious reason. I suppose that generally when we have people study a matter for three years, we take their advice seriously. I suppose we are not arrogant enough to second guess a group of experts who have spent three years of their lives dedicated to one task. Despite all of that, no jurisdiction over oil rigs is mentioned in Bill C-75.

Why is that? It is because there is in this place a disposition toward empire building. It is because, for the moment, oil rigs rest under the jurisdiction of the Minister of Energy (Miss Carney). They are part of her kingdom. I said that this place is a little bit like Rome, but it is a very competitive Rome, there are 40 Caesars, 40 Ministers of the Cabinet, more than ever before in the history of this country. It is the largest single Cabinet in Canada's history. We have a Minister of Energy who has decided that every part of the energy patch, in so far as Government is concerned, shall be under her jurisdiction. We have a Minister of Energy who has said to the Minister of Transport that he can sit on the joint committee and consult with her on how she manages the operation of those rigs in the offshore, but notwithstanding the recommendations of a royal commission that spent $15 million, she shall retain the ultimate authority. She is not going to give it up to the Minister of Transport no matter how logical, no matter how much advice she received, no matter what the will of Parliament.

Frankly, I find that tragic. The reality is that even though improvements have been made in the operation of rigs off the East Coast of this country, some of the very same systems that were in place on the night of February 18, 1982 when the *Ocean Ranger* went down and 84 lives were lost, are in place

today. It has not changed. We still do not have qualified captains on the rigs. The Parliamentary Secretary would know that. They are still not required under law to have a qualified captain on those rigs. We still do not have an escape mechanism off those rigs that are any better than the life capsules that dangle over the side that were in place in 1982 and did not do the job at that time. We still have no clear chain of command established in the event of an emergency on those rigs, as could be qualified and outlined under the provisions of Bill C-75, the Canada Shipping Act.

The Government of Canada has failed, despite the private feelings of the Minister, despite the private feelings of his Parliamentary Secretary, despite the private feelings of this Department, despite the advice of a royal commission the not only to do what is proper, but to do what is right.

It has failed to do not only what is desirable but to do what is responsible. It has failed to do it because of a political fight between two Ministers as to who is going to have jurisdiction over oil rigs, because of the narrow and petty view of a Minister of Energy that because she is Minister of Energy she shall control oil rigs because they are looking for oil. That is so even though the Department of Energy has no expertise in transportation matters, has no expertise in shipping matters, and has no ability to deal in an intelligent manner with the people who are out operating those rigs and the companies that operate them. That is tragic. It is a sad commentary on the Parliament of Canada when we cannot put aside such petty internal bickering and partisanship in order to avoid this problem.

• (1350)

I moved a series of three amendments before the legislative committee that would have allowed Members of Parliament, if they had the courage and intestinal fortitude, to resolve the bickering between the Minister of Transport and the Minister of Energy, Mines and Resources. I understand the position in which the Minister of Transport finds himself. He does not want to demand unilaterally that the Minister of Energy give up her jurisdiction over rigs. The effect of the three motions which I moved in committee would have been to transfer to the Minister of Transport, through legislation, exclusive jurisdiction over rigs operating in the offshore. The Conservative Members who were present at that committee meeting simply had to follow their consciences and examine their souls. They simply had to follow their instincts and support those amendments which would have resulted in a Bill before Parliament today that would have included jurisdiction by the Minister of Transport over rigs operating in the offshore. However, even though those Members knew that the measure I proposed was indeed the correct one, they voted against it.

Let me state for the record that the New Democratic Party Members who were present at the committee meeting voted for those amendments to protect the best interests of the men and women who go 200 miles out to sea on Canada's North Atlantic to risk life and limb not only in pursuit of a salary but in pursuit of an energy resource that will improve the lot of the whole country. Some Members voted to improve their lot and ensure that we give them the best technology available, the best training system available and the best chance of survival if and when something goes wrong with those rigs offshore.

I was disappointed that my colleagues in the Progessive Conservative Party who I know share my view privately did not take the opportunity to support my amendment. I was disappointed that they did not take the opportunity to take that petty debate out of the hands of the Minister of Transport and the Minister of Energy and resolve that dispute, not in the interests of either Minister, but in the interests of the people who work on Canada's offshore rigs. That did not happen.

I hope that during the course of this debate those Members who are present will examine whether the words of the people of Canada which I have quoted today are meaningful, irrespective of what the Minister of Transport or the Government of Canada want. I hope they will ask themselves whether the opinion of the farmers on the Prairies with respect to this Bill is worth anything; whether the opinion of the fishermen of Atlantic Canada and the British Columbia coast on this Bill is worth anything; whether the opinion of those workers in Canada's forest industry worth anything, whether the words of those people who are employed in connection with Canada's Great Lakes and the Seaway mean anything with respect to this Bill.

I am merely echoing those words on behalf of those who have spoken against this Bill and Clause 4. Members of Parliament will have an opportunity to stand up and be counted and show if those words mean anything.

It is a debate such as this which will ultimately determine whether or not the fragile seed of reform that has been planted in this place has borne any fruit. This is the type of issue that will determine the credibility of our view that the role of Members of Parliament should evolve so that they can speak their mind and exercise an independent will on matters that are important to the country.

It was a debate like this that Gordon Bradley, the first Newfoundland cabinet Minister after the 1949 referendum debate, talked about. He was addressing the Newfoundland Assembly which was called together to examine whether Newfoundland should join the Confederation or seek union with the United States. There arose on the floor a clatter, a commotion and loud noises of disagreement, personal name-calling and incoherent debate. Bradley was the Chairman of the convention in 1948. He was a large man who commanded the respect of the House. He rose to his full height and the House fell silent. He said to those delegates who were trying to decide the future of the then country of Newfoundland: "Gentlemen, I remind you, the eyes of the people of Newfoundland are upon you now. They are awaiting your every word, they are watching your every action, and sometimes I fear you try their patience too far".

Canadians do not want us to deal only with the items on the front page of *The Globe and Mail*, God bless them. Canadians do not want us to deal only with the items that appear in a 32 second blip of *The National* on the CBC every night, God bless them. Canadians want us to deal with more than just the items that appear on page 3 of *The Toronto Sun* or *The Toronto Star*. Canadians want us to deal with the kinds of measures that affect how they live and where they live in the provinces and regions of Canada.

Mr. Skelly: Mr. Speaker, I rise on a point of order. I wonder if the Hon. Member might indulge me, since I missed the beginning of his speech, and go over a few of the points which he made.

Mr. Speaker: Of course, that is not a point of order.

Mr. Tobin: Mr. Speaker, the member of the New Democratic Party who just spoke has indicated the problem with his Party. It is a Party that believes there is a point in every direction. Of course, everyone knows that a point in every direction is no point at all. I will be glad, over the course of the next 20 or 30 hours in which I intend to be here, to review my comments from earlier today, as long as the Speaker says that I am not repetitive.

Canadians want this Parliament to deal with more than just the flashy, sexy and exciting items that tend to preoccupy Parliament. They want us to deal also with those issues that affect them where they live.

I suggest that Clause 4 of Bill C-75 is an attack on the primary producers of this country, whether they are fishermen, farmers, forestry workers, mine workers or the people who work on a rig 200 miles offshore. All of those people who collectively represent the engine that drives the economy of this country are under attack by a Bill that would impose upon them and their livelihood additional charges for services that historically are a right of the citizens of this country.

• (1400)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

NATIONAL REVENUE

EFFECT OF DEPARTMENT'S ATTEMPTS TO COLLECT TAX FROM TORONTO COMPANY

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, Friedrich Industries in Toronto sent us a letter stating that it has just been hit again by Revenue Canada. The company offered Revenue Canada $40,000 downpayment on its debt on April 17, 1986. On April 18 Revenue Canada sent out third party demand notes to all customers of Friedrich Industries. On April 23 Irving Bank put Friedrich Industries into receivership because of Revenue Canada. On May 2, 175 persons were laid off because of Revenue Canada. With 175 people at a minimum of $200 a week collecting unemployment insurance benefits, it will cost the Government $35,000 per week.

Revenue Canada should take a positive approach and negotiate with companies to solve problems and not be totally destructive—

Mr. Speaker: Order, please. Sixty seconds.

* * *

SHIPBUILDING

SITUATION OF INDUSTRY—IMPORTANCE OF GOVERNMENT CONTRACTS

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, representatives of the West Coast shipbuilding industry brought their concerns about rising unemployment in the shipyards to Ottawa yesterday. Canadian shipbuilders find themselves largely dependent these days on Government contracts, many let by the previous Liberal Government. The West Coast representatives are keenly aware that these Government contracts will keep the large East Coast and St. Lawrence yards busy over the next few years.

All of the shipbuilders have been bitterly disappointed by the Mulroney Government's failure to implement election promises to the shipbuilding industry that would produce commercial orders. The only hope of the large yards is Government contracts. Management and the workers are sure that the Polar 8 contract is ready to be let. They ask that this contract be let to the West Coast yard that put in the best bid to build this flagship for our northern Arctic fleet.

* * *

MEMBERS OF PARLIAMENT

RESPECT REQUIRED FOR PARLIAMENTARY PROCESS

Mrs. Jennifer Cossitt (Leeds—Grenville): Mr. Speaker, as the House draws closer to its summer recess and parliamentarians return to their constituencies, I call upon each Member of Parliament to reflect upon his or her responsibility as individuals to respect the traditions of Parliament. I ask that we, in all seriousness and with sincerity, reassess our respective motives for seeking elected office, our response to the privilege of being elected to this House and, indeed, our actions in representing our constituents.

We were elected to show leadership, to give direction, and to act with maturity. If we continue to demonstrate our lack of respect for the parliamentary process and the traditions of Parliament, we cannot hope to command respect from each other as colleagues, from our constituents or, indeed, command respect for Canada in the eyes of other nations.

S.O. 21

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

EXTERNAL AFFAIRS

AID GIVEN TO WOMEN IN THIRD WORLD COUNTRIES

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, as a woman and a Government Member, I am very proud today to lay special emphasis on the program prepared by the Minister for External Relations (Mrs. Vézina) and designed to allocate $25 million to women in Third World countries.

For us Canadians, acknowledging the socio-economic role of women in Third World countries has to be an international first, because never before did a co-operating country make women direct beneficiaries of its programs.

Henceforth, Mr. Speaker, all women, including those of the Third World, will be acting as consultants and planners with respect to agency management and planning systems, training programs and scholarships, staff training and data collecting in non-governmental or multilateral organizations.

Mr. Speaker, our Government has just honoured another one of its election commitments by ensuring that women will indeed have equal opportunities.

* * *

[*English*]

CHALLENGE '86

FUNDING OF SUMMER JOB PROGRAMS FOR STUDENTS

Miss Aideen Nicholson (Trinity): Mr. Speaker, the Government claims it is creating meaningful, career-related summer jobs by targeting funds to the private sector rather than to not-for-profit organizations. However, the Government's own evaluation of last summer's SEED Program showed that only a quarter of the jobs created in the private sector were administrative or professional jobs as compared to three-quarters in the not-for-profit sector.

Under the previous Government, students received valuable experience and acquired organizational and managerial skills by administering and delivering programs of value to the community neighbourhood improvement projects, community outreach, children's programs and so on.

Given the resources, the not-for-profit sector can offer relevant, career-related summer jobs, while at the same time providing necessary community services. While the business sector can and should have a role in summer job creation, it should not be at the expense of community organizations and the services they provide.

• (1405)

COMMUNICATIONS

LAYING OF SECOND FIBRE OPTIC CABLE BETWEEN NORTH AMERICA AND EUROPE

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the news that an international telecommunications consortium, of which Teleglobe Canada is a prominent member, plans to lay a second submarine fibre optic cable linking Canada and the U.S.A. to Britain, Spain, and France augurs well for the future of this nation. Canada excels in telecommunications technology, and it is only right that we participate fully in these latest developments.

The Tat-9 cable ought to be in operation in 1991. Unlike the earlier Tat-8 system, it will have a Canadian landfall. The new trans-Atlantic cable will be fully compatible with the world-wide telecommunications standard termed the Integrated Digital Services Network.

Canada is truly becoming "plugged in" to the new world of communications.

* * *

NUCLEAR ARMAMENTS

SALT II TREATY—POSITION OF UNITED STATES

Mr. Derek Blackburn (Brant): Alleluia, Mr. Speaker! President Reagan has seen the light. The President sang a new tune on arms control at yesterday's press conference, in sharp contrast to his May 27 abandonment of SALT II. The President recognized new Soviet proposals for arms reduction and held out hope that an agreement might be possible with General Secretary Gorbachev.

Why this sudden change of heart? It might have something to do with the blast of hot air that greeted the Americans at Halifax. NATO Ministers gave the message loud and clear: they want both superpowers to remain committed to SALT II. This was a refreshing change, and one that brought positive results. The U.S. is interested again in arms control, and the Soviets have made new proposals at Geneva.

Those who dither about "alliance solidarity" should take note. There is no reason to support an unwise policy just because the Americans announce it. A good ally gives sound advice, even if it means disagreement with a superpower.

* * *

HEALTH

SPINA BIFIDA AND HYDROCEPHALUS WEEK

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, June 8 to 15 is Spina Bifida and Hydrocephalus Week in

Canada. As the second most common birth defect in North America spina bifida is often a crippling condition. There is no cure, and parents of spina bifida children are often left with the task of caring for their children without the needed and necessary information.

For nearly 15 years the Spina Bifida and Hydrocephalus Assocation of Ontario has been helping Canadians gain a better understanding of this serious condition. Through information brochures, fund-raising events, and needed personal contacts, the association is helping focus our attention on the needs of people with spina bifida.

I urge all Members to participate in and to support the Spina Bifida Assocation's efforts. We may not find a cure, but—

Mr. Speaker: Order, please. Sixty seconds.

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CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

CONDEMNATION OF LIQUOR ADVERTISING POLICY

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, the CRTC's policy of allowing liquor companies to regulate themselves flies in the face of what the Government is trying to do to change attitudes about excessive drinking.

Last year the federal Government passed strong new laws to fight impaired driving, but that action will solve only part of the problems. If the problems which stem from excessive drinking are to be solved, then attitudinal changes will be needed. But how will that occur when the advertising of liquor companies implies that drinking leads only to a rich, fun-filled life?

I am especially concerned about the influence of these ads on young people, since the average teen-ager spends about three hours in front of the television every day. This advertising has to have some impact on their attitudes.

Selling liquor is a business, and advertising is intended to boost sales. Therefore I do not think that we should trust liquor companies to control the messages which young people receive about alcohol.

* * *

TRADE

TARIFF ON BOOK IMPORTS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, cultural industries have become a bargaining chip in free trade negotiations. The action of the Government in resurrecting the tariff on American and other English language foreign books has put cultural industries on the agenda—as the first item. This breaks Government promises about protecting our cultural industries.

This unfair, discriminatory and ill-conceived policy has been complicated by the fact that the Minister of Finance (Mr. Wilson) and the Prime Minister (Mr. Mulroney) have contradicted each other on where the tariffs apply—French, English, which language books?

Will the Prime Minister address this issue with U.S. Vice-President George Bush? This regressive tariff which applies to all Canada's trading partners should be rescinded. Why is this tariff being imposed upon countries with which Canada has no bone to pick?

The tariff which applies to all Canada's trading partners will affect Canadian companies that import, market, and distribute foreign books to the Canadian public—essential revenue to support Canadian readers, writers and printers.

• (1410)

It seems that the only link between shakes, shingles, and books is wood. All in all, it seems that the Government cannot see the forest for the tariff on the trees. The irony is that we used to have free trade.

* * *

[*Translation*]

YOUTH

CANADIAN YOUTH FOUNDATION—GOVERNMENT ASSISTANCE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, this afternoon, the Minister of State (Youth) (Mrs. Champagne) announced that $1 million will be spent to help set up the new Canadian Youth Foundation.

The Foundation, sponsored by the Canadian Council on Children and Youth, will give young Canadians a chance to study and analyze national questions and policies by which they are directly affected and to share their findings with other young people and the agencies concerned in this country.

Mr. Speaker, this is one more example of the Government's abiding interest in our youth. The Foundation is particularly important because it works according to the concept "By and for youth".

Mr. Speaker, our Government has once more demonstrated its firm belief that our country's youth is its most precious resource and that it is everybody's concern.

S.O. 21

[*English*]

PUBLIC SERVICE

MARINE WORKERS' WAGE DISPUTE

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, the Government of Canada has reached a new low in labour relations with its employees. As you know, Mr. Speaker, the various sectors of marine workers have been negotiating with the Government for a balanced agreement between East and West.

Last weekend, in order to thwart the legitimate rights of the union to hold meetings with its members, the Government, through its agencies, ordered vessels out to sea, and in some cases out to the harbour to be tied up. I call on the Government to change its approach, to accept the conciliation report the union has accepted, and to allow work to continue and workers to get a fair wage.

* * *

FINANCE

CANCELLATION OF TAXES—CALL FOR PUBLICATION OF DOCUMENTS

Mr. Alan Redway (York East): Mr. Speaker, according to the Public Accounts of Canada, during the last fiscal year the Government, by its own admission, gave a special benefit to hundreds of Canadian taxpayers by cancelling over $882 million in taxes. The Dome remission order is but one example of this.

The Financial Administration Act authorizes the Government to cancel taxes owing if it is in the public interest. However, the reports on which the Government bases its decisions to cancel taxes are cabinet confidences, secret documents that are not made public. This practice has tremendous potential for abuse.

One person's taxes may be cancelled but mine may not. Perhaps it is reasonable that that person's taxes be cancelled, but perhaps someone likes that person and does not like me. We do not know. The reason is a secret. This has been going on for years and years under many Governments, but it is completely unacceptable. The Government must make this information public.

ABORTION

OPPOSITION TO USE AS MEANS OF CONTRACEPTION

Mr. Gus Mitges (Grey—Simcoe): Mr. Speaker, in most of the disagreements and arguments that have taken place between pro-lifers and pro-abortionists the focal point has been the issue of contraception. I have said before and I say again that proper birth control methods must be made readily available to all, and sex education must be taught in such a way as to make all people understand those methods.

Money can and should be spent on the sex education of all people, not just those attending high school or college. Once that is done people will be able to make choices concerning the birth of children. As it now stands, abortion is becoming a means of contraception.

For those who do not want children, contraception is proper and necessary. However, once a life has begun it has the God-given right to reach its natural end. That life has the same right to protection under the law as its mother or any other in society.

* * *

MEMBERS OF PARLIAMENT

MEMBER FOR NUNATSIAQ—APOLOGY FOR RACIAL SLUR

Mr. Speaker: Before proceeding to Question Period, I have received a letter and I believe it is in the interests of the House that I read the letter to the House in its entirety. It is from the Hon. Member for Nunatsiaq (Mr. Suluk), and reads as follows:

Eskimo Point

June 12, 1986

Dear Mr. Speaker:

I am writing in response to what I have learned respecting an incident in the House of Commons on June 11, 1986, concerning a racial slur committed by myself to another Member of the House of Commons.

There seems to be a misunderstanding concerning the unequivocal apology made by me on March 5, 1986.

Being a member of a minority group in Canada, I have experienced discrimination throughout my life. I understand that my statement of March 5 was referred to in the House of Commons yesterday and that my apology was viewed by some Honourable Members as less than unequivocal.

Since I am unable to be in the House of Commons personally to make any clarification, I would like to inform the House, through you, that the statement made on March 5, was intended by me to be an unequivocal apology. If doubts remain I would like now to remove them by asking you to convey to Members of the House of Commons my unequivocal apology.

Some Hon. Members: Hear, hear!

Mr. Rossi: I would simply like to thank you, Mr. Speaker.

• (1415)

ORAL QUESTION PERIOD

[*English*]

APARTHEID

SOUTH AFRICA—EFFECT OF CANADIAN MEASURES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and arises out of his statement on South Africa this morning. We have checked with the Minister's own officials and they have affirmed that the value of Canadian government purchases from South Africa is less than $1 million. The banned South African attaches already live in the United States, and obviously the ban on promotion of South African tourism is economically meaningless. The measures do not touch our $230 million in imports from South Africa, nor do they touch our $150 million in exports to South Africa, nor do they touch Canadian investment in that country.

Given today's state of emergency in South Africa, why has the Canadian Government failed to announce any measures of substance and just engaged in what we might term hollow gestures?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I must say that I am rather surprised to hear that characterization by the Right Hon. Leader of the Opposition, particularly in light of the response by his Party to my earlier statement in the House of Commons. There is no question that the wider range of economic measures and indeed other measures which Canada might wish to take against apartheid remain to be taken. We have indicated quite clearly that if necessary we will take them.

I believe it was the Hon. Member for New Westminster—Coquitlam who indicated in her response earlier today on behalf of the New Democratic Party that this Government, unlike predecessor Governments, is acting consistently and strongly to try to bring an end to apartheid and to try to play our role in a way which advances international institutions like the Commonwealth.

[*Translation*]

SITUATION IN SOUTH AFRICA

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a supplementary.

Mr. Speaker, the action taken by the Government of Canada today does not reflect the fairly strong statement made by the Prime Minister before the United Nations a few months ago. Why should the Commonwealth Heads of State wait until August to hold their meeting? Why this constant postponing of concrete action and economic sanctions against South Africa, and why not act now, as Bishop Tutu suggested to the Minister and this country during his recent visit?

Right Hon. Joe Clark (Secretary of State for External Affairs): First of all, Mr. Speaker, the Canadian Government and the Prime Minister of Canada are doing a lot more than just making strong statements to the United Nations. We have taken on a leadership role, both here and within the Commonwealth, with the Nassau Accord. The Prime Minister of Canada intends to continue this work, and that is why he called Prime Minister Hawke of Australia last night, and he will be in touch with Mr. Gandhi to continue the co-operation that proved so effective in Nassau. As for the meeting in London scheduled in August, we made enquiries to find out whether it was possible to change the date. However, the Commonwealth Secretariat replied that this was not feasible. And that is why Canada intends to be there and the Prime Minister will be there to pursue the leadership role taken by Canada against apartheid.

[*English*]

GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I think Canadian people are expecting more from the Government at this stage, now that the Eminent Persons Group has not succeeded; we are awaiting something more than hollow gestures. Why is it that the diplomatic process in which we are engaged allows more and more months to go by and more and more lives to be lost in South Africa? What are the Government of Canada and the Prime Minister doing to impress upon our friends in Great Britain, the United States, and West Germany to come along with the rest of the world and impose sanctions on South Africa?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as one former Prime Minister of Canada I can say to the Right Hon. Leader of the Opposition that the present Prime Minister of Canada is doing far more to end apartheid than any of his predecessors, with the exception of the Late Right Hon. John Diefenbaker.

Some Hon. Members: Hear, hear!

• (1420)

REQUEST FOR MANDATORY MEASURES

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is also for the Secretary of State for External Affairs. Several months ago the Government introduced a voluntary ban on the sale of krugerrand gold coins in Canada, a voluntary ban on new loans to the Government of South Africa and its agencies, a voluntary ban on the sale of crude oil and refined products, and strengthened the voluntary code of conduct for Canadian companies in South Africa. Considering the continued resistance of the South African Government to any meaningful change, will the Government now consider making these voluntary measures mandatory?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, in some cases that would not be

necessary. For example, with regard to krugerrands the voluntary measures that were introduced by the Government of Canada have proven to be 100 per cent effective. With regard to the other question, the Hon. Member who has, I know, a genuine interest in this matter, asked if we would consider it. Yes, we will consider it. We will consider it along with other measures. We will consider it along with our partners in the Commonwealth, and we will consider it always against the standard of what will continue to be the most effective way for Canada to help bring an end to the evil of apartheid.

PREPARATIONS FOR COMMONWEALTH MEETING IN AUGUST

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, will the Minister tell the House what instructions are being given to Bernard Wood who, I understand, will travel immediately to meet representatives of other Commonwealth countries to prepare for the meeting in August? Will the Government instruct Bernard Wood to ask of other Commonwealth countries that there be a ban on all new investment in South Africa and a ban on South African air landing rights in all Commonwealth countries?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the exact date of departure for Mr. Wood has not yet been established. I am sure Hon. Members in the House will share the appreciation of the Government that Mr. Wood has agreed to undertake this further task. He will be visiting Zimbabwe and Zambia. We will announce other countries and leaders that he will be visiting as that is confirmed, and the exact terms of instruction will be clarified as he leaves. The point that we want Mr. Wood to convey is that Canada believes that, while the unity of the Commonwealth is very important at all times, in this instance what Canada is seeking from the Commonwealth is a combination of unity and forward movement against apartheid.

DECLARATION OF STATE OF EMERGENCY IN SOUTH AFRICA

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, my question is also for the Secretary of State for External Affairs who I do believe, on behalf of the Canadian Government, has taken steps far greater than previous Governments ever did.

Some Hon. Members: Hear, hear!

Ms. Jewett: In the Minister's statement this morning there was no sense of urgency even though since report of the Commonwealth Eminent Persons Group came down a brutal state of emergency has been declared in South Africa. The South African Government has absolutely ignored the report, slighted the Eminent Persons Group, and instituted a state of emergency.

In light of the developments yesterday and today in South Africa, would the Secretary of State for External Affairs now consider whether to extend his statement of this morning to bring about full economic sanctions?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, those actions in South Africa were brutal and they were wrong. They add one more indication of the intransigence of the Government of South Africa. The question of the Hon. Member is whether we will extend that statement now. The answer to that briefly is, no, we will not extend it now. We want to see if we can work with other members of the Commonwealth and other countries some of whom, in the nature of things because of the size of their trade, have a greater impact on South Africa than we might have alone. We want to see if we can continue to use the good offices and the leadership of Canada, demonstrating our willingness to move to cause others to move, so that instead of simply expressing our outrage we may be able to achieve change in an evil system.

TIMING OF COMMONWEALTH MEETING

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, the Secretary General of the Commonwealth in the Foreword to the Commonwealth Eminent Persons Group Report said:

—"sanctions and peace for South Africa have now become one and the same."

• (1425)

Since the Government has already taken some initiatives would it at least, for example, ban all agricultural imports, which constitute about half of our imports from South Africa? Since the Secretary General says the meeting of the Group of Seven cannot be brought forward, would the Government take the initiative of having the Group of Seven meet within the next two weeks, preferably in London?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am assuming that the difficulty which the Commonwealth Secretariat reported had to do with the schedules of seven busy Leaders of Governments and that it was not at all an unwillingness on the part of the Commonwealth Secretariat to convene the meeting. I doubt that it would be possible for anyone else to convene more quickly a meeting which Mr. Ramphal believes cannot be convened before early August.

I make the point through you, Mr. Speaker, to the House that while the Secretary General used the word "sanctions" the eminent persons themselves were very careful to use the language "economic measures". I think that might have been part of the reason the report was unanimous. I think it very important that the report was unanimous and signed by, among others, Lord Barber, the British representative.

AGRICULTURAL IMPORTS—REQUEST THAT PRIME MINISTER MEET BRITISH PRIME MINISTER

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, perhaps the Minister would also address the agricultural imports question. If the Group of Seven cannot get together, would the Prime Minister consider taking the initiative, rather than waiting until the Prime Minister of

Britain is at Expo and then incidentally chatting with her, of going to London to meet with the Prime Minister of Britain now?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the question of agricultural trade is, of course, a matter which the Government will consider along with other Commonwealth countries as this process evolves.

The Prime Minister of Canada has already phoned Prime Minister Kaunda, when there was a threat that Prime Minister Kaunda might be thinking of precipitously leaving the Commonwealth. He has already phoned Prime Minister Hawke of Australia. He is seeking contact as quickly as possible with Prime Minister Gandhi. We want to be sure that the co-operation and partnership which worked so effectively at Nassau is able to be mobilized to work effectively for the August meeting. That is the urgent purpose of the Prime Minister of Canada and he has already embarked upon it.

* * *

LABOUR RELATIONS

PACKING PLANT DISPUTE—TELEPHONE CALL TO MEAT INSPECTORS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Solicitor General. On whose authority did his Parliamentary Secretary make threatening phone calls, even at 1 a.m., to federal meat inspectors regarding the dispute at the Peter Pocklington plant in Red Deer, Alberta?

Some Hon. Members: Order.

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, as the Hon. Member knew when she posed the question, this was not done in the capacity of Parliamentary Secretary to the Solicitor General.

REQUEST FOR RESIGNATION OF PARLIAMENTARY SECRETARY

Ms. Sheila Copps (Hamilton East): There is currently an RCMP investigation into the possibility of intimidation under Section 381 of the Criminal Code. Would the Solicitor General agree that the immediate resignation of his Parliamentary Secretary should be required until this issue has been resolved?

Hon. Perrin Beatty (Solicitor General of Canada): No, Mr. Speaker.

AGRICULTURE

PRICE OF WHEAT

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is directed to either the Minister of State for External Affairs or the Minister of Agriculture, whichever is responsible for international farm pricing policy. We are now members of the Group of Seven under which American farmers will get approximately $6 Canadian, Europeans will get about $8 Canadian, and the Japanese will get more than $20 Canadian for a bushel of wheat. There are relative prices for other grain commodities. At the same time we are getting about $3 Canadian for a bushel of wheat.

What point is the Government trying to make with this domestic farm pricing policy? Is it trying to show that we are underdeveloped in relation to the other G-7 countries?

Hon. John Wise (Minister of Agriculture): The obvious answer to that question, Mr. Speaker, is a very definite no. The Hon. Member should realize that we are fully aware of the very difficult situation which exists in Canadian agriculture today. He will know we have taken a number of initiatives, the latest being as of April 30. At the moment we continue to monitor the situation which remains serious. In fact it is even deteriorating. We are looking at a number of options the Government might choose.

• (1430)

CANADA-UNITED STATES TRADE NEGOTIATIONS

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, since the Minister of Agriculture recently met with the Secretary of Agriculture and decided that all agricultural products would be on the table in the free trade discussions, does that mean Canada will gradually shift to farm gate prices of $6 per bushel Canadian to be equivalent to the Americans, or are they going to be coming down to the $3 we have to put up with?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, if the Hon. Member wants to be accurate and honest with the farm community, he will know we do not have the option of maintaining the status quo. He will know that 50 per cent of Canadian farm income is from export sales. He will know that if we exclude the sale of grain and oilseeds, two-thirds of Canadian farm exports flow to the U.S. He will know we cannot maintain a strong and viable agricultural industry with a market of 24 million Canadians alone. He will know it is of vital importance that we have guaranteed access to the U.S. market.

Oral Questions

REGIONAL INDUSTRIAL EXPANSION

MODERNIZATION OF SYDNEY STEEL CORPORATION

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Deputy Prime Minister. The President of the Treasury Board has written to me to confirm that a proposal for funds for the second phase of the modernization of Sydney Steel Corporation has not come before Treasury Board. He also states that before it does, "some outstanding matters must be resolved". Nova Scotians want to know exactly what those outstanding matters are.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I will take notice of the question and bring it to the attention of the President of the Treasury Board who, I am sure, will provide a detailed response to him.

Mr. MacLellan: Mr. Speaker, I want the Deputy Prime Minister to take note of this as well.

Mr. Speaker: Order, please. In the context of a "take note" answer like that, I think I have to go to the next Member.

* * *

AGRICULTURE

PRICE OF WHEAT—DEFICIENCY PAYMENT RECOMMENDATION

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is directed to the Minister of Agriculture. The special committee on domestic wheat pricing recognized that even if the Government established a price for domestic wheat it would not solve the income problem of farmers. An additional $3 per bushel will affect only about 1 per cent of total commodity prices. The committee recommended a deficiency payment. Will the Minister accept that recommendation?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I have received three or four questions on this matter, perhaps two or three from the Hon. Member. I have indicated in the House and across the country that a deficiency payment would be one of the options we have to consider.

MINISTER'S POSITION

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, if the Minister's colleagues accept the fact there is a crisis in agriculture and allow him to make a deficiency payment, does he have a plan in place to do so immediately?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, if you look at the record the message you should get is that we have always had a plan in place. Indeed, because of our continuing concern about the deteriorating conditions in Canadian agriculture, our attention is focused whole-heartedly and enthusiastically on a number of options the Government might have to take.

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REGIONAL INDUSTRIAL EXPANSION

MODERNIZATION OF SYDNEY STEEL CORPORATION

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Parliamentary Secretary to the Minister of Regional Industrial Expansion. On December 28, 1985, the former Minister, in the company of the Premier of Nova Scotia, said, with reference to the Sysco modernization, "I am here to tell you that it is going. The agreement is there. There should be no doubt now concerning the future of Sysco." In view of this inordinate delay why should the people of Cape Breton believe the modernization will be going ahead?

[*Translation*]

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, I know there are projects concerning Sysco, but since I do not have the latest information readily available I will be pleased to get in touch with the Hon. Member and give him the full details at the earliest opportunity.

[*English*]

Mr. Dingwall: As a supplementary—

Mr. Speaker: I am in the same difficulty. I think that is a "take note" answer.

An Hon. Member: He is the Acting Minister.

Mr. Speaker: All right, in that context, a supplementary question.

FUNDING OF MODERNIZATION

Mr. Dave Dingwall (Cape Breton—East Richmond): In view of the fact that the Prime Minister made a commitment in the summer of 1984 concerning the modernization of Sysco and 22 months have elapsed without delivering on that commitment, will the Minister undertake that moneys will be provided for the modernization, and approved by Treasury Board before we recess for the summer?

[*Translation*]

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, 16 years went by before the Liberals decided to do something in Cape Breton, thus depriving the community of hundreds of millions of dollars. In the past year this Government has made important decisions about Cape Breton. We have drafted plans to boost employment in eastern Canada, in the Atlantic provinces.

I should think the only thing you can do is commend the federal Conservative Government for its accomplishments in Cape Breton.

* * *

[*English*]

NATIONAL DEFENCE

LEVY AUTO PARTS COMPANY

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Associate Minister of National Defence. He will be aware that on December 18, 1985, the RCMP laid charges against Levy Auto Parts of Toronto, a well-known supplier of spare parts to the military, for bribing DND officials with liquor, prostitutes, and other forms of entertainment, in return for their falsifying documents which would allow substandard military parts to be shipped to the U.S. Can the Minister explain to the House why his Department continues to this day to do business with the Levy group of companies?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, I am sorry I did not have any notice from the Hon. Member about this question. I would have undertaken to ask the appropriate questions and given him a full answer now. I will have to take it as notice and get back to him.

Mr. Riis: Perhaps the Minister would reflect back on when he was in opposition because he raised the same question.

Some Hon. Members: Oh, oh!

CONDUCT OF BUSINESS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, as of March 7 of this year the Pentagon again suspended Levy Auto Parts from doing any further business with them as a result of charges that they were conspiring to ship spare tank parts to Iran.

Mr. Speaker: Order, please. The Hon. Member is now into a preamble. Could we have a question?

Mr. Riis: Mr. Speaker, can we expect the Minister to explain to this House why his Government continues to do business with a company with which the Pentagon refuses to do business?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, just to set the record straight, I always gave notice when I wanted an answer.

Some Hon. Members: Hear, hear!

Mr. Andre: My recollection of this issue from my days in opposition was that Levy was primarily supplying parts to other armies. We were merely supplying inspection and there was some question as to whether we were doing it properly. I think that has been dealt with and the persons who were not fulfilling their responsibilities have been punished.

As I indicated in my answer to the first question, I will look into it and get back to him with a more complete answer.

* * *

TRADE

INCREASE IN EXPORTS

Mr. Don Ravis (Saskatoon East): Mr. Speaker, my question is directed to the Secretary of State for International Trade. Statistics Canada reported yesterday that Canada's exports in April increased by 9.5 per cent to a value of $10.2 billion. Can the Minister provide the House with a breakdown of the international trading partners which have contributed so dramatically to this increase of exports, and does he expect the pace to be maintained?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I take pleasure in commenting on the trade results for the past month. I can advise the Hon. Member in this House that our exports to the United States increased by 9 per cent, that our exports to Japan increased 25 per cent, and our exports to the United Kingdom by 27 per cent. I think all of that is proof that the new national trade strategy is alive, well, and, indeed, working. We expect this performance to continue.

* * *

• (1440)

CANADIAN JOBS STRATEGY

FUNDING OF NON-PROFIT SECTOR

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, in the absence of the Minister of Employment and Immigration I would like to address my question to the Acting Minister or the Parliamentary Secretary.

Voluntary organizations have charged that the Government's job-creation program is simply a giveaway to the private sector. Memos from the Government's own Department confirm that. In other words, big business is getting the big bucks and the voluntary sector is getting short-changed.

I want to ask the Acting Minister or the Parliamentary Secretary when the Government will start listening to ordinary Canadians. When are they going to stop this drain from the voluntary sector, which has done such a good job in this

country in the past? When are they going to start turning job-creation funds over to people who really need them?

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, the Hon. Member will recall that yesterday the Minister of Employment and Immigration underlined the fact that the Canadian Jobs Strategy is working well. We are spending $6.3 million every day, and some $450 million has been designated in this area. She also indicated that the private sector had been invited to participate and the result was that there were very positive job-creations.

Let me also remind the Hon. Member that under Challenge '86, 64 per cent of all funds designated there go to the non-profit sector, so that they are included in this total effort.

GOVERNMENT POSITION

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, the memos from the Government's own bureaucrats contradict exactly what the Government is saying. The fact is that half of the money is going to job-creation, and even less to the public sector. When are you going to start listening to ordinary Canadians? When are you going to direct job-creation funds where they should be going?

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, the Minister yesterday underlined the importance of monitoring, the importance of listening, and indicated that in any good management that is an ongoing process. The Minister has assured the House that she is listening and is monitoring. The result is that there is positive job creation.

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APARTHEID

SOUTH AFRICA—REQUEST THAT PRIME MINISTER CONTACT COMMONWEALTH LEADERS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Given that the leaders of the Commonwealth have all received the Eminent Persons Report, and given that the conditions in South Africa worsen every single day, would our Prime Minister be prepared to contact those leaders by telephone, seek from them their agreement on more severe sanctions, and then offer to go to London and attempt to persuade Margaret Thatcher, on behalf of all of the leaders, that she ought to come onboard now rather than wait until millions of people have died?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Prime Minister of Canada has begun the process of contacting directly the other leaders of Commonwealth countries who will be involved in the meeting in early August. I think that it is the experience of all of us who have had to deal with the Commonwealth process that we are more likely to achieve positive results meeting together in one place, in the family of the Commonwealth, than we are at long distance, or by giving any appearance of some members ganging up on others.

CONDITIONS IN SOUTH AFRICA

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, no one here would deny that it is better if everyone could meet. Does he not recognize that the conditions are now emergency conditions? The retaliation by the Government of South Africa requires immediate response. Would he not accept that it might be helpful to try the method we have suggested in the hope that it might work?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think what is at issue is effectiveness, not necessarily immediacy. It may well be that taking the time to consult privately, quietly, in the traditions and the privacy of the Commonwealth, will prove to be more effective than a measure that might, in the immediate aftermath of another brutal action by the South African Government, be immediately tantalizing. We have to look at the end result we are seeking, which is to stop apartheid.

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[*Translation*]

NATIONAL DEFENCE

NEGOTIATIONS PERTAINING TO CHOICE OF OERLIKON-BUHRLE MACHINE TOOL WORKS OF SWITZERLAND FOR CONTRACT

Mr. Pierre H. Cadieux (Vaudreuil): Mr. Speaker, on April 16, 1986 the Minister announced that the Oerlikon-Buhrle Machine Tool Works Company of Switzerland had been selected to supply the Canadian Forces low altitude air defence system.

Since the Minister promised that the final decision would be made only after further negotiations, can he tell anything more to the House about these negotiations and the program, considering the fact that we are about to recess for the summer?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, I am pleased to inform the Hon. Member and the House that the Government has approved the purchase of a low altitude air defence system for the Canadian Armed Forces.

This kind of news will be welcomed by the CAF and our NATO allies. I expect the contract will be signed before the end of this month.

[*English*]

AGRICULTURE

PROPOSED U.S. LEGISLATION AFFECTING CANADIAN MEAT EXPORTS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture and concerns his meeting earlier this week with Mr. Lyng, the Secretary of Agriculture of the United States. In April of this year companion Bills were introduced into the United States Senate and the House of Representatives which would put a total moratorium on all fresh, chilled and frozen beef imports into the United States from Canada pending an investigation by the International Trade Commission. Did the Minister raise any concern about these companion Bills with the Secretary of Agriculture, and was he able to get a commitment from the Secretary that the President would veto these Bills if they passed in the House of Representatives and the Senate?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, we had a very open, extensive, and frank discussion on a number of bilateral matters and, indeed, multilateral matters, with reference to North American and international conditions in the agricultural industry.

I am not certain to which specific issue the Hon. Member is referring. If he is referring to the countervail, which still exists with reference to Canadian pork being exported from Canada into the U.S., he will know that that decision is dealt with by a quasi-judicial body. It is quite separate and apart from any political intervention that any politician would want to make.

MINISTER'S POSITION

Mr. Maurice Foster (Algoma): Mr. Speaker, I was referring to the two companion Bills in the House of Representatives and in the Senate which would place a moratorium on exports of fresh, frozen and chilled Canadian beef going into the U.S. Did the Minister discuss these Bills, which have been supported widely in the Senate and the House of Representatives, and did he get any commitment from Secretary Lyng that the President would veto any such Bill going through the Congress?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, that, along with other matters, was raised. I think it is fair to say that as far as Secretary Lyng is concerned he is very much against any further protectionist measures that would be taken on either side of the border.

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CHALLENGE '86

SUMMER STUDENT BUSINESS LOAN PROGRAM

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I would like to direct my question to the Secretary of State in charge of youth. I have just found out that the Government has spent some $275,000 advertising a Summer Student Business Loan Program which is part of Challenge '86. All of this was done for 194 loans, and the maximum per student would be $2,000.

Will the Minister now confirm her disappointment with the failure of this program, and can she tell us why the students have no confidence whatsoever in her Summer Student Business Loan Program?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, the Summer Student Business Loan Program is a new program. This is only the second year and we felt that it was important to have some advertising and to let the young people know about this program. Yes, I will agree with the Member for Yorkton—Melville that we are, in fact, disappointed that only the double as the number of students who applied last year to the program acquired loans to start a business. We will have to reassess this program for next year.

MANAGEMENT AND ADVERTISING COSTS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, since the original budget for this program was around the $2 million mark can the Minister explain to the House why it cost more to publicize and administer the program than the students got in loans themselves? Is this the new version of sound conservative business practice?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, on a per job basis the cost has been $967 including advertising, or $325 per job. It is not that expensive. However, since we have seen that the program is not doing as well this year, I have already taken steps so that some of the money that will not be spent will go into the seed component of the program and young people will have the benefit of the money that is there for them.

* * *

• (1450)

EXTERNAL AID

ETHIOPIA—EFFECT OF ETHIOPIAN GOVERNMENT'S ACTIONS

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, my question is directed to the Minister of State for External Relations. The generosity of Canadians and the Government toward drought relief in Africa, particularly Ethiopia, is quite remarkable. However, there are some concerns evolving with respect to the Ethiopian Government's forced action of villagization and resettlement schemes. Does the Minister believe that these Ethiopian actions are jeopardizing the effective use of our aid funds to that country?

Oral Questions

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, last week the Secretary of State for External Affairs and I were able to meet with the Ethiopian Minister of External Affairs who was visiting Ottawa. I took advantage of this opportunity to speak to him personally about the relocation program.

There were three specific points which I think the House will find reassuring. Our representations have been taken into consideration. The relocation program has been suspended, and if it is ever reactivated, it will be a voluntary program. I also had the impression that the Ethiopian Minister of External Affairs shared our concern for human rights. Finally, as the Minister responsible for CIDA, I will be following this matter very closely because it is one of my particular concerns.

* * *

MERCHANT MARINE

AMENDMENT OF CLAUSE 4 OF BILL C-75—GOVERNMENT POSITION

Hon. André Ouellet (Papineau): Mr. Speaker, my question is directed to the President of the Privy Council in his capacity of House Leader. Could the Minister explain to the House why we are now considering the third reading stage of Bill C-75, although last week, the Prime Minister of Canada promised the Premier of Quebec that Clause 4 of Bill C-75 would be reviewed?

[*English*]

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I am glad that the Hon. Member has raised a question with respect to Bill C-75, because I thought he was going to ask me whether the commitment to me made by the Liberal Party to get this Bill through possibly by the end of the day would still stand. However, my understanding with respect to this legislation is that there have been consultations with the Province of Quebec and it is my information, which I hope is accurate and accurately reflected in my answer, is that they are satisfied with the provisions of the Bill and the assurances given by the Minister of Transport.

[*Translation*]

BILL C-75—CONSEQUENCES FOR QUEBEC

Hon. André Ouellet (Papineau): Mr. Speaker, I think that the Government House Leader sees Quebec's position in just about the same light as the commitments the Opposition has made with respect to this Bill. We are opposed to the legislation, and I want to ask the Minister to realize that if the Bill is passed, it means that the entire economy, the entire future of the St. Lawrence Seaway is at stake, and with it a large number of sea ports along the St. Lawrence River.

[*English*]

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I think we can rest assured about one thing. The Minister of Transport of our Government, who is probably the best Minister of Transport the country has ever seen, is one who is committed to the interests of all parts of the country, including the Seaway. I know that he spends an inordinate amount of time consulting with various regions, including the important Province of Quebec, with respect to this legislation. He will be back in the House later today. At that time, when he has a chance to speak to the Hon. Member, I hope that some of the misgivings that the Hon. Member obviously has might be cleared up and we can pass the Bill by unanimous consent.

* * *

PUBLIC SERVICE

SUGGESTED ESTABLISHMENT OF CHILD CARE FUND

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, in the absence of the President of the Treasury Board my question is directed to the Minister of Labour. In view of the national crisis in child care and the Government's commitment to employment equity, as well as setting an example for other employers, will the Minister support the request of the Public Service Alliance of Canada for a two cent per employee per hour fund for child care?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, the President of the Treasury Board is absent on government business. However, I will take notice of the Hon. Member's question and forward it to the Minister.

Ms. Mitchell: Will the Minister of Labour—

Mr. Speaker: Order, please. Again I am in a pure "take note" situation. I must go to the next Member.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—COMPOSITION OF CANADIAN NEGOTIATING TEAM

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Will he tell the House if Dr. Sylvia Ostry, our Ambassador for Multilateral Trade, is leaving to take up a position with the International Monetary Fund in Washington? Will he confirm that the only woman on the Multilateral Trade team right now will indeed leave that position soon?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, certainly I have no information to

believe that Dr. Ostry would be taking a position in Washington. However, as the country and the House know, she is not only one of the most eminently outstanding economists in Canada but also in the world. It would not be surprising if there were an interest again, on the part of international institutions, in having her serve with them. As far as we are concerned, there is a very great interest by this Government in being in a position to be able to take advantage of her quite extraordinary services here.

[*Translation*]

FREE TRADE—NEGOTIATING TEAM—REPRESENTATION OF WOMEN AND FRANCOPHONES

Mr. Jean-Robert Gauthier (Ottawa--Vanier): Mr. Speaker, could the Minister give the House an update or a progress report on the representation of women and Francophones at the Office for trade negotiations, on the task force that is examining free trade? Can he inform the House today that there has been some progress since we raised the matter a few weeks ago?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I can inform the Hon. Member that it is a matter of concern to me and to the Prime Minister, and as you know, there is a certain percentage, a certain level which is acceptable, but changes must be made, and that is what we are doing.

* * *

[*English*]

NATIONAL PARKS

GLACIER NATIONAL PARK—INTRODUCTION OF FOREIGN PLANT SPECIES

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is directed to the Minister of the Environment. Despite reservations on the part of Parks Canada scientists in the field, the Minister appears to have upheld the decision by the previous Liberal Government to allow the CP to introduce up to 15 foreign plant species into Glacier National Park as part of its proposed reclamation project associated with double tracking. Will the Minister reverse this decision and force CPR to use appropriate indigenous flora along its road-bed through Glacier National Park?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I believe this is the first time, unless the Hon. Member has written to me about it, that I have heard such a representation from the Member and his Party. I will take it under advisement and get back to him.

Mr. Blaikie: It may be the first time the Minister has heard from me, but he has heard about the issue before.

GOVERNMENT POLICY

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, if it is government policy not to turn lions, elephants, and cobras loose in our national parks, why should we allow CP to pollute the unique vegetation of Glacier National Park in order to save a few dollars? Will he take his responsibility as Minister of the Environment seriously and make sure that we do not pollute the natural vegetation of our Glacier National Park in the financial interests of the CPR?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I will take the Hon. Member's representation as one well expressed and vigorously put to the House. His position seems reasonable. I do not know all of the details surrounding the case but I will look into them and get back to the Hon. Member at the earliest possible opportunity.

* * *

[*Translation*]

SHIPYARDS

CONSTRUCTION OF *ALGONQUIN* VESSEL IN MONTREAL—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Supply and Services. This morning I was talking to Mr. Beaubien, the president of the union representing workers at Vickers, and he said that over a period of six weeks, 400 of the 650 workers had been laid off, and these workers would like to know, and that is my question, whether the Minister is prepared to meet the commitment he made on December 4 in Ottawa, at a meeting, when he guaranteed that the *Algonquin*, the first ship in the Trump Program, would be built by the shipyards in Montreal, a commitment that was made in the presence of Mr. Paul Saunders, president of Versatile Vickers.

[*English*]

Hon. Stewart McInnes (Minister of Supply and Services): Mr. Speaker, there has never been an absolute guarantee of any work going to any shipyard without proper provision being made for tenders and so on. In the interim, the TRUMP program was announced by my colleague, the Associate Minister of National Defence. That includes the *Algonquin*. As my colleague indicated, that vessel is going to the Davie shipyard.

[*Translation*]

REQUEST THAT MINISTER SOLVE SITUATION OF VERSATILE VICKERS EMPLOYEES IN MONTREAL

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, if I understood the Minister correctly, and the employees who were watching, the Minister admits he cannot keep his commitments and that these people will remain unemployed all summer.

Is the Minister going to find a solution for the 400 employees at Versatile Vickers in Montreal? Yes or no?

• (1500)

[*English*]

Hon. Stewart McInnes (Minister of Supply and Services): Mr. Speaker, I have met with management and the union of the shipyards involved on a number of occasions in the past few months with a view, collectively, to coming to some solution to their problem. We all recognize the difficulties in the shipbuilding industry. We are trying to do the best we can. Discussions are continuing and we hope to do something for the workers, but there can be no guarantee in the circumstances.

Mr. Skelly: Question, Mr. Speaker?

Mr. Speaker: It is three o'clock.

* * *

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, it is Thursday and I usually give some indication as to the Business of the House, and I will probably be doing it more frequently because we are in extended hours and there are always discussions and consultations going on.

First, let me say that negotiations are ongoing with respect to the line-up of Private Members' Business. I think we will come to an understanding in order to accommodate those Hon. Members who have, because of allotted days and opposition days, missed their turn, as it were, and fallen to the bottom of the list.

We are now negotiating with representatives of each of the Parties to assure those people who missed their time in Private Members' Business. In order to deal with this in Private Members' Hour during the course of the next 10 days or so, I hope to have a consent order which will be agreeable to all Hon. Members in the very near future.

I have also had a chance to talk to the House leaders and have indicated that the business we will now proceed on will be changed from Bill C-75 to Bill C-111, with respect to Customs Tariff.

Mr. Tobin: Oh, gee!

Mr. Hnatyshyn: We will continue to discuss the business of the days ahead with an idea of expediting the provision of very progressive legislation, I would say, in this House.

Mr. Tobin: Right in the middle of my speech.

Mr. Hnatyshyn: Tomorrow it is my intention, Mr. Speaker, to call Bill C-96, the EPF Bill, and I hope everyone will continue to watch for these business announcements in case there are any changes.

Mr. Gray (Windsor West): What does the Government House Leader intend to call if Bill C-111 is completed before the end of business today?

Mr. Hnatyshyn: Mr. Speaker, if we get through Bill C-111, there are two possibilities; one is that the Minister of Transport (Mr. Mazankowski) will have a chance to speak to his critics about Bill C-75 and reassure them with respect to consultations and discussions which have taken place with the provinces and, in particular, with the Province of Quebec. The other possibility, of course, will be Bill C-96. We might get an early start at that. It is an important Bill and I know Hon. Members are interested in speaking to it. So I would advise that, until further notice, Bill C-96 will be the back-up Bill.

Mr. Tobin: Point of privilege, Mr. Speaker?

Mr. Speaker: The Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) on a question of privilege arising out of Question Period?

Mr. Tobin: I am just wondering, Mr. Speaker, what the ruling is with respect to changing the order of business when an Hon. Member has only barely begun his speech?

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: That's the reason.

Mr. Turner (Vancouver Quadra): They are afraid of you.

Mr. Hnatyshyn: That is the last time I do you a favour.

Mr. Speaker: I assure the Hon. Member that his privilege with regard to this matter, in terms of when the Bill is called again, will be protected by the Chair.

Mr. Prud'homme: On the same point of order, Mr. Speaker, I would like to submit—

Mr. Speaker: The Hon. Member for Saint-Denis (Mr. Prud'homme) on a point of privilege?

Mr. Prud'homme: No, no, on the same point as my colleague.

Some Hon. Members: Oh, oh!

Mr. Prud'homme: No, I think the Speaker would be interested in listening to the point. I have checked and I cannot find any precedent when an Hon. Member who is the middle of a speech suddenly will have his speech interrupted by the fact that the House Leader, as is his privilege, changes the order of business. To do that while an Hon. Member is in the middle of a speech, I would put to the Chair, is extremely difficult to believe. The Hon. Member should be allowed first to terminate his speech and then the House Leader, and it is

his right, can then change the Orders of the Day and go to another Bill. I think it is an interesting point for the Chair.

Mr. Speaker: I thank the Hon. Member.

Mr. Deans: Mr. Speaker—

Mr. Speaker: On the same point of order?

Mr. Deans: No, no.

Mr. Speaker: Let me simply say to the Hon. Member that in fact what happened at two o'clock is exactly what normally happens when we break at one o'clock. We may come back at three o'clock and the speech may be resumed. The Chair has previously seen a speech interrupted at one o'clock and the matter changed at three o'clock. I, therefore, see no question of privilege or point of order in this matter.

Mr. Tobin: One last point, Mr. Speaker, please?

Mr. Speaker: The Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) wishes to speak on the same point?

Mr. Tobin: Yes, Mr. Speaker. I wonder if I can be assured, since I am only at the beginning of my speech, that I will be giving notice when Bill C-75 is called again and it will not be done when I am away from Parliament.

Some Hon. Members: We hope so.

Mr. Tobin: I would find that—

Mr. Speaker: Order, please. The Hon. Member has the same right as every other Hon. Member to notice and the same right to come to the House.

Mr. Althouse: It will be on the Order Paper.

Mr. Friesen: Point of order.

Mr. Speaker: I am sorry, the Hon. Member for Hamilton Mountain (Mr. Deans) indicated a point of order first.

Mr. Deans: Mr. Speaker, my point is with regard to the House Business. I wonder if I could get an understanding now that on those Bills which are reported back to the House, the requirement for notice of the filing of amendments would be waived and that we would agree by unanimous consent that amendments could be filed without adequate notice? For example, if Bill C-96 is called tomorrow there is not sufficient time for us to file an amendment or, perhaps, two which we intended to file.

Mr. Hnatyshyn: Mr. Speaker, I think the Standing Orders speak for themselves in that regard. The reason I mentioned that is because I thought we would continue to have discussions this afternoon with respect to the Business of the House, if there is some matter we can discuss. As you are aware, Mr. Speaker, I have always attempted to accommodate Hon. Members with respect to reasonable requests. I simply put the back-up Bill as Bill C-96 on the basis that it would be agreeable to the House. I can call something else, if it is not.

Mr. Deans: Thank you.

Mr. Friesen: Mr. Speaker, I understand the rights of an Hon. Member to continue his speech after it has been interrupted by Question Period. However, I recall very clearly hearing the Chair call Orders of the Day after which it recognized the Government House Leader. I noted at that time that the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) was not in his place and came walking in while the Government House Leader was making his remarks on a point of order. So I would respectfully suggest that he has lost his position in the speaking order.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order.

Mr. Tobin: Point of order, Mr. Speaker.

Mr. Speaker: Order, please. Creativity runs rampant today. Let me simply say to the Hon. Member that the Chair had never recognized an Hon. Member on debate. The Chair had called Orders of the Day, then heard a point of order immediately. At that point no other Hon. Member had been called. In the Chair's view, on Bill C-75, the Hon. Member for Humber—Port au Port—St. Barbe still has the floor.

Mr. Prud'homme: Good try.

Mr. Speaker: Order, please.

Mr. Benjamin: I rise on the same point of order, Mr. Speaker, raised by the Hon. Member from Humber—Port au Port—St. Barbe (Mr. Tobin). Under the rules, would it not be required, unless there is unanimous agreement, that when that Bill is to be called again, the Hon. Member will know about it on the Order Paper, or else there will have had to be unanimous agreement to change the order of Business?

Mr. Speaker: The Hon. Member is asking the Chair to judge in advance of the calling of a Bill whether it is in order to call it. No Chair could do that.

Does the Hon. Member for Ottawa—Vanier (Mr. Gauthier) have a separate point of order?

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. Hon. Members know that the schedule of the House is entirely at the disposal of the Government.

Mr. Gauthier: Can I have the floor, Mr. Speaker? Thank you. I want to come back to the original point, that is, Private Members' Hour. Nothing has been decided yet and I want to get some clarification because I have to warn some people in this caucus that they may have to speak tomorrow. For

clarification I refer Members of the House to today's *Order Paper and Notices* wherein it states that Bill C-272 standing in the name of the Hon. Member for Peterborough (Mr. Domm) will be called on June 13. I understand there is a disposition not to call that Bill tomorrow. If that is so I would like to know. If we are to negotiate eight Private Members' Hours in the next two weeks I would also like to know when we will agree to do that. Perhaps tomorrow will be too late.

• (1510)

Mr. Lewis: Mr. Speaker, if I could be of assistance to the House, what we have proposed in the process of negotiations is to take what is in the Order Paper as it stands and make two changes about which I have spoken to the Hon. Member. Our staff is presently working on this matter at the moment. If the Hon. Member will bear with us, I think he will see that we can come back to the House and everything will be done so that no one is surprised. I am sure it can be taken care of without the necessity of having us negotiate it on the floor of the House of Commons.

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO AMEND

Hon. Ray Hnatyshyn (for the Minister of Finance) moved that Bill C-111, an Act to amend the Customs Tariff and to amend an Act to amend the Customs Tariff, be read the second time and referred to a legislative committee.

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am pleased to present to the House today Bill C-111, an Act to amend the Customs Tariff and to amend an Act to amend the Customs Tariff. This Bill follows from a Notice of Ways and Means motion tabled on February 26, which was revised by a subsequent notice tabled on May 21.

Bill C-111 amends the Customs Tariff to provide for preferential duty-free entry for imports from the Commonwealth Caribbean. It also makes a technical amendment to Section 15 of the Act, and amends other provisions to respond to recommendations of the Tariff Board, and to the evolving needs of the Canadian private sector. As well, it amends Bill C-38, an Act to amend the Customs Tariff, governing importation of obscene material and hate propaganda.

All Members of the House are aware that Canada has an important role to play in assisting developing countries to meet their economic development goals.

[*Translation*]

As Hon. Members also know, Mr. Speaker, Canada's external policy acknowledges the existence of a special relationship between Canada and Caribbean Commonwealth member countries.

The commercial and economic ties between Canada and those countries date back to the days before the advent of Canadian Confederation. Mr. Speaker, these historic ties are re-inforced by the fact that Canada and the Caribbean countries share a common language, that their democratic institutions are similar, and that they are members of the Commonwealth.

[*English*]

Because of this special relationship the Government has responded positively to a request made to our Prime Minister (Mr. Mulroney). The Commonwealth Caribbean Heads of Government asked Canada to institute a package of trade, development assistance and double taxation measures to assist them in their economic development efforts. This Bill makes provision for the cornerstone of CARIBCAN, as these measures are to be known. It provides for the duty-free entry of the vast majority of imports from these countries.

When the Government was considering how to respond to this request from the Commonwealth Caribbean the views of Canadian manufacturers were sought. I am pleased to advise Hon. Members that there was broad support for this initiative among Canadian manufacturers, provided that certain safeguard mechanisms were integrated into the CARIBCAN duty-free provisions.

Specifically, manufacturers wished the Government to ensure that only goods which were actually produced in the Commonwealth Caribbean qualified for duty-free entry. They also wished to be able to make their case to have duty-free rates withdrawn, should imports of particular products under CARIBCAN cause Canadian-produced goods to become uncompetitive in the domestic market.

This Bill responds to these concerns. It provides for appropriate "rules of origin" to be established and allows the Governor in Council to withdraw duty-free rates in cases of injury, or threat of injury, to domestic producers.

[*Translation*]

I will ask the Tariff Board to accept and examine applications for the withdrawal of duty-free entry from Canadian manufacturers. All parties concerned, including manufacturers from the countries involved—Caribbean Commonwealth member countries and (or) their Governments—will have an opportunity to make representations to the Tariff Board when it holds public hearings to consider these applications.

[*English*]

Although there was, as I have mentioned, broad support for providing duty-free entry under CARIBCAN, there were some manufacturers, however—notably in the textile and clothing, luggage and handbag, and leather garment sectors and in two sub-sectors of the petroleum industry—that expressed strong reservations. They felt that duty-free imports from the Commonwealth Caribbean could cause them injury.

In deciding on the scope and coverage of the duty-free provisions of CARIBCAN, Canada had to balance its foreign policy interests and its responsibility to assist developing countries with certain sensitive sectors in our own economy. Therefore goods in these sectors are excluded from duty-free entry under CARIBCAN.

In spite of these exclusions Hon. Members should note that duty-free access is being extended to all possible imports, including a large number of goods which currently are not manufactured in, or exported to Canada from the Commonwealth Caribbean. When combined with other aspects of CARIBCAN—for example, training seminars for the Trade Commissioners of these countries—there will be an opportunity for Commonwealth Caribbean countries to identify new opportunities in the Canadian market and to increase their export earnings over the medium term.

[*Translation*]

Mr. Speaker, since the CARIBCAN duty-free provisions stray from the basic GATT principle of non-discriminatory treatment—or the most favoured nation clause—Canada is now seeking an exemption from this GATT commitment so as to be able to follow up on this initiative. There are precedents for this kind of preferential trade agreement, so we are confident that our endeavours will be successful.

[*English*]

Part of the success of duty-free entry under CARIBCAN will depend on the degree to which Commonwealth Caribbean officials and exporters are aware of its provisions. Therefore, in keeping with the spirit of CARIBCAN, the Canadian International Development Agency has funded training seminars in a series of Commonwealth Caribbean countries which took place in early May.

The Prime Minister gave an undertaking to his Commonwealth Caribbean counterparts that trade would begin to flow under CARIBCAN by mid-1986. Therefore the provisions of Bill C-111 are effective as of June 15, 1986.

I would now like to turn to other provisions of this Bill which make a number of amendments to the Customs Tariff, effective February 27, 1986. I will now outline the most important of these.

[*Translation*]

And as you know, Mr. Speaker, Hon. Members are aware of the importance this Government attaches to the removal of barriers which hinder disabled citizens.

Consequently, Mr. Speaker, this Bill provides for the duty-free entry of articles specially designed for guide-dogs for the blind. Similarly, to ensure that Canadians of all religious denominations are treated equally, religious ancestral shrines will also enter the country duty free, as was already the case for previously identified religious articles not available from Canadian production sources.

Customs Tariff

The Customs Tariff is also amended to implement a number of recommendations in Phase II of the Tariff Board's report on tariff items applicable to goods not manufactured in Canada.

• (1520)

[*English*]

Several other amendments take action on representations received from the private sector for tariff changes which respond to evolving needs. For example, Canadian tourists returning from the United States who are entitled to the annual $300 duty and tax-free tourist exemption will now be able to ship goods and claim them as part of their exemption. Previously, only Canadian tourists returning from countries beyond the continental limits of North America were entitled to claim shipped goods.

Large sized off-highway tires will be accorded duty-free entry as will backhoes and power shovels used in mining operations, none of which are available from Canadian production. A technical amendment to Section 15 of the Act is being proposed to ensure that the Government can respond quickly to the needs of the agricultural community in the implementation of seasonal rates of duty on imports of fresh fruits and vegetables.

This Bill also contains amendments to provide duty-free entry for certain semi-conductor devices and computer parts. These amendments were proposed as part of an agreement between Canada, the United States and Japan to eliminate tariffs on these goods effective January 20, 1986. As was announced in the House on June 2 by my hon. colleague, the Minister of Finance (Mr. Wilson), amendments will be proposed to delete these provisions and reinstate the previous rates of duties on these goods as part of the measures taken in response to the U.S. tariff action affecting Canadian exports of red cedar shakes and shingles.

Finally, this Bill extends the period of effect of Bill C-38, an Act to amend the Customs Tariff. Bill C-38 came into force on April 3, 1985 as an interim measure to allow customs officials to continue to intercept obscene material and hate propaganda. As Hon. Members are aware, on March 14, 1985 the Federal Court of Appeal ruled the following:

> Tariff Item 99201-1 is not a reasonable limitation upon the freedoms guaranteed by Section 2(B) of the Charter (of Rights and Freedoms) and is of no force or effect.

That tariff item had been worded ambiguously, so in response to this ruling and to ensure that the Canadian market would not be flooded with obscene material the Government moved quickly to amend the Customs Tariff to provide more specific definitions of what constitutes obscene material and hate propaganda. This was done by tying these definitions to existing definitions in the Criminal Code. This measure was rapidly and unanimously agreed to by all Parties.

These amendments were to remain in effect until the 1986 summer recess of Parliament since it had been anticipated that new legislation relating to pornography would be developed

and would be in place as law by this time. As Hon. Members are aware, the proposed legislation was introduced in the House on June 10 by the Minister of Justice (Mr. Crosbie). While the legislation is being considered, the Government wishes to ensure that customs officials will continue to have the powers that they possessed prior to and following the Federal Court of Appeal ruling. The Bill contains a technical amendment, the sole purpose of which is to extend the period of effect of Bill C-38, an Act to amend the Customs Tariff, until December 1987.

In conclusion, this Bill takes action to assist those countries of the Commonwealth Caribbean with which Canada has a special relationship by providing them with duty-free access to the Canadian market for their exports. It also responds to the evolving needs of Canadian manufacturers and identifiable groups in Canadian society. Finally, it ensures that customs officials will continue to intercept obscene material and hate propaganda at the border. As such, this Bill deserves the timely consideration and support of all Hon. Members.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I found to my surprise this afternoon that the Government had decided to change the orders of the day without giving us prior notice or time to go back to our offices and pick up our notes.

Nevertheless, Mr. Speaker, I shall try to comment on this Bill, and I must say that at first glance, and let us say up to half-way through the text, we agree with the principle of the Bill, as we have in the past with respect to other Bills concerning the restructuring of our customs tariff system.

Mr. Speaker, we agree that developing countries should be allowed a reduced tariff or even duty-free entry for the products they export to our country, provided this does not pose a threat to our manufacturers and our jobs. The Bill does provide some degree of monitoring in this respect, and the Minister will have the power to intervene if necessary.

However, the Bill fails to indicate exactly how the Minister of Revenue Canada—Customs and Excise will control the various mechanisms involved and ensure that the entry of such goods will not be prejudicial to our jobs or our manufacturers here in Canada.

Mr. Speaker, considering the stories we hear every day about Revenue Canada's handling of certain cases, it is not surprising that the question often arises: How can such things happen?

Mr. Speaker, I just received a letter from a Toronto company that, after many years of struggling with its tax problems, had finally managed to get back on its feet and was straightening out its financial statements and creating jobs in the hi-tech sector. But lo and behold, Revenue Canada sent in a huge assessment! After negotiations, the company was willing to pay $40,000 immediately, and make arrangements for subsequent payments so that it would be able to absorb these costs and continue operating at the same time. But Revenue Canada refused the down payment and wrote to all the company's suppliers and customers, asking them not to pay the company but to send all payments due to the company directly to Revenue Canada, and of course you know what that means. On April 23, the bank was forced to declare the company bankrupt. And since May 2, Mr. Speaker, 175 people are out of work.

Therefore, while we agree with this Bill, which deals with the import of goods from developing countries, we suggest that the Government should set up a mechanism to guarantee that there will be no harmful effect on our industries, businesses and jobs.

Mr. Speaker, Sections 9 and 10 of this Bill have no indirect or direct relation with customs or the tariff. They extend for one year the existing provisions on the import and export of pornography and obscene material. The Government has therefore failed since it had, promised last year to take care of the pornography problem beginning in July 1986. It has not been able to do so. A few days ago, the Government introduced a Bill which has been criticized by just about everyone, but in legislation to amend the customs tariff which allows developing countries to export to Canada, it includes two sections which extend the application of existing provisions on the import of pornographic material.

Mr. Speaker, this is typical of how the Conservative Goverment likes to act: always in secret. As I said earlier, I hope that it will monitor these duty free or very low duty imports so that Canadian industries will not be penalized.

• (1530)

[*English*]

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I suppose in a sense it is a pleasure to speak to Bill C-111 this afternoon. We have some very serious concerns about it. It is almost an omnibus Bill including a variety of different issues. It deals with obscene material imported into Canada, with the decision to launch a special tariff on computer and semiconductor parts, and with the arrangements with a number of Caribbean countries. In a sense it is a smoke-screen Bill. It gives the impression that Canada has decided to play a major role in assisting economic development in the Caribbean. Following the Caribbean-based initiative by the President of the United States, the Prime Minister (Mr. Mulroney) is giving the impression that things will improve in terms of our trading relationship which will benefit those countries. Unfortunately when one looks closely at the situation, one realizes that that is not the case.

Recent publications have indicated that the situation in many Caribbean countries is reaching crisis proportions. Needless to say, what is going on in Haiti these days is an extremely problematic situation in terms of civil unrest in that particular part of the world. The Caribbean countries are members of the Commonwealth and are experiencing real difficulties. For example, Jamaica was expecting great things. A Conservative Government was elected on that island on

promises of a new era and that things would change drastically. Well, they changed drastically. For young people under the age of 30 years there is an unemployment rate of 60 per cent. Approximately one million people are living off food stamps. Its economy is literally in ruin. Some very serious challenges are facing the people of Jamaica.

Just the other day I read in the newspaper that the country of Guyana is experiencing unbelievable problems in terms of its debt. Essentially the IMF has said that it is no longer interested in assisting Guyana in terms of providing any more loans. I suppose it could be put in the basket case category of the famous triage approach; it is almost beyond the point of return.

I use these two fairly extreme examples of Guyana and Jamaica to indicate that things are very serious. Canada could and should be doing a great deal to relieve those problems. We have a historic relationship with the Caribbean. I suppose it goes back to the very beginning of trade in Canada. Saltfish was sailed down to the West Indies, and we brought back molasses, sugar, rum, and all sorts of other products. Of course that trading problem resulted in Canadian banks becoming the major banking institutions of the Caribbean and so on.

When the Prime Minister attended the Caribbean conference last year he indicated that Canada would take steps to free up some of the trading restrictions. Basically that is what Bill C-111 attempts to do in part. There will now be duty-free access to a vast majority of our imports from the Caribbean countries. An overwhelming percentage is now duty-free, as it should be.

Let us look at the exemptions to free trade with the Caribbean countries. They include textiles, clothing, footwear, and leather products. The Caribbean countries want to expand their export markets or their export production in the areas of textiles, clothing, footwear, and leather products. In other words, the areas in which they hope to expand and therefore create more jobs and a stronger manufacturing base in their countries are the areas in which we are essentially retaining tariffs. I really do not know what to say, other than to say that if we were really serious about assisting those countries we would not keep duties on those particular commodity areas.

We also see included a 60 per cent local value added criterion. In other words, if at least 60 per cent of the shirts, footwear, or whatever are not locally produced, so to speak, they do not qualify for access into Canada. Much of the manufacturing in Caribbean countries is on a value added basis, with much of the production being done offshore, as they call it. Materials and parts come into those countries to be assembled, finished, and exported. With the 60 per cent local value added criterion, basically onerous restrictions are placed upon exports from the Caribbean to Canada. Informally a number of Jamaican businessmen have said that this initiative will not change much the relationship between Jamaica and Canada.

Basically we are of the opinion that the duty on all manufacturing should have been removed, particularly those areas with the greatest growth potential. The region itself is in economic crisis. A more generous market access for manufacturers, really at little cost to Canada, would have demonstrated a more substantive commitment to the development of the Caribbean basin. It would be another way to assist those countries in reducing the debt burden with which almost all of them find themselves faced these days.

I should like to summarize the major thrust of Bill C-111. Certainly it gives the impression that Canada is opening up its trading opportunities with a number of Caribbean countries. The reality is that there is not much difference. However, to be fair and to give credit where at least a minute amount of credit is due, it is an improvement; it is better than it was. Considering the glowing comments of the Prime Minister when he was in the Caribbean about what Canada would be doing in terms of liberalizing trade, he gave the impression to many chambers of commerce, leading business people, and trade union leaders in the Caribbean that in fact there would be a free trade arrangement with those countries. Unfortunately, that has not been accomplished in Bill C-111.

• (1540)

I want to talk about a second part of this Bill, the removal of duty on computers and semi-conductor parts in accordance with a trilateral agreement between Canada, the United States and Japan. That seems odd to me because we have just heard we are not going to remove the duty but put the duty back again. Here is a Bill that will remove duty on semi-conductor parts while at the same time the Minister of Finance (Mr. Wilson) says we are going to retaliate against the United States, and by implication Japan and others, by increasing and keeping the tariff. I really do not know what the Government is doing. Perhaps we could have an explanation of that situation once we get the matter into committee.

Removal of the duty was a move that had widespread support among Canadian producers. They felt they were strong enough to compete and expand their markets in a free trade environment with Japan and the United States. Again, as a result of the recent decision, this whole thing has been thrown into some question. It seems to me we are moving on a Bill when this whole section ought to have been deleted.

One item that gives me a great deal of concern is a little item tacked on in Clause 10 of the Bill which deals with the prohibition on the import of obsence material. So that no one misunderstands what I am about to say, the New Democratic Party has always been extremely concerned, wishing the Government would act with more haste to stop the importation of material which depicts violence against women and the sexual exploitation of children. There is no question of that. Just so my following remarks will not be understood, I want to say that we would like to see the Government moving with haste to close off our borders to the importation of much of the

pornographic material that does such an injustice to women and particularly children.

In Clause 10 of the Bill the Government indicates that it intends to extend the provisions of tariff Item 99201-1 beyond its original phasing out date of October 30, 1986 to December 31, 1987. In the midst of a Bill introduced by the Minister of Finance dealing with economic development issues, we find this clause which is of concern to civil libertarians all across Canada as it extends the tariff item which currently prohibits the importation into Canada of certain publications and materials. What this has to do with the major thrust of this Bill is beyond me.

I think it is fair to say that censorship by the state is a very serious matter. All parliamentarians have registered their concerns on many, many occasions. We must be certain that our regulations are not unduly restrictive. We must make sure that moral decisions are not being made by bureaucrats in evaluating imported materials. In the area of pornography, we have been waiting for many months for the Minister of Justice (Mr. Crosbie) to bring forward a comprehensive legislative package. The Minister just the other day indicated the general direction in which the Government plans to move. As we have seen by the headlines, I suppose in almost every major newspaper in Canada, there is a great deal of concern that the Government has been moving with undue haste and has not thoughtfully approached this matter of limiting the importation without a very clear definition of what pornography and obscene material is; a package which would include Criminal Code amendments where necessary and which would draw on the recommendations of the Fraser-Badgley Commissions to set out more precise and modern formulations of just what constitutes, for example, "obscene" or "degrading" literature to be prohibited entry into Canada. Indeed, the June 1986 sunset clause on tariff Item 99201-1 was included because it was assumed by this House and all the Members in it that the Government by that date would have presented a reform package to deal with these important national concerns.

As all Members of the House know, these are important national concerns. People are concerned about the importation of pornography, particularly, as I say, depicting violence against women and depicting sexual relations with children. However, Mr. Speaker, the only thing I can read by this particular Bill is that the Government does not plan to move with haste. As a matter of fact it has now asked that the date for deciding on this tariff business be extended many months into December, 1987. I think we have an obligation as parliamentarians to move much more quickly in dealing with this material.

In matters related to the protection of the rights and liberties of political minorities and movements there is also a cause for concern, Mr. Speaker. This tariff item allows customs officials to prohibit entry of material they deem to be "seditious" or "treasonable". There is a grave danger that those who dissent from majority views may find their freedom of expression extremely limited because it will then be an official, a bureaucrat, who will decide whether the material is treasonable or seditious without a clear, precise definition of those two terms. We must remember that the Federal Court of Appeal struck down an earlier version of this tariff item because it was too vague and posed unreasonable limitations upon the freedoms guaranteed to Canadians by the Charter of Rights and our Constitution.

Many Canadians have expressed similar concern about this current tariff item. Indeed, journalists, publishers and bookstore owners have expressed their fears about Government restrictions on the freedom of Canadians to read what they choose because our existing regulations are open to abuse by secretive custom officials. We have been pointing out, as you are well aware, Mr. Speaker, day after day that the systems at the borders are becoming much more subjective in the decision making of what enters Canada, and very loose, in that much of the imported material, the overwhelming material, some say as high as 90 per cent, goes totally unexamined, unchecked. That is one of the major concerns we have.

On this issue, Mr. William French, a respected national columnist with *The Globe and Mail* recently wrote:

> —the censors are endangering hard-fought victories gained over the years in the battle for freedom of expression . . . They have wide latitude in how they define not only obscenity but reading material they deemed to be subversive. They have banned political books in the past and could quite easily do so in the future.

My concern, and I suspect it is shared by all Members, is that until we have very precise and understandable definitions of what the terms seditious and treasonable mean, in many cases those people offering differing political views of how Canada ought to be governed, people who represent ideology from political movement contrary to what might be found in our own country, may be having their views and publications banned from Canada and, consequently, their views and publications kept from people who obviously have inquiries to make in these areas.

There is no question that we need legislation to deal with the importation of material which depicts violence against women and sexual exploitation of children. Yet, instead of responding to this concern, it appears by this particular move that the Government has taken the easy way out. It has renewed this inadequate provision which gives excessively broad powers, interpretive powers to the bureaucrats, quite possibly in the long run at the expense of minorities or political movements whose views may not be in tune with the Government of the day. I might say on an item like this that the Government of the day might be quite open and feel quite prepared to accept a variety of political views coming into the country for Canadians. But what about another Government that might feel quite different? This particular item as it is presently in Bill C-111 would give the Government of the day an opportunity to restrict alternate political views from being published and circulated in Canada.

We, as New Democrats, had hoped that the Government would have made a serious effort to deal with these issues. Simply to renew this tariff item avoids the difficult questions

raised by civil libertarians and the urgent need for comprehensive reforms to ensure that women and children are not exploited in pornographic literature.

• (1550)

In conclusion, the impression is that Bill C-111 is going to provide considerable assistance to our friends in the Caribbean. This is simply not the case. It also assumes that we will reduce tariffs on semi-conductor parts and computers. We know from the actions of the Government and comments of the Minister of Finance recently that we will be increasing tariffs on semi-conductor parts and other items. There seems to be confusion there.

Finally, the extension of the phase-out date on the prohibition of the import of obscene material to December 31, 1987, in order to allow legislation to be brought in, seems to us to be excessive. We do not need more than a year to deal with this very critical problem. For that reason, Mr. Speaker, we will be submitting appropriate amendments to Bill C-111 in committee in the hope that we can bring some sense to Bill C-111 and make it something which will help the Caribbean countries and enable us to move with more haste in dealing with the importation of pornography.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on the motion in the name of the Minister of Finance (Mr. Wilson). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

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

* * *

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1977

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal-Post Secondary Education and Health Contributions Act, 1977, as reported (without amendment) from a legislative committee.

The Acting Speaker (Mr. Charest): The Bill comes before the House at report stage at this time. However, the Chair is not yet ready to rule on the motions which have been moved to the Bill. I therefore propose to Members that we proceed with debate on Motion No. 1, without prejudice to whatever ruling may be brought down at a later time.

Mr. Tobin: Mr. Speaker, I rise on a point of order. I do not know what the disposition of other Members in the House would be. However, the House is ready to deal with Bill C-75 and I was in the middle of my speech on that Bill. The Government has called Bill C-96, notwithstanding the fact that the Speaker is not ready or able at this time to rule on amendments which have been moved to this Bill. We have the absolutely unprecedented position of the Speaker, through no fault of the Speaker, being forced to say that—

The Acting Speaker (Mr. Charest): Order, order.

Mr. Tobin: The Government is playing games on C-75.

Mr. McKnight: Who is playing games on C-75?

Mr. Tobin: The Government.

Mr. McKnight: Who is making commitments and breaking them?

Mr. Tobin: No commitments were made.

The Acting Speaker (Mr. Charest): Order! I think we can deal with this matter quite rapidly by reminding Hon. Members that the Speaker has already dealt with the issue brought to the attention of the Chair by the Hon. Member for Humber—Port au Port—St. Barbe. Before the point of order was raised I proposed to the House that we proceed on Motion No. 1. I would like to draw to the attention of the House, and especially to the attention of the Hon. Member for Laval-des-Rapides (Mr. Garneau), that if we do proceed at this time it is without prejudice to any ruling the Chair may render in a very short time.

Mr. Deans: Mr. Speaker, I rise on the point of order. Frankly, I am concerned about proceeding with debate on a technical amendment—and that is what this is, it is substantive but technical—without knowing whether the amendment is indeed in order. I am not normally opposed to proceeding with amendments when the amendments are of a less important nature than the amendment before us.

I am speaking slowly, as I often do, while trying to get a sense from the Chair as to how long the Chair thinks it might be before a ruling on the acceptance or nonacceptance of Motion No. 1 might be given. As the Chair will recognize, this amendment is very crucial. I submit that it would be unfortunate to have an extended debate on this crucial amendment only to discover in the final analysis that the debate was for nothing.

The House is sitting longer hours in order to facilitate the passage of government business. I suggest that is makes a bit of a mockery of the process if we end up debating things which we do not know will be accepted by the Chair. Perhaps we could get a preliminary ruling on any one of the amendments. It does not necessarily need to be on Motion No. 1. For example, we could debate Motion No. 4 which deals with the date of proclamation. We could have a reasonable debate on

whether or not the Bill should come into force on or before April 1, 1987, and assume that the Chair will allow a vote to be taken on that matter. I would like the Chair to consider whether we might deal with Motion No. 4 rather than Motion No. 1. I would be interested to hear from my colleague in the Liberal Party as to whether he thinks that may be a reasonable way of dealing with it.

[*Translation*]

The Acting Speaker (Mr. Charest): The Hon. Member for Laval-des-Rapides (Mr. Garneau) on the same point of order.

Mr. Garneau: Yes. Mr. Speaker, if we look at the proposals or motions that are in my name, clearly they are interrelated to a large extent—quite apart from the ruling you will be making on the motion or motions—because several of them require that the Bill become effective as of April 1st, 1987. Sure enough, if you find them unacceptable, if you say this motion is unacceptable, this will impact on the others also. And motion No. 4, which of course could be debated separately, no doubt could be debatable, but inasmuch as you will have made a ruling, as my colleague said earlier on motion No. 1, if it applies to motion No. 4.

This is why I was suggesting, Mr. Speaker, that in the meantime, before you make a ruling, the Deputy House Leader could allow us to return to Bill C-75, and when you are ready to hand out your ruling, then the discussion might be resumed. We would be saving the time of the House.

The Acting Speaker (Mr. Charest): Then, in order to avoid wasting more time than is needed, I am pleased to announce to Hon. Members that I will be in a position to make the ruling I had to postpone a few minutes ago.

• (1600)

[*English*]

There are five report stage motions on today's *Notice Paper* in amendment to Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977. The Chair has had an opportunity to look at all the motions standing in the name of the Hon. Member for Laval-des-Rapides (Mr. Garneau). Unfortunately it must rule that Motions No. 1 to 4 infringe on the financial initiative of the Crown and are therefore out of order. In this regard I would refer the Hon. Member to Beauchesne's Fifth Edition, Citation 773, paragraph seven.

I must also rule Motion No. 5 out of order, with regret, on the grounds that it attempts to amend the parent Act. I again refer the Hon. Member to Beauchesne's Fifth Edition, Citation 773, paragraph eight.

If the Hon. Member wishes to present procedural arguments as to the acceptability of the amendments, I am prepared to hear such arguments now.

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, when introducing these motions, particularly Nos. 1, 2, 3 and 4, I was indeed expecting that you might want to reject these amendments on the basis of the argument you have just made. But with respect to Motion No. 5 which would set a termination date—a sunset clause, as it is commonly called—it seems to me that it does not affect the Government's prerogative to introduce tax measures because it would instead set a limit on public expenditures. Nothing would prevent the Government from coming back with the Bill if it wanted to and, with all due respect to the Chair, I would suggest that Motion No. 5 should be considered as being different in the sense that it does not provide for additional public outlays, on the contrary, it puts a limit on them.

[*English*]

The Acting Speaker (Mr. Charest): While I appreciate the nature of the argument by the Hon. Member for Laval-des-Rapides (Mr. Garneau)—

[*Translation*]

I fully appreciate the meaning of his argument. Nevertheless I must conclude that Motion No. 5 introduced by the Hon. Member for Laval-des-Rapides is procedurally unacceptable.

Therefore the House shall proceed to third reading of the Bill.

[*English*]

Mr. Epp (Provencher) (for the Minister of Finance) moved that the Bill be concurred in.

Motion agreed to.

Mr. Epp (Provencher) (for the Minister of Finance) moved that the Bill be read the third time and passed.

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, we are now in the last stage of the study of Bill C-96. Both on second reading and in committee, the Official Opposition has tried to focus on the unfairness of this measure, and our argument has been that the Conservative Government is saddling the provinces with this tax load just to be able to tell Canadians that the financial situation has improved, disregarding the fact that the provinces will have to pick up the tab. In an attempt to make people believe that Bill C-96 does not really change anything much, the Department of Finance put out a brochure which does not quite give the whole truth. It indicates what post-secondary education and health program transfer payments to the provinces will eventually amount to, but the document conveniently skips over what these transfer payments would have been had Bill C-96 not been introduced in the House. In a nutshell, what this Bill does is to slow the growth of transfer payments, so much so that the explanation given by the Minister of Finance (Mr. Wilson) in his Budget statement was that the Government wanted to save $2 billion during the fiscal year 1990-91.

But how can they argue—and this is in a brochure the Department of Finance distributed to these Members and which many of them have used—how can they say that Bill C-96 will not affect the provinces' public finances, when the Budget indicates that the purpose of Bill C-96 is to save $2 billion in the year 1990-91 alone! And if we look at what Bill C-96 represents in terms of financial resources foregone by the provinces and their post-secondary education and health programs, if we want to see what kind of impact it can have, all we have to do is look at the figures that were released, and we see a cumulative amount of nearly $8 billion, if we go as far as 1991. This means that the provinces, as we were told in committee by those who appeared before the committee and those who sent in briefs, will have a difficult choice to make. They can cut health and post-secondary education programs. Or, they can set higher tuition fees for universities, CEGEPS or commmunity colleges, and in the health care sector, increase hospital charges for private rooms. They will either transfer this Bill the federal Government no longer wants to pay to the users or the taxpayers, or they will have to increase own deficits.

• (1610)

If that happens, it would be the supreme irony, at a time when Government has constantly been haranguing us on the subject. Mr. Speaker, I wonder how many Members, on your righthand side have risen to defend the concept that the deficit has to be cut at any price? I call that deficit theology. And now, the same Government, those same Members are transferring the deficit to the provinces with the message: You do something about it.

I call this flagrant injustice. On the Government side they were talking about the 6-and 5-program which included reductions in transfer payments. I may remind the Hon. Member that first of all, this was done only for post-secondary education transfers—health programs were not affected—and that the 6-and 5-program had a time limit of not more than two years, and while Bill C-96 restricts or reduces the expenditure growth rate, it is for an unlimited period.

Mr. Speaker, that is why I had tried to introduce amendments to the Bill precisely to set a time limit on the duration of this legislation. I did my best. Indeed, the committee heard a suggestion made by a group speaking on behalf of Canadian workers, urging the committee and Parliament to set a time limit to see in a few years what would be the consequences of Bill C-96, and so as to be able to launch another public debate which would certainly have been beneficial with respect to the application of the basic principles of these health and post-secondary education programs.

For technical reasons, my Motion No. 5 aimed at setting a time limit on this legislation was rejected, as were propositions intended to put off enactment for a year just so there would be enough time to hold meaningful negotiations with the provinces.

Worse still, Mr. Speaker, we are dealing with Bill C-96 at a time when the fiscal arrangements between Canada and the provinces have only one more year to run. We are in the fifth year, the last year of the agreements, and under normal circumstances that is the time used by the central Government and the provinces to hold serious consultations. On the contrary, once the Government had announced its decision to cut expenditures by $2 billion in 1990-91, it had to begin slashing in transfer payments to the provinces, and there was a federal-provincial conference. Every single Minister who spoke publicly said that this legislation was unacceptable. There was no consultation to speak of, it was simply a Government fiat. The fact of the matter is that if my Motion No. 1 had been accepted the Government and Parliament would have been able to undertake more thorough negotiations to find possibly cheaper ways of delivering health care services. During consideration of this Bill in committee, we received submissions which recommended, for instance, that we establish first line care so that nurses may provide care at the time of a first consultation before the patient goes to a hospital, either at an outside patient clinic or at a doctor's office, or so that they may advise on care for minor injuries, and if the Government had taken the time, it would probably have been able to come to acceptable agreements with the provinces for such matters. Instead, the Government decided to use its majority and not to hear the suggestions made by various groups or to accept the proposals contained in my motions. Indeed, while these motions may not have been in order technically, the Government could have made them acceptable by proposing them in its own name as they deal with a financial matter. However, the Progressive Conservative Government has obviously decided to solve its problem by transferring it to others. In this regard, I could give numerous examples of things that happened during consideration of the Bill by the legislative committee.

Mr. Speaker, the committee received the visit of many groups. We heard nursing associations. We heard the association of colleges which provide post-secondary education. We heard groups representing the interests of foreign students in Canada. There is serious concern that Bill C-96 will force the universities to increase the registration fees for foreign students. Some might say that, as these are not Canadian citizens, it will not really affect the quality of education in Canada, but a very well-documented paper presented to us clearly shows that the participation of foreign students on our university campuses is a major asset in the field of research and development.

In other words, those foreign students often come here to work towards Ph. D. degrees, therby providing many of our university departments with important human resources which strenghten their research communities, a positive result not only for our own universities in the short run, but also for the entire Canadian economy in the long run, since the links forged by foreign students last for very long periods of time. Those students who come here to work for Ph. D. degrees in economics, accounting, engineering, medical science, who

come here to specialize, very often go back to their native countries and after a number of years, those men and women are appointed to leading positions, and this creates bonds of frindship and technological relations, which often are reflected in increased trade relations. And these statistics that have been very seriously compiled by the International Student and International Stature group which submitted its brief, although the statistics that were provided to us indicate that foreign students in Canada, even on a strictly economic level, bring significant net benefits for the services provided by our colleges and universities.

Actually, we are provided with figures that are very telling, because the marginal costs incurred on account of foreign students in our Canadian universities total $160 million, while tuition fees required from them account for $100 million, which leaves a net benefit of some $60 million, not including economic benefits derived from the fact that many hundreds, a few thousand students must find lodging, rent appartments, buy food and clothes, pay for their transportation and so on and so forth, and it has been determined that the economic spinoffs from foreign students in Canada would total $284 million in 1986, and there is tremendous concern that the higher tuition fees that would almost inevitably result from Bill C-96 if implemented will cause a significant decrease in the number of foreign students, because of the negative impact that this can have not only on our universities, but but also on the whole economy both in the short and in the long run.

Mr. Speaker, I could mention also the concerns and proposals expressed by the Canadian Nurses Association. This group appeared before our Legislative Committee to underline the negative effects Bill C-96 will have on the quality of health care in this country. It reported for instance that because of the savings which had to be made since the 1981-82 economic crisis, hospital staff had to be cut, and it is now difficult for a reduced staff to provide Canadians with the top quality health care which they have a right to expect. It reminded the committee that health care costs cannot be tied only to inflation, because statistics indicate, as was confirmed by the Canadian Nurses Association, that the Canadian population is aging.

It reported for instance that in year 2030, people over 65 years of age will represent 20 per cent of the population; it emphasized that although life expectancy is improving, people who reach a more advanced age are more frequently ill, need increased health care, which affects health care costs. Quite often this increase in the number of patients—still according to the Canadian Nurses Association—should be taken into account when considering the increase in health care costs. The same thing applies both to hospital insurance and to medicare, something the Canadian Nurses Association made abundantly clear when dealing with the potential negative effects of Bill C-96.

Mr. Speaker, not only professionnal groups appeared before our Committee. There was also the province of Manitoba. That province submitted a major brief; two of its Ministers gave evidence and, in each case, what was emphasized was the negative impact of this Bill C-96 which is not, but not at all along the lines indicated in the propaganda booklet published last May by the Department of Finance to try and convince the Canadian people that Bill C-96 would have no significant impact either on health care or the quality of post-secondary education. If I may, Mr. Speaker, I should like to quote from the brief submitted by the province of Manitoba. I quote:

• (1620)

[*English*]

It states that the Government of Manitoba believes that passage of this Bill will lead Canada in the wrong direction. First, it suggests that Canadians should devote a declining share of our economy to health and higher education services at a time when all forecasts show that needs are clearly increasing and evidence suggests that our country can afford to maintain and improve our services.

Second, it represents a significant and unilateral withdrawal of federal responsibility at a time when the federal presence is still needed and its role has been reaffirmed as recently as 1984, with all-Party support for passage of the Canada Health Act.

Finally, Bill C-96 passes federal burdens on to provinces at a time when provincial fiscal circumstances are particularly strained and federal fiscal circumstances are expected to show marked improvement.

[*Translation*]

Mr. Speaker, it is obvious from that analysis that not only the professional groups but also the Provinces have clearly indicated that if Bill C-96 is passed, it will merely mean a transfer of the burden to the Provinces, the Bill suggesting that Canadians should give less than at present to health services. Besides, the passing of Bill C-96 would be inconsistent with the unanimous acceptance by all parties in this House of the health legislation in 1984.

Mr. Speaker, the New Brunswick legislature has unanimously passed a resolution introduced by Mr. McKenna—

Mr. Fontaine: Is there a physician in the House?

[*Editor's note: And a Member having taken ill.*]

[*English*]

Mr. Speaker: Would someone please call the nurse quickly. Will the Hon. Member for Victoria (Mr. McKinnon) take the Chair for one moment, please.

The Acting Speaker (Mr. McKinnon): Resuming debate.

[*Translation*]

Mr. Garneau: Mr. Speaker, what has just happened, apparently one of the Government Members is not feeling well and this is why the proceedings have been interrupted for a few seconds but a physician seems to be in attendance. We may now carry on.

Mr. Speaker, we were saying that Bill C-96 is affecting the financing of health and postsecondary programs and the Provinces will be hurt by this Bill, since the tax burden will be transferred to them.

Mr. Speaker, the reason why I am speaking at length on the positions of service and professional groups as well as on the positions of the Provinces is that the Government has told us on many occasions that lengthy consultations had been held with the Provinces on Bill C-96. Members on the Government side told us a number of times that Bill C-96 had been the subject of lengthy consultations with the provinces.

Mr. Speaker, I do not know what transpired during these consultations, but it so happens that all our documentation indicates that the provinces were all opposed to Bill C-96 because of the unilateral manner in which it was presented and introduced.

We have seen what the province of Manitoba told us. And here is what the province of New Brunswick tells us, not just through its Government but in a motion adopted unanimously by the New Brunswick legislature, a motion presented by the Leader of the Liberal Party in that province, Mr. McKenna, but nevertheless adopted by the entire legislature, which means adopted by the Conservative majority existing today in New Brunswick.

The motion says: "Whereas the Government of Canada has announced that the growth rate of equalization payments made under the Established Programs Financing Act will be reduced starting in 1986; whereas this reduction in the growth rate will cost New Brunswick $9 million this year and an estimated total of $160 million by 1990-91; whereas New Brunswick lacks the economic resources to absorb such a loss; Resolved, that the Legislative Assembly of New Brunswick shall ask the Government of Canada to reconsider its unilateral decision and restore Established Programs Financing to the level agreed upon in 1982; and that the Legislative Assembly of New Brunswick shall ask the Government to start negotiations with the provinces aimed at reaching an agreement on the level of financing to be provided under the Established Programs Financing Act for the years 1987-1988 and following."

Mr. Speaker, this is a very clear statement made not just by the Government of New Brunswick but by the entire legislature of New Brunswick, by all the parties represented therein. It is a resolution that clearly says this was a unilateral decision by the federal Government. And it directly contradicts what has been said by many Members of the majority party in this House. They would have us believe that there were consultations, and they even implied that although the decision was made by the Minister of Finance, it was practically with the consent of the provinces.

Mr. Speaker, there are other provinces that announced their decision and expressed their reactions to Bill C-96. For instance, Ontario, whose Premier said, and I quote:

• (1630)

[*English*]

"This reduction in funds provided the provinces will translate into a reduction in services. There will be fewer hospital beds". The Premier of Ontario said it will affect the quality of post-secondary education and health care services. The Treasurer of Ontario said the same thing.

[*Translation*]

Mr. Speaker, the province of Quebec, in a paper presented at a conference of Finance Ministers, and also through comments made publicly by the Quebec Minister of Finance, Gérard D. Lévesque, said it was unfair to the provinces and that it was an additional tax burden that was being transferred to them.

Mr. Speaker, Nova Scotia, through its Minister of Finance, clearly indicated it was against Bill C-96. Remember, this comes not from a Liberal, but from a Conservative Minister.

If we look at Manitoba, with a New Democratic majority, Nova Scotia with a Conservative majority, New Brunswick with a Conservative Government, Quebec with a Liberal Government and Ontario with a Liberal Government, we see that irrespective of their political stripe, the provincial Governments are unanimous in saying that Bill C-96 will affect the quality of the services in question and that they object to reopening negotiations on fiscal arrangements between Canada and the provinces before the expiry of these arrangements on March 31, 1987. Therefore the central Government is unilaterally breaking a contract with the provinces.

Mr. Speaker, quite a number of statements have been made in the course of this debate which is now in the last stage, and among other things, either directly or indirectly, either knowingly or unknowingly, it has been suggested that health care costs— coming under a public and universal system as they do—are very high, so much so that they compromise Canada's economic ability to compete.

Mr. Speaker, I want to quote somebody else because I made the same kind of suggestions in earlier debates, so if you will allow me I will repeat the statement made before the committee by Manitoba Health Minister Desjardins, as follows:

[*English*]

The suggestion that reductions can be made to transfer payments in support of health and higher education services must be viewed within the context of the hardship that will be faced by provincial citizens and the success which this country has achieved providing universal health care when compared to our neighbour to the south.

In the early 1980s, Canada was spending approximately 7.9 per cent of its Gross National Product to support health services. During this period of time the United States was spending approximately 10 per cent of its Gross National Product on health services. This at a time when approximately 35 million people were without health benefits. When we compare ourselves to the United States, Canada has achieved a remarkable level of success and it has done so primarily by the leadership and control that is inherent in the provincial funding structure.

Federal-Provincial fiscal arrangements

[*Translation*]

This, Mr. Speaker, is the kind of argument which Members of the majority Party, the Progressive Conservative Government, should consider carefully, anxious as they always are to draw parallels with the United States and set them up as an example. Is that what the Progressive Conservative Government would like to do? For all intents and purposes, set the financing of these health and post-secondary education programs in such a context that the quality of services no longer exists, that services be no longer readily accessible, that the provinces have no choice but to levy user fees or extra charges so as to copy the American system? We can see that the American system is a more severe drain on the economy than is the case in Canada. Besides, although the United States spend close to 2 per cent more of their gross national product on health care, 35 million Americans cannot afford to buy insurance and have no coverage of any kind.

Mr. Speaker, the Progressive Conservative Government must be reminded of these facts because during the election campaign their leader said, hand over heart, that social programs are a sacred trust, that we must not tamper with them. And yet, barely a few months after the advent of the Conservative regime, the same Prime Minister openly contradicts what he said during the election campaign, conveniently forgets all about his own solemn commitments, and simply lets his Minister of Finance (Mr. Wilson) introduce Bill C-96 which shifts the tax load over to the provinces and may very well lower the quality of essential services offered to the people.

• (1640)

Mr. Speaker, I could also quote other passages from the presentation of the Manitoba Health Minister, but since our time is limited, I would like to deal with other important aspects of Bill C-96.

I have said a lot more about health care than about post-secondary education, except for the matter of foreign students, but the representatives of educational services also reminded us that post-secondary education financing in Canada was facing considerable problems and that, since we are going through a technological revolution, this was not the time to reduce the financing of this crucial aspect of Canadian activity, namely our universities, colleges and specialized teaching institutions. The result of Bill C-96 will not be simply to transfer the deficit of the Federal Minister of Finance to the Provincial Ministers, which would be serious enough, but the real effects of this Bill will be felt in the longer term, because the difficulty which our universities, colleges and specialized teaching institutions will have in recruiting qualified teachers, in keeping the qualified teachers they already have and in developing or purchasing high technology material will put them in a very precarious position, and the Government should not try to suggest that it will be possible to change the direction of post-secondary education by asking the Lord to develop the minds of Canadian men and women. I think that people will need to be reasonably well-off to develop their intellectual faculties. Adequate financing of post-secondary education is a vital requirement for the future of this country, and I do not understand how the majority opposite can maintain that an $8 million cut-back in transfers to community colleges, universities and hospitals will not affect the quality of services, especially in the field of post-secondary education. Mr. Speaker, everyone remembers the attitude of the Members who are now sitting to your right when this House was asked in the past to agree to specific proposals to fight inflation. There were even advertisements in the newspapers saying that, if elected, the Conservative Government would bring back the situation to what it had been before. And yet, the 6-and 5-per cent program was implemented after lengthy consultation and it worked, for inflation has now abated after hovering at that time around 10, 11 per cent. Public surveys, informed observers, everybody was asking for concrete action against inflation. The federal Government of the day took up its responsibilities, the results are now known and they benefit all citizens. But why have double standards? Why did they make so much fuss at the time about a measure that was to last two years only and was designed to solve a specific problem that impacted negatively on every worker and every public and private body in the land? The Conservatives used all kinds of arguments to try and stop a piece of legislation that was needed, and now they introduce cuts in order not to solve a problem but to shift the burden elsewhere.

This is why we fought so long and so hard on second reading, this is why we tried to have as many witnesses as possible appear before the committee.

Unfortunately, the Government used its majority to limit the number of days for hearing witnesses. But all those who appeared, without one single exception, pointed to the negative impact of Bill C-96.

Mr. Speaker, on the education side, a number of witnesses drew the attention of Members on the impact of bill C-96.

Mr. Speaker, over these last few weeks, we heard the views of men and women from all over Canada. People directly involved in the delivery of health care or education services at the university or college level appeared before us and said: Beware, do not pass this legislation. Before adopting it, if you feel that it is absolutely essential, hold consultations to see how the current quality of services could be maintained, how the money currently used could be spent in a different way, so that we may not only maintain, but improve the quality of services, and above all, make adequate services more readily available to a whole category of the population, especially senior citizens whose number is increasing and who possibly need health care more in keeping with to their needs.

But no, the Government has decided to act quickly. It has decided to transfer its problems to others, which has persuaded the Chief Justice of the Supreme Court to state, in a speech before a group of British Columbia scholars, that the cuts in post-secondary education would be a disaster for the quality of teaching. And I share the concerns expressed by the Chief

Justice of the Supreme Court, because they are the same concerns which we have heard from the witnesses who have appeared before our legislative committee. And the Chief Justice of the Supreme Court, who is certainly impartial, who does not have to toe the line of any political party, has confirmed the findings of other observers, namely, that excessive cuts in post-secondary education financing would have major economic effects and will also impact negatively on the quality of teaching in our specialized schools.

Mr. Speaker, I suggest that these many testimonies should convince the Government to pause and review its position, because contrary to what that small propaganda booklet published by the Department of Finance wanted us to believe, for instance, that transfer payments would continue to increase . . . Mr. Speaker, we have never argued that transfer payments would not increase. What we have said, and rightfully so, and which have been confirmed right and left is that the rate of growth of the transfers have been decreased, to such an extent that it will represent to the Federal Government, for fiscal year 1990-91 alone, $2 billion. There are people somewhere who will have to pay for that! Who are these people?

Mr. Speaker, I should like to share with you what this will mean for each of the Canadian provinces.

Newfoundland is not a province with an extensive fiscal capacity. From fiscal years 1986-87 up to 1991-92, the cumulative effect of Bill C-96 will amount a loss of $180 million.

Mr. Speaker, to Ontario and Quebec, $180 million is a lot of money. But to Newfoundland, it is a huge sum. Some people with whom I was discussing this matter told me that teachers in St. John's University in Newfoundland may be lost simply because the University may no longer compete with other universities in Canada or in the United States in terms of the salaries offered. God knows if the province of Newfoundland needs—like all the rest of Canada, but that province particularly because of the developments to come in a hopefully near future in the oil area—a highly qualified manpower coming straight from those universities; but those developments will of course be affected by the cuts in the transfers from the federal Government to the provinces; $180 million for Newfoundland.

For the province of Prince Edward Island, which is a very small province, but with a rather limited fiscal capacity—

• (1650)

[*English*]

For the Province of Prince Edward Island, the cumulative effect of Bill C-96 from 1986-87 to 1991-92 will be $40 million. That is a lot of money to the Province of Prince Edward Island.

For the Province of Nova Scotia, the cumulative effect of Bill C-96 from 1986-87 to 1991-92 represents $271 million. That is a lot of money to the Province of Nova Scotia.

I cannot understand why the brochure of the Department of Finance indicates that Bill C-96 will not have a great deal of effect on of post-secondary education or health services. I can say that for the Minister of Finance for Nova Scotia, $271 million is a lot of money. Someone will have to pay that money. If we cannot find anyone who will replace those dollars, the quality of services will be affected and nurses and teachers will lose their jobs.

For the Province of New Brunswick, in the same period of time Bill C-96 will have a cumulative effect of $220 million. As is the case with Prince Edward Island, Nova Scotia and Newfoundland, that is a lot of money to the Minister of Finance of New Brunswick. I wonder why Hon. Members from New Brunswick have voted for the Bill. Their constituents will have to pay $220 million, and that is a lot of money. We are not even sure if the only solution the Government will find will be to cut the services. If the Government has to do that, it will be a disaster for post-secondary education and health services.

[*Translation*]

For the province of Quebec, the cumulative effect of Bill C-96, based on the larger population—since all the figures I am giving you are on a *per capita* basis and vary according to the number of citizens in each province—amounts for the same period, to $2 billion. It was indeed with good reason that the Quebec Minister of Finance as well as his Ontario counterpart, with whom I will deal in a few moments, made rather strong statements against Bill C-96.

I recently had the opportunity to meet with the Minister of Finance in Montreal, and he asked me if Bill C-96 had been passed or what the chances were that its implementation might be postponed till a year later to allow for broader consultations. I told him that it was being examined by the Legislative Committee and I did not know what was about to happen, but I can see today that at the Legislative Committee's stage, Government Members defended the *status quo*, in other words the contents of Bill C-96, and today, for technical reasons, Mr. Speaker, you rejected the amendments I had suggested. If the Government had agreed to endorse those amendments, since it was a "money bill" as they say, those amendments could have been tabled and supported. However, the Government majority refused to do so. To the people of Quebec, that would mean a shortfall of $2 billion for the fiscal years 1986-1987 to 1991-1992. On a yearly basis, the amounts would increase gradually from $82 million to $2 billion by the final year.

Mr. Speaker—

[*English*]

For the Province of Ontario, the cumulative effect of Bill C-96 from 1986-87 to 1991-92 is almost $3 billion. One could say that the Province of Ontario is the richest province in Canada and can afford to raise taxes. However, if the Government of Ontario is forced to increase taxes, the federal Minister of Finance (Mr. Wilson) will simply have transferred his problem to his provincial counterpart.

Federal-Provincial fiscal arrangements

It could be argued that provinces like Ontario have the fiscal capacity to raise $3 billion over a five-or six-year period. However, if they do that, it will just confirm what we have said since the beginning, which is that the federal Minister of Finance has transferred his problem to his provincial counterparts. For the other provinces that do not have the fiscal capacity to raise the money through income taxes, sales taxes or any other form of taxation, the result may be a lower level of services in health and post-secondary education.

For the Province of Manitoba, the cumulative effect of Bill C-96 for the same period will be close to $340 million. I would like to hear my colleagues from Manitoba rise to tell the House their point of view on how the Province of Manitoba will be able to finance this $340-million shortfall. The Minister of Education for the Province of Manitoba said that this $340 million represents a big part of the budget for the province's services. Unforunately I cannot find the citation, but I recall that the Minister said that that $300 million represents the cost of operating the universities in that province for one year. That is a lot of money. Someone will have to pay that money. Will it be the students, the families of the students, the taxpayers or the deficit? Only the future will tell us what will happen.

The Province of Saskatchewan will lose $320 million, about the same as Manitoba. With the Farm Bill that has been adopted in the U.S. which pays huge subsidies to U.S. farmers, the international price of wheat is lower than the cost of production of wheat in Saskatchewan. I do not know where the Conservative Government of that province will find the tax base from which to raise $300 million in taxation just to replace what it was supposed to receive from the federal Govrnment through the fiscal arrangements which had been accepted for the years from 1982 to 1987.

• (1700)

As a result of Bill C-96, the Province of Alberta will be losing $743 million, along with the oil crisis. I do not know where it will find the money to replace what the Conservative Government in Ottawa decided to do in cutting the transfer payments for post-secondary education. I am sure the Conservative Government of Alberta is not very happy with Bill C-96. It will have to make very tough decisions in that province.

The Province of British Columbia will lose $900 million as a result of Bill C-96. The amount of money for 1986-87 is $36 million, but the situation faced by British Columbia is the same as that faced by the other provinces; it rises with the years.

Every province will face very difficult problems. The cumulative effect of Bill C-96 from fiscal year 1986-87 to fiscal year 1991-92 will amount to a total of almost $8 billion for all of Canada. What do these figures mean? Only the future will tell. I am sure someone will have to foot the bill.

The federal Government made a unilateral decision not to pay. It changed the rules of the game unilaterally and transferred the problems of the federal Minister of Finance to the Ministers of Finance of each and every province. It is unfair. It is not good for Canadian unity. It is not good for post-secondary education. It is not good for Canadian health services.

The Bill should be defeated in the House, or at least the Minister of Finance should think twice before pushing it through third reading stage.

[*Translation*]

Mr. Speaker, if the Minister of Finance and the Government absolutely insist on adopting Bill C-96 without changing its effective date or adding a sunset clause, this Bill will result in an enormous injustice for Canadian provinces, but also and especially for Canadian men and women who will have to foot the bill one way or another, for it is unthinkable that in 1986 and the years thereafter, Canada should spend a smaller proportion of its Gross National Product as years go by, and that we could find ourselves by the end of this decade in a situation where all our hospital facilities will need millions of dollars in repair, something we can feel already. When we talk to hospital administrators, what do we hear?

They say that capital expenditures have to be made and that they need more operating capital to maintain the quality of hospital facilities, not to build extensions or install new carpeting, but only to maintain the current structure.

We have read about in newspapers or seen on TV hospitals with leaking roofs and without any money to repair them. And the federal Government thinks that it can cut $8 billion over a five or six year period in the growth of transfer payments without serious consequences, that it can tighten the belt in all sectors while maintaining the quality of services.

Mr. Speaker, the Government should not dream in colour and think that the considerable impact of Bill C-96 . . . Mr. Speaker, some people might get the impression that we are deliberately wasting the time of the House by talking on and on. Well, Mr. Speaker, the only way we on the Opposition benches can draw the attention of the public to the harmful consequences of this measure is precisely to do what we are doing now, and to stress the fact that, because it is not easy since people do not always fully appreciate the secondary effects of certain Bills—

An Hon. Member: An uncaring majority.

Mr. Garneau: That's it. And Government Members did try to rush the committee proceedings. They tried to sell a bill of goods with a small booklet which contains nothing but half-truths. In fact, the consequences are far-ranging.

With respect to our health care system in Canada, some people may think it is rather expensive but it accounts for a smaller share of our gross national product as compared to the United States. Where we are ahead in Canada is that our system covers everybody, rich and poor alike, whereas in the United States, according to the 1980 figures provided by the Manitoba Minister of Health—just imagine what the figures

would be today—35 million Americans did not benefit from any kind of health or hospital services. At least we in Canada extend coverage to one and all, rich or poor. And still the universality of the system and the way it is managed are such that it costs less in terms of our economy, 2 per cent less in 1980. I would not be surprised if I heard that the gap has since grown wider.

In the area of postsecondary education, one can very well refer to high costs, but those who have tried to gain admission to an American university, either Harvard, Columbia or those in California, realize what the fees mean for a student, while in Canada we have established a public and universal system which allows in fact any person with the necessary qualifications and the desire for education, access to university. However, governments should not be so restricted in their awareness of present necessities to believe that we could keep up the quality of those services by shifting the tax burden to the provinces and reducing the rate of growth of transfer payments by up to $8 billion.

Mr. Speaker, if we analyze the decisions taken by this Government with respect to taxation since it came to power, we find that this concern about the deficit did not bear too hard on them when they granted a tax rebate to taxpayers who made huge profits on the sale of shares and real estate, or what we call capital gains.

Mr. Speaker, there was money for that, and for about the same period it involved nearly $5 billion.

How is it that the federal Government had money to spend on such a large tax benefit to a very small number of people who are affluent enough to make investments that yield capital gains? How is it that the minister of Finance had money for that while, in the same breath, he was suggesting they have no money to maintain the contract that was in a way signed with the provinces?

They have money for tax benefits to the rich, but they have no money for hospital care, no money for medicare, no money for post-secondary education. But they have money for tax benefits to the most affluent in our society.

In that context, it is my view that Bill C-96 is absolutely unfair. It seems to me this Government has lopsided priorities. If at least they were consistent. Very often they have talked about the deficit, but if they were consistent, it seems to me they would follow one line and refrain from fiscal provisions that extend tax benefits to the most affluent in our society. If they have no money for universities and hospitals, then they should have none for the others either, since their deficit theology should apply in both cases.

Mr. Speaker, Bill C-96 will create havoc in the financial structure and balance of the Provinces. Bill C-96 will create havoc in the financial planning of universities, colleges and hospitals.

Mr. Speaker, certainly Bill C-96 also will have a negative impact either on consumers, users of health services or those who avail themselves of university services. The impact of Bill C-96 will hit those people through increased tuition fees, increased costs for semi-private rooms, and perhaps certain provinces will have to introduce extra-billing.

Mr. Speaker, in my view, there are enough reasons for the Government to withdraw Bill C-96 and immediately undertake serious negotiations with the provinces in order that, if indeed financial circumstances are tight, they find ways to ensure that this tightening and the amendments can be agreed upon in consultation rather than by forging ahead unilaterally as they are doing, forcing provinces to find ways of funding by themselves post-secondary education.

In conclusion, Mr. Speaker, I would like to suggest to the Government to put an end immediately to the discussion of this legislation and enter into negotiations with the Provinces in order that, as soon as the fiscal arrangements come to an end on March 31st, 1987, negotiations are under way on an alternative that would be more equitable, not only in terms of balanced provincial finance but also for universities, community colleges, hospitals and users of health services and post-secondary education.

• (1710)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Before I recognize the Hon. Member for Winnipeg North Centre (Mr. Orlikow) it is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for London East (Mr. Jepson)—Abortion—Therapeutic abortion committee procedures—Death of Ottawa woman; the Hon. Member for Vancouver Kingsway (Mr. Waddell)—Atomic Energy Control Board—Appointment inquiry. b) Request for reconsideration; and the Hon. Member for Ottawa—Vanier (Mr. Gauthier)—Public Service—Pensions—Government Position b) Inquiry if pensioners were represented during negotiations.

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1977

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal-Post

Secondary Education and Health Contributions Act, 1977, be read the third time and passed.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the service programs now provided for the people of Canada in the field of health and post-secondary education are programs which have been developed over the last 40 years through co-operation between the federal Government and the provinces. Federal Governments, both Liberal and Conservative, were the main promoters of the program. The federal Government promoted the programs and got them accepted by all the provinces by assuring them that the federal Government would meet 50 per cent of the cost of providing the services for all the provinces but, even more than that amount for the have-not provinces. Because of the establishment of those programs most Canadians have had the assurance that their health needs, whether by way of seeing doctors or by staying in hospitals, would not create a tremendous financial burden on them even if they were sick for a lengthy period of time. The programs covered the needs of all Canadians, poor, middle income and wealthy.

Similarly, Mr. Speaker, our post-secondary education programs were developed and expanded so that a substantial proportion of Canadians who wanted to get an education beyond high school, which was all that was available to most Canadians until the end of World War II, could do so. The number of Canadians who attended our universities and community colleges increased greatly. That process changed pretty drastically when the former Liberal Government indicated some years ago that it was not prepared to continue in the joint funding of post-secondary education or health programs, that it was putting a limit of 6 per cent and 5 per cent on the increase in the funding which the federal Government would provide. The program was further adversely affected when the then Liberal Goverment brought in its established programs financing proposal. That federal Government made it clear that it was no longer prepared to contribute on a 50 per cent basis, and was going to limit the increases it provided.

What we have in Bill C-96 is a further decision, and a disastrous decision, by the present Conservative Government that it will again reduce the funding that will go to the provinces by some $7 billion from this year until the year 1990-91. It has been argued by the Minister of National Health and Welfare (Mr. Epp) and by other Conservative Members that the provinces will be getting more in the next few years than they got this year. That is true, Mr. Speaker, but the provinces will get substantially less than they would have under the agreements we had up until now.

This country like other countries is facing financial difficulties. The world-wide recession has meant that while costs have gone up revenues for Governments have not increased in the same way. We are not surprised that the federal Government decided that it would have to look at what it was doing, particularly at the support for funding for post-secondary education and health services.

• (1720)

We are not suggesting for a moment that changes would not have been made. We are not only opposed to the fact that the provinces will get $7 billion less. We are also opposed to the fact that the decision embodied in Bill C-96 was a unilateral decision made against the advice of studies done for the federal Government over the opposition of virtually every province. What is even more hurtful is that the provinces which will suffer the most are those which are the have not provinces of the country: Newfoundland, Prince Edward Island, New Brunswick, Nova Scotia, and Manitoba. Who knows, given the collapse of the price of oil and natural gas, we may see the Province of Alberta as a have not province in the not too distant future.

The federal Government is cutting back on the funding and support which it will provide. That means that the provinces will either have to find new money—and most of the provinces have even more financial problems than the federal Government—or they will be required to cut their services or increase the cost to individuals who want to attend a post-secondary institution or need medical care. Let us look at what the effect of this will be on our universities. I will quote a sentence from the chairperson and Chief Executive Officer of Northern Telecom, one of the few companies in Canada which has devoted a great deal of its own money to research and development in new products which will provide jobs for Canadians. Walter Light said:

> It is not only the quality and quantity of our engineers that is crucial to our future services. It is also the quantity and quality of our writers, our philosophers, our social scientists, our political scientists, our psychologists, our historians . . . All disciplines are important to our future.

All those disciplines and others will be adversely affected in a major way by the decision of the federal Government to cut back on the funding which is incorporated in this Bill.

As I have already indicated, the proposal to shift the cost burden to the provinces will affect most adversely and to the greatest disadvantage the poorer provinces which receive equalization payments and simply do not have the fiscal capacity for sharply increased revenue without distorting their whole tax structure.

When I say that, I am not speaking from what I consider to be a particularly politically partisan point of view. In February of this year Dr. Vail of the Canadian Medical Association spoke about the health system as these cut-backs go into force. He said:

> We will have one quality of health care in the rich provincess and second or third rate services in the poor provinces. The dream of Canadians of having access to reasonably comparable health services, no matter where they live or travel, appears to have been abandoned by the Government of Canada.

In 1981, in talking about the proposal which was implemented by the then federal Liberal Government, a former Conservative Finance Minister in the Province of Manitoba said:

> In our view, too much effort and too much goodwill over too many decades have gone into the creation of these arrangments—

He was talking about the arrangements to finance post-secondary education and health services.

—for them to be risked, or even sacrificed, for some short- term, short-sighted federal budgetary or political advantage.

I could not have put it better myself. Indeed, in dealing with that very same proposal by the then Liberal Government to reduce its share of the funding for these programs, the present Minister of Finance (Mr. Wilson) said the following in a speech on March 23, 1983:

The provinces are now moving into a deficit position; a position which will make it more difficult for them to finance this shift in spending. That is not co-operative federalism. That is predatory federalism and it will not and cannot work in this country.

What has happened in the four years since the Minister made that speech? The problem has not changed. The only thing that has changed is that the present Minister of Finance was a leading spokesman for the Opposition at that time.

I would like to put on the record an election promise of the Conservative Party. In the 1984 election campaign the members of the Progressive Conservative Party stated the Party's views on financing health and education very forthrightly. They said:

We are committed to sustaining the current federal financial commitment according to the formula set out in the 1977 Agreement—

That promise was made just two years ago and they are now bringing in legislation to wipe out the formula set out in the 1977 agreement. The end result of that is that through the provisions of Bill C-96 they will reduce the over-all federal level of spending in both health and secondary education to 36 per cent from the present 43 per cent.

Our health service needs are growing and becoming more necessary and more important rather than less, thereby becoming a necessity on which we could spend less money. The population of Canada is aging. I am sure that Members know that older people require more visits to doctors, stays in hospitals and prescription drugs than do young people.

In addition to the problem of aging we have the problem of poverty. There is not a Member of Parliament from any province of the country who is not aware that the number of people in every city in the country who are utilizing the services of voluntary groups and agencies which provide food baskets and second-hand clothing for the unemployed and those who have not been able to find jobs is increasing. It is no longer just the poorly educated or native people who are going to these voluntary agencies. The middle class, people who have owned homes but lost their jobs and are now losing their homes because they cannot meet the mortgage payments, are turning up at these voluntary agencies in increasing numbers. We know that the poor are much more likely to use the health care system.

• (1730)

A study done recently in Montreal said that while residents of Montreal's most favourite areas enjoy a life expectancy unsurpassed by any country in the world, the life expectancy in the least favourite areas are more typical of Third World countries or about the same as those enjoyed by the average Canadian some 30 years ago. The study found a marked link between income and illness. People in the low-income brackets were ill much more often and for longer periods of time than those in the middle and upper-income brackets. I have to say that I find it shocking that a Government with 57 of its Members from Quebec would consent to a cut-back in health services which will be the inevitable result of the reduction in funding by the Government.

Are we spending too much on health? Some people have made that allegation. They say we can afford these cuts because we have been too generous. Nothing could be further from the truth. According to OECD studies, Canada is nowhere near the top spender in these areas. In a 1983 paper produced for the Organization for Economic Co-operation and Development entitled "The Growth of Social Expenditures", Canada is ranked tenth out of 18 reporting countries on per capita spending in U.S. dollars in 1981 on social expenditures at $1,028. The U.S. was seventh at $1,196. Canada is twelveth out of 18 in the percentage of gross domestic product allocated to social expenditure. The U.S. is thirteenth at virtually the same percentage. We are not spending too much money yet the Government is proposing in this Bill to cut back substantially on what we do spend.

Let me just take a moment to go back to the problem of our universities and their inability to conduct the research required in every other industrialized country. When the Conservative Party was in opposition it accepted the advice given to it by researchers in industry and the universities that Canada was doing much too little. Of the OECD countries rated, Canada was second to last in the percentage of GNP devoted to scientific research and development. We were spending substantially less than 2 per cent when other countries were spending 2.5 per cent or more. The Conservative Party, when in opposition, promised that if it formed the Government it would aim to get very quickly to the 2.5 per cent level. Yet we have seen the exact opposite. Partly because of its fixation with getting the deficit down, partly because of a blind faith that the private sector will fill the gap, the Conservative Party has come up with a program which on paper seems to indicate that we will reach the goal of 2.5 per cent in the next few years. However, the proposal is based on a major fallacy, that is, while the Government holds the line or cuts back on its research funding, somehow the private sector can be persuaded to increase substantially its contribution and support. There was a conference in Winnipeg this week and a number of leaders in the scientific community, including—

The Acting Speaker (Mr. Gottselig): I regret to advise the Hon. Member that his time has expired.

Mr. Orlikow: I wonder if I could have another moment or two?

Mr. Epp (Provencher): No.

Federal-Provincial Fiscal Arrangements Act

The Acting Speaker (Mr. Gottselig): I am at the pleasure of the House. Is there unanimous consent to let the Hon. Member finish?

Some Hon. Members: Agreed.

Mr. Epp (Provencher): No.

The Acting Speaker (Mr. Gottselig): Are there questions or comments?

Mr. Orlikow: I thank the Hon. Members who—

Mr. Epp (Provencher): Mr. Speaker, I am willing to give unanimous consent if the Hon. Member gives at least some indication that he will not be too long.

The Acting Speaker (Mr. Gottselig): Do I take it there is unanimous consent to let the Hon. Member finish?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Gottselig): Two minutes.

Mr. Orlikow: Mr. Speaker, let me conclude by saying that we do not believe these reductions proposed by the Government are necessary. We do not believe that the funds necessary to maintain and improve these programs cannot be found. The federal Government did not need to spend more than $1 billion for the bank bail-out. It did not have to give more than $2 billion in capital gains exemptions and other tax breaks which favour the healthy and wealthy. It gave more than $1.6 billion in corporate income tax reductions and another $3.3 billion to increase defence spending by 35 per cent by 1990-91. We believe a just and fair tax system would provide the money necessary, not only to maintain post-secondary education and health programs at present levels, but to provide more than enough to bring them up to the standard in many of the developed countries of this world.

The Acting Speaker (Mr. Gottselig): Questions or comments? Debate.

• (1740)

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I welcome this opportunity to speak to Bill C-96. Unfortunately, attempts have been made, and are still being made, to delay unduly the adoption of this Bill, despite the fact that the Bill was reported back from the legislative committee without amendment and with no other recommendation except that Bill C-96 be adopted as tabled on second reading and examined in the legislative committee.

Mr. Speaker, earlier, I was listening to the Hon. Member for Laval-des-Rapides (Mr. Garneau) who was trying to confuse Canadians. He was talking about capital gains and drawing a parallel with Bill C-96.

Mr. Speaker, we know that the purpose of Bill C-96 is simply to reduce the growth of transfers to the provinces. The Hon. Member for Laval-des-Rapides and the previous speaker, however, would have us look at this from the perspective of . . . Excuse me, Mr. Speaker, but I was distracted by the Opposition . . . from the perspective of medical problems and problems for post-secondary education, while we know perfectly well that post-secondary education and health care are strictly matters of provincial jurisdiction. My hon. colleague the Minister of National Health and Welfare (Mr. Epp) is in the House. He has jurisdiction over health and welfare at the national level, but what happens in our hospitals, whether they are in Manitoba, Quebec or Prince Edward Island, is strictly a provincial matter. Mr. Speaker, the Opposition is trying to steer us into dangerous waters by telling us that it is essential that Bill C-96 be amended.

The Minister of Finance (Mr. Wilson) has been discussing with the provinces since November 1984. Since then, he has agreed with the Provincial Ministers of Finance on a slower rate of growth for provincial transfers, even though these transfers will increase by $1 billion a year is during the next five years. Mr. Speaker, $1 billion more a year is not a decrease, but the opposite. I think that this has not been sufficiently emphasized.

In addition, Mr. Speaker, when we came to power in September 1984, there was an enormous national debt, and there still is. This is the responsibility of the previous Liberal Government. Thanks to the previous Government, we have a national debt of over $200 billion, and when we came to power, our deficit amounted to nearly $39 billion a year. We were able to reduce this deficit. For the first time in twenty years, Mr. Speaker, our annual deficit has gone down and it will continue to do so. We have cut back expenditures and federal programs. We have set a 3 per cent ceiling on increases. However, in the case of provincial transfers, there will be an increase of 5 per cent.

This shows that we recognize the importance of provincial transfers. We recognize the importance of post-secondary education and hospitals. I believe that we must fulfil the mandate for which we were elected, which was to provide a healthy administration of public finances and reduce the annual deficit and the national debt.

Mr. Prud'homme: Not on the backs of senior citizens!

Mr. Vincent: Our mandate was also to create jobs and to cooperate with the provinces. We have achieved all that. Yet, today, when we are debating Bill C-96 which we have been discussing with the provinces since November 1984, the Members opposite are trying to say that we are not doing our duty. As for me, Mr. Speaker, I believe that if the previous Liberal Government had done its duty during its twenty years in power, we would not be having such problems today. You know, Mr. Speaker, when a government tries to remain in power, it spends indiscriminately. I remember that during the last election campaign in my great riding of Trois-Rivières,

promises worth millions of dollars were made. The previous Liberal Government tried to buy votes in Trois-Rivières but failed because the people were fed up with this wasting of money throughout the country. Canadians in Trois-Rivières, in Quebec, in Canada, want a sound administration and this is what we have been giving them during the past two years and will continue to give.

I hear the Member from the Montreal area making comments, Mr. Speaker.

Mr. Prud'homme: I am listening.

Mr. Vincent: We do not need millions but a sound administration and I think that Canadians understand it quite well.

Besides, Mr. Speaker, the legislative committee report does not propose any amendment to Bill C-96. But, unfortunately, the Opposition forgot to mention it. We should not forget when referring to the federal Government that it has always said it would not interfere at the provincial level. In other words, Mr. Speaker, we will not infringe on provincial jurisdiction. Hospitals as well as postseconday education come under provincial jurisdiction. To this day not a single province has said that transfer payments in a province or another could not be adjusted. Not a single one has said so.

I think we failed to emphasize that a little. Each province will have a decision to make on what it is going to do concerning hospitals, what it is going to do concerning post-secondary education, and that has not been sufficiently emphasized in my view. The federal Government is transferring funds in good faith to the provinces, and indeed it is acting in good faith. It is its own decision as a federal Government to transfer funds to the provinces, both for post-secondery education and health care, and the provinces are in no way accountable to the federal Government. They can do whatever they want with the money that is being transfered, and this is indeed the goal. I therefore find it hard to imagine how it can possibly be suggested that a slower growth of transfers to the provinces will automatically penalize post-secondary education or hospital care in the provinces. It is my view this is an attempt to mislead people.

In conclusion, it might be important to emphasize the excellent work done by the legislative committee which heard 18 groups, and to commend that committee for an excellent work done without any recommendation at variance with the Bill now before us. It is therefore my hope, Mr. Speaker, that Members in this House will give the Bill third reading as soon as possible in order that we move ahead in this House and that we stop delaying legislation that has to be passed.

The Acting Speaker (Mr. Charest): Questions or comments. The Hon. Member for Saint-Denis (Mr. Prud'homme).

Mr. Prud'homme: Mr. Speaker, I have been listening very attentively, and that is as it should be, since with the passing of time, one gradually becomes more respectful of this House. I appreciated the tone of the Hon. Member's speech. In fact, we ought to be very polite to the Hon. Member since as increasingly persistent rumours have it, he may be made a Minister this summer. So I appreciated the tone of his speech, and I think that even if my Whip is here in the House, it would be appropriate for me to wish him luck in a possible Cabinet shuffle. We don't think the shuffle will do much good, but we wish him luck just the same.

The Hon. Member said: We were elected and we have a mandate.

• (1750)

Well, if I said this once I've said it a thousand times, and some of my colleagues wonder whether I am not overdoing it. The fact is that the Canadian people, Quebecers and the people of Trois-Rivières decided to elect, respectively 211 Members across Canada, 58 Members in Quebec, and the Hon. Member. So far so good. My leader said we do not question the wisdom of Canadians in deciding to change governments. The people of Canada changed governments to seek a new perspective for this country and they listened carefully to what the Hon. Members had to propose. The people of Canada were prepared to listen to what the Hon. Member's party had to propose as to a new message of hope.

But it seems to me the Hon. Member is confused about what the people decided, which is to listen to the new message brought by the man who is now our Prime Minister (Mr. Mulroney), for I am a staunch supporter of democracy. But the people never voted for fewer social services. Surely the people never voted for a reduction of federal contributions and transfer payments to the provinces for medical care, universities and post-secondary education. Surely the people did not vote for such measures.

So I am in a predicament. I think the Hon. Member is quite right to say that they have been elected by the people. They delivered a message, but now it seems to me that you are giving a wrong interpretation to the message you got from Canadians. You did not tell the people of Canada, the Quebecers, or the Trois-Rivières residents that cutting the deficit would mean, first, the reduction or cancellation of Old Age Security indexing. I must at this stage acknowledge the outstanding contribution of one of our colleagues, the Hon. Member for Montreal—Sainte-Marie (M. Malépart), our main critic in this area, that we all wholeheartedly support, as he readily admits, with our statements and speeches. I would like to ask a question to the distinguished Hon. Member for Trois-Rivières (Mr. Vincent) who, and I hope that despite the strange looks I get I am not creating too much jealousy, if the rumors prove correct might become a Minister this summer.

I would not want to create any hard feelings, but I would very much like it if the Hon. Member told me again, and told the Canadian people, the Quebec people, and his constituents in Trois-Rivières, whether or not there was confusion in the message of their party, because they are introducing in the House today, measures that Canadians certainly did not

expect. There was, no doubt, some misunderstanding somewhere. I am trying to reconcile this with an excellent speech that the Hon. Member made to defend something which, I must say, was very difficult to defend. Politics is not always easy. But when you are a bit of a fighter . . . and I know what I am talking about because I have been here for 22 or 23 years. About my question—

My colleague says that I should nonetheless put a question. I could have used up the ten minutes by making comments and prevented my hon. colleague and friend from replying. There is something I do not understand. I do not understand how he can reconcile what his party said and promised during the election campaign with everything it has done since which seems to affect almost all groups of society in Canada and mostly the less fortunate or those most in need. Of all the people in our society, the sick, the senior citizens and the young are the most important. Those three groups appear to be hit the hardest by this Government.

Mr. Vincent: Mr. Speaker, I certainly do not have the experience and style of the Hon. Member for Saint-Denis to return his compliments. I thank him for his good words. I am sure he will accept mine.

Yet, I should like to make a point. I think that the Hon. Member for Saint-Denis was not entirely right when he said that the federal Government has reduced its contribution to social services as well as transfer payments to the provinces. Without playing on words or arguing semantics, Mr. Speaker, I should like to say that all we are trying to do with Bill C-96 is to reduce the growth of transfer payments to the provinces. It is quite different from a reduction of transfer payments. We are talking about the growth of the amounts made available every year to the provinces. What we mean to do is to reduce its growth and not the basic amount. The proof of the matter is that the provinces will get $1 billion more per year over the next five years. The provinces will get $1 billion more per year. I suggest that the Opposition should not talk about a cut. I want to ensure that the Hon. Member and I understand each other. I know that in addition to being my colleague, he is a member of our profession and knows that words are important.

In reply to the question raised by the Hon. Member for Saint-Denis concerning our mandate and his assessment that we had singled out the poor, the aged and the young, I suggest that he has failed, unintentionally I am sure, to mention that for a number of years, the Canadian people has been asking the Government to set up a minimum income tax system in Canada. He has failed to mention that we announced in 1985 an amendment, effective January 1, 1986, providing for a minimum income tax which will affect Canadians in higher tax brackets who could benefit from tax shelters created by the previous Liberal Government. He has certainly failed to mention that.

He surely forgot about the R&D tax credit which, I am sure, Mr. Speaker, had been established by a well-intentioned previous Government, but which benefitted unduly some companies, and once again corrected that. He definitely forgot to talk about it. And I could go on and on like that.

So, to answer the Hon. Member's question, I think people of this country gave us a clear mandate, and that is to provide a sound management at all levels. To this day, Mr. Speaker, the results are there to see in terms of job creation, the dollar, the interest rates, and we have reasons to be pleased as a Government of the work being done, and we have to ask the Opposition to stop delaying the steady progress of the business of the House and hindering the work of the Government.

The Acting Speaker (Mr. Charest): A very brief question from the Hon. Member for Ottawa-Vanier (Mr. Gauthier).

Mr. Gauthier: Mr. Speaker, I want to come back to the growth of subsidies or payments and the accountability of the provinces not to the federal government but to their own constituents.

The Hon. Member surely knows that the Johnston Report indicated as one of the more important factors the fact that provinces had not followed the rate of increase in the federal government payments. Some provinces in fact receive more than they spend.

And when I speak of accountability I speak as a citizen of this country, like my colleague the Parliamentary Secretary to the Minister of Finance, and I mean this obligation Governments have to be accountable to their constituents. The provinces were expecting to get an increase already set by an agreement, but this Government is reducing the increase by 2 per cent, which affects—

The Acting Speaker (Mr. Charest): Order, please. I regret to interrupt the Hon. Member for Ottawa—Vanier (Mr. Gauthier), but it being 6 o'clock, pursuant to the order of Wednesday, June 11, 1986, the House will now proceed to consideration of Private Members' Business as indicated in today's Order Paper.

• (1800)

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

CANADA PENSION PLAN

PAYMENT OF BENEFITS TO VOLUNTARY WORKERS

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

That, in the opinion of this House, the Government should consider the advisability of paying Canada Pension Plan benefits to persons not making contributions to the Plan, and that such payment be in proportion to the time such persons dedicate to voluntary efforts in community social services.

He said: Mr. Speaker, I want to express my appreciation at the outset for this opportunity to speak to my motion for the recognition of volunteers. I am personally very happy that the motion was one which was drawn for early consideration in

this part of the First Session of the Thirty-third Parliament. I am grateful to my good friend, the Hon. Member for Thunder Bay—Atikokan (Mr. Angus), for seconding the motion to put it on the floor for debate this afternoon.

The question I am considering is recognition of the services provided by volunteers to Canadian society in a great diversity of ways. I want to consider what sort of recognition we Canadians might extend to these volunteers, and in particular the possibility that many of them who do not have the opportunity to earn Canada Pension Plan credits toward their retirement might be able to receive such credits and be the recipients of these benefits after retirement age. Through the Canada Pension Plan and under the direction and care of the Canadian Government, they might receive this recognition and, as a result, feel, in more ways than simply the recognition of their neighbours, the sense of their own personal fulfilment in carrying out these activities.

I might say that this matter of recognition of volunteers is a topic honoured more fully when they step into the breach than in the recognition on various occasions when volunteers' activities do receive that recognition in their communities and, to some extent, nationally. We are good at providing words of various sorts to tell people that what they have done for the community is of value. However, when we look at such documents as the report of the Parliamentary Committee on Pension Reform in the previous Parliament, we see no recognition of the role of volunteers in the way of opening up the possibilities of pension reform. When we look at the voluminous studies, the main documents and supporting volumes of the Macdonald Commission on Canadian union and its economic situation, we find as well no subtantial recognition of the role of volunteers. There is a certain sense, then, in which opening up this topic for consideration in this particular way is an innovation and represents a novelty in Canadian public policy. It is for that reason also that I appreciate the opportunity to support this motion this evening in this debate.

I want to consider several aspects of the motion. I want to consider the significant role played by volunteers in our communities. I want to give some consideration to the value of this service to our society. I think particularly of women, who are the larger group of those who do not find gainful employment in various circumstances, and who are active as volunteers, those persons for whom this particular proposal could be of value.

I want to give consideration as well to the point I have already made, that is the obligation society should feel toward volunteers and consequently why we should look to the Government to take up this proposal for recognition of volunteers by means of establishing the entitlement under the Canada Pension Plan. Let me say at the outset that I had the opportunity in March of 1985 to attend sessions in Saskatoon with my friend, the Hon. Member for Humboldt—Lake Centre (Mr. Althouse). The session was held in conjunction with International Women's Week and involved a series of presentations from organizations in the City of Saskatoon and in the Province of Saskatchewan. These people were active in volunteer activities of many sorts. I remember particularly a presentation from those persons who were active in the YWCA in that city. These were excellent presentations. They demonstrated the intellectual capacity, the social insight and the community responsibility of women in these various organizations.

My reaction to the presentations at one point was that here was a remarkable demonstration of the value of volunteer services and that this was something which surely must be recognized in our society. How might we do that? Since there was some discussion in these presentations as well about the needs of elderly women who did not have adequate income, thanks to the fact they were restricted to Old Age Security and the Guaranteed Income Supplement alone, it was obvious that if their income was supplemented by means of Canada Pension Plan benefits, that would be of very great assistance to them. It was in that kind of context that the germ of this proposal came to me and we gave it some limited consideration at that time.

I want to say in expanding on the matter of the role of volunteers that I have thought about a variety of persons who are active in the community of Thunder Bay. These are persons who, in some cases, have had recognition on the national level. Others have been recognized on the community level by words and presentations of one sort or another. Some of these persons have had opportunities for gainful employment and the opportunity to earn Canada Pension Plan credits in the past. In other cases that is not true. I think of two persons immediately who were recognized since I was elected to Parliament in September of 1984.

Miss Gert Beadle received the Person's Award during the first month of my service here and Mr. Ed Lauzon was the recipient of the Lifestyle Award presented by the Department of National Health and Welfare in 1985. Miss Beadle is someone who became active rather late in life. She assisted women with the need for shelter, those who had to escape from their homes because of abuse. As we all recognize, the problem of wife battering is a difficult and tragic problem in our time.

Miss Beadle's role in establishing the Faye Peterson Home in Thunder Bay was a service not only to the City of Thunder Bay itself but to the surrounding communities. That was only part of the reason she was nominated, and in fact recognized with the Person's Award by the Province of Ontario.

Mr. Lauzon has been active over many years in such activities as the Civic Recreation Hockey League for the old City of Port Arthur. He became active in establishing the Thunder Bay Senior Men's Social and Fix It Club which plays an important part in supporting senior citizens who want to remain in their homes and do not have the means to call upon professional services such as plumbing, repair work around their homes, and so on. Through this club it is possible for them to call on volunteers who will provide those services. That is just more evidence with respect to the importance of volunteer service in the community.

Canada Pension Plan

• (1810)

I am reminded of the activities of Mrs. Ruth Callon, who has been active in a variety of community activities. She was active in the Lakehead Social Planning Council which played such an important part in establishing a diversity of community services. By researching the needs of the community, the council has played a vital part in establishing activities as diverse as the Castlegreen Co-operative, the Meals-on-Wheels organization and all types of other services. She has also served the United Way and has assisted in the fund-raising activities of the St. Joseph's Heritage, a seniors' facility, which is a vital and important facility in the City of Thunder Bay. In these various ways Mrs. Ruth Callon has exemplified the qualities of a volunteer in the community.

I am also reminded of Mrs. Ruth Cook, another person who was active in helping to found the Mental Health Association in our city. She, with Mrs. Callon, was one of the founders of the Volunteer Action Centre where the co-ordination of a great range of volunteer services is carried out. Mrs. Cook recently chaired a housing committee which considered the housing needs of persons who had been recently released from psychiatric facilities in the province and for whom the intention was to re-establish themselves in our community. These various activities indicate the value and the role that volunteers have in our society.

I suggest that volunteers give us thousands, even millions, of hours year by year in volunteer services in a great range of organizations. Their activities are carried out by the young and old. It is work done by women and men. I do not want to distinguish among them, particularly in this proposal for recognition of volunteer service, except to say that for those who have gainful occupations, CPP credits follow from that gainful occupation. For those who do not have that opportunity, I want to say something in a few moments about that social reality. This proposal could be of considerable value toward their retirement years.

The work of volunteers in a diversity of organizations is part of the justification for this proposal. It could be said that volunteers are just taking the jobs of people who should be paid for performing these services. In any single organization that might well be the case, even if it were only a part-time job. However, when we have volunteers who are active in a diversity of organizations, then clearly we see a situation in which this proposal would have merit, given that there is no way of stacking this variety of involvement up into a part-time or full-time job.

Although I have referred to only a few community organizations, there are others. I think of the Thunder Bay Multicultural Association, which is another context within which people provide service. In various communities there are food banks, including some in the City of Thunder Bay. It is just one of the sad realities of our depressed economic conditions. In these contexts as well services are provided by persons who deserve recognition by our society and by our Government, a recognition which could be provided through the Canada Pension Plan.

There is also the needs of the volunteers themselves to be considered. I have already suggested that many volunteers are gainfully employed and that this proposal would not be of any value to them. However, there are those who are not. In fact, I was struck by the comments of my colleague, the Hon. Member for Beaches (Mr. Young), when he spoke yesterday in the debate on the Canada Pension Plan. He observed that at least half of the people who are employed in Canada are not covered by private pension plans. He stated:

> For many of those Canadians it means looking forward to the so-called golden age of retirement as the golden age of poverty. It is a fact that 6 elderly single women out of 10 over the age of 65 are living on incomes well below the poverty line. In a country as rich as Canada, with our resources, potential and people, I think that is a national disgrace.

The reality of 6 out of 10 single women over the age of 65 living below the poverty line is one of the brutal realities that this motion addresses.

In many of our communities, in the past it has not been possible for a woman to find gainful employment. I suggest that is still the case, particularly in the single industry towns of northern Ontario and so much of the rest of Canada. My colleague, the Hon. Member for Nickel Belt (Mr. Rodriguez), was telling me some time ago about women in the Sudbury Basin who would dearly like to find gainful employment but did not see any opportunity of obtaining it. They became volunteers in the schools. They found some satisfaction and some fulfilment for themselves, some useful expenditure of their energies, in assisting the schools by supporting the efforts of teachers. They make the education of the children of the community a better one than it would be without them.

That type of service is hardly going to be recognized by school boards which already find themselves so hard-pressed to finance the school system. This type of activity, which is the only opportunity that these women have, deserves to be recognized by awarding to these people under the consolidated revenues of Canada credits toward their retirement years and toward the receipt of Canada Pension Plan benefits. This, then, is the need which I want to make clear; that is, the necessity of expanding the Canada Pension Plan to allow persons who do not now have any opportunity to achieve entitlement to have a part in it.

My colleague, the Hon. Member for Beaches, in commenting on Canada Pension Plan amendments which have been debated in the House to some extent, and which have gone to committee for consideration, pointed out that there are persons who find themselves unable, for reasons of illness or because of the nature of their contracts, to obtain Canada Pension Plan credits for those periods, or for perhaps much of their employment. He suggested that they be given the opportunity to contribute not just their own share but the employer's share toward annual credits. That is one possible route for beginning to move in this direction. My proposal goes much further than that. It actually envisions the Government on behalf of

Canadian society recognizing the service that volunteers give, to take some of the revenues of Government and apply them to the purchase of these credits so that entitlement can be built up. The Government, which surely values volunteer services, must find the educational, health and social services enormously enriched by the contributions of volunteers. My proposal calls on the Government to recognize those obligations, those contributions, accept the obligation and do something tangible about that recognition. It calls upon the Government to ensure that persons who could not otherwise gain Canada Pension Plan entitlement to have it in return for the services they render to society.

This proposal is one whose time has come. I look forward to debate on this matter and the possibility that the Government might very seriously consider the matter.

• (1820)

[*Translation*]

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, each year, usually in April, we devote a full week to the voluntary sector, and we do it because voluntary work is becoming increasing by important in our society and deserves recognition. Indeed, an increasing number of people are interested in the voluntary sector, as evidenced by the fact that, in 1980, which is unfortunately the last year for which we have the figures, over 2.7 million Canadians, or 15 per cent of our population, did voluntary work. According to Statistics Canada, about 350 million hours of work were given freely in 1980. This would represent the work of about 220,000 paid full-time workers for a full year. It means an average of 137 hours of work for each volunteer, or approximately three hours a week. All this represents goods and which must be added to the Gross National Product and which amount at a few billion dollars a year. We know that threre are over 50,000 charity organizations registered at Revenue Canada, without mentioning all the voluntary groups which, without being registered, still provide useful services to their respective communities.

The importance of voluntary action, both as a social force and as an essential element of the Canadian way of life, is being increasingly recognized. It is more and more strongly that many services offered by volunteers and their deep devotion to their work puts them on another level than those services provided by paid workers. Reinforcement of the voluntary sector is seen as a means to improve the ability of society to meet the social and health needs of the Canadian population. The voluntary sector is often more able to identify the needs of various segments of the population and find adequate answers to those needs, than the Government system. The contribution of the voluntary sector to the development of our societies and the improvement of the living standards of our fellow citizens has been tremendous and undeniable. I am therefore not in any way minimizing the value of that input even if I do not agree with the motion put forward today by the Hon. Member for Thunder Bay—Nipigon (Mr. Epp).

Under the motion of the Hon. Member, the Government should consider paying Canada Pension Plan benefits to persons not making contributions to the Plan in proportion to the time they have dedicated to voluntary work activities. At first glance, such a suggestion seems to deserve our full support, for it reaches into our deep feelings of appreciation and gratitude for those who do voluntary work. We would therefore be tempted to support it wholeheartedly. However, by supporting that motion, we would only be creating more and more inequities as well as undermining the basic principles of the Canada Pension Plan. Let me elaborate for a moment on the problems of unfairness that could arise from the implementation of the motion before us tonight.

For the purposes of this debate, I have spent some time trying to identify the actual reality of that activity, voluntary activity, and that is when I realized the sheer complexity of this matter, Mr. Speaker. All the studies carried out on this subject, and it is true that they have been few, agree that there are two networks of voluntary work: a formal network, the only one in fact that we can assess, and an informal one. The formal network basically includes voluntary work carried out through associations of voluntary groups, whereas the informal network deals with individual forms of voluntary work. It would be a mistake to believe that any voluntary action has to be collective or organized. On the contrary, voluntary activities are often carried out by people acting spontaneously within a group or privately, alone or with two or three other people, and it is clear in my mind that no system of recognition of that voluntary action can be complete unless it takes into account individual, non collective, non organized contributions.

Trying to assess quantitatively and qualitatively the contribution of volunteers involved in the official network would represent a major endeavour; but we can only start to imagine how difficult it would be to try to assess the contribution of volunteers involved in the unofficial network. Then again, should we create classes of volunteers by setting up a petty regulation which would recognize volunteer work on condition that it is visible, institutionalized, registered, done within the framework of recognized groups operating under a corporate name and with Government approval?

People In Action, the report on voluntary action to the Government of Canada warned us against such an approach and recommended not to enclose voluntary action within well-defined categories.

Above all, the integration of volunteer workers to the Canada Pension Plan would require Government interference in volunteer work, which from now on would be subjected to constant monitoring and control. Indeed, how could we grant benefits under the Canada Pension Plan proportional to the time spent in voluntary work without computing this time? And how could we compute it without setting up a heavy and cumbersome bureaucracy?

It is not easy to quantify voluntary action, because its various shape and form is determined by the various needs it tries to meet. I suggest that we should not try to impose a

technocratic kind of logic on this area of activity. Volunteer work can only be effective if, while recognizing its tremendous value and considerable economic and social impact, we respect its specificity and autonomy.

Trying to institutionalize volunteer action to meet the requirements of an administrative and bureaucratic logic rather than the needs of the people would probably mean paralysing it. I suggest the independance of this sector should be preserved and respected, something we could not do if we wanted to control everything. One need only imagine the burden which bureaucracy would represent for volunteer groups to understand that this could block the most creative initiatives.

Mr. Speaker, other will deal with the impact such a measure could have on the very nature of the Canada Pension Plan. For my part, I felt the need to emphasize the constraining aspect of this measure which, although not deliberately, would act as a sort of choker stifling the creativity of the volunteer sector.

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I welcome this opportunity to speak to the motion of the Hon. Member for Thunder Bay—Nipigon (Mr. Epp).

Mr. Speaker, the Hon. Member is to be congratulated on his desire to give recognition to, and find a way of thanking, thousands of volunteers in Canada who work with such dedication for various community services, sports and cultural activities and social services.

Mr. Speaker, I am sorry to say these congratulations do not extend to the Government. The Parliamentary Secretary has just given us a demonstration of this Conservative Government's philosophy. First of all, she enumerated and congratulated and gave statistics on volunteer work. She then started to criticize the motion by saying that we could not quantify the time spent by these people on volunteer work. She then gave us a series of measures that are not applicable to this specific proposal in relation to the Canada Pension Plan, and she told us that we would hear the rest from another Member in another speech.

• (1830)

Mr. Speaker, it is obvious that a bunch of public servants were given the job of looking at this motion and finding all the negative points so that she could say it was not acceptable. On the other hand, Mr. Speaker, there are some things the Government could have said but didn't, namely that the Hon. Member's suggestion, although perhaps not the best in terms of the Canada Pension Plan, does provide a way to recognize the value of the work done by these people in our society for all Canadians, for our youth and for our senior citizens.

Mr. Speaker, that is your typical Conservative philosophy: *nyet*. When someone suggests compensation for people who are doing a good job: *nyet*. Mr. Speaker, they have no compassion, no class and no gratitude.

I agree with the Parliamentary Secretary when she mentions the sums of money that would be involved—I don't have the figures— how much it would cost, how many hours of work would be involved, and how much the dedication of these people is worth. On the other hand, they are not even capable of finding a way to recognize and appreciate this work.

She mentioned Volunteer Week. That is too easy. It doesn't cost anything to say: Tomorrow is Volunteer Week. Next week is Tom, Dick and Harry Week. The week after, somebody else's week. But what is this Government doing to show these people they are important to our society? Who are these people?

First of all, there are fathers and mothers who are beginning to do volunteer work with children after working hours, in Quebec and elsewhere in Canada, in hockey for instance, the kind of people like Wayne Gretzsky, Maurice Richard, Guy Lafleur, people who were first trained by volunteers. Then there is figure skating for those who have daughters. Other activities include majorettes, flag bearers, painting, theatre, ballet. These people are all volunteers who generously give not only their time but also their money to ensure the success of the events.

After that you have everything. It so happens that I had lunch today with Mrs. Solange Denis, a well know Canadian personality, and she was telling me about the number of hours of volunteer work done in a home near here, a home for elderly and sick people.

These people expect to hear words of encouragement from the Government. At least, reading the text prepared by an official, the speaker should have said: We thank you from the bottom of our heart. Never in our lifetime could the Government pay and thank you for everything you are doing. Unfortunately the proposition as worded is not applicable, but we will set up a committee to find not only a year but a week for volunteers. Perhaps the Prime Minister should have certificates delivered to all volunteers throughout Canada.

Mr. Speaker, we could have taken this opportunity to establish a committee. The Government could have amended the proposal, and I am convinced that the Hon. Member would have been willing to say: We are going to establish a Parliamentary Committee because there are volunteers in every Canadian constituency, people of all ages and social backgrounds in sports, cultural activities and social work. We could have sat down together and invited these people to appear before us. Instead of deciding what they should be given, we could have met with them and asked them what they would like the Government to do to recognize their contribution and to make them feel important in our society.

This would have shown our concern for these people and encouraged them. I was in charge of recreational activities for 25 years. I have already said that, at the age of twelve, I took part in a choirboy strike, which was not too popular at the time. When I played midget hockey, our coach was a father of seven children. He worked during the day for very low wages and

came to coach us in the evening, and at the time, we did not play in arenas, but on outside rinks. He was our coach and he used to help us. During the weekends, there were practices. In addition to feeding and raising his own family, this man paid so that others could take part. This tradition continues today. The Government had a perfect opportunity to show its humanity and its concern by rewarding those people. They are not asking for a reward, but they would appreciate it.

Before I entered politics, when I was in charge of recreational activities and founded a community center and a senior citizens' club—I did many things in my community—I remember that every time our Member of Parliament came to a presentation or an assembly, it was an occasion to rejoice, to feel satisfied, a show of appreciation for the work carried out by thousands of volunteers.

And now that I am a Member of Parliament—I would never have dreamt that I would be on that side of the fence—I must admit that before, in my constituency, it was first the Conservative Member, then the Union Nationale, and now I am on the other side and I know too well how important it is for the elected representative to be there when there is an event, a community centre, a group of youngsters playing hockey.

But today, those thousands and thousands of viewers would have expected from the Government spokesman, the Parliamentary Secretary to the Minister of National Health and Welfare (Mrs. Bertrand) the person whose duty it is to be the most compassionate human being in Canada, a minimum of recognition, a minimum of appreciation, a minimum of attention.

Mr. Speaker, another Progressive Conservative Member will be speaking after me, and I have one minute left. It is my hope, because this is not a matter of political stripe, it is my hope that the next one will be more compassionate. He will find a way, and certainly my colleague for Thunder Bay—Nipigon (Mr. Epp), my colleague for Outremont (Mrs. Pépin) and I, we would accept that the Government or the next Member on behalf of the Government move an amendment to that proposal providing that a committee be struck with representatives from all sides of the House, in order to consult the thousands and thousands of volunteers in Canada, in order to know how the Government should express its appreciation and encourage other future volunteers, a new generation to follow in the footsteps of their parents.

Mr. Speaker, my colleague from Outremont made me think of all women's groups and associations. I think that any improvement in this country in the sexual equality field is due to the women who fought within these voluntary groups. They did it on their own time, Mr. Speaker. They did after they had finished cooking and feeding their children. They had to spend evenings in church basements, in parishes, in schools in order to fight and propose solutions.

Mr. Speaker, you have just signaled me that my speaking time is over. I hope all Members will give their consent so that the motion can be amended and that a committee is formed to consult the thousands of volunteers in Canada in order to know their concerns and their need for recognition.

[*English*]

Mr. Jim Jepson (London East): Mr. Speaker, I am pleased to address the motion of the Hon. Member for Thunder Bay—Nipigon (Mr. Epp) who suggested that the Government should consider paying Canada Pension Plan benefits to persons not making contributions to the plan, and that the payments be in proportion to the time such persons dedicate to voluntary efforts in communmity social services.

There is no doubt that voluntary activity confers very real and concrete benefits on Canadian society. The total economic contribution of registered charities and volunteer workers covered in two Statistics Canada surveys was $4,476 million in 1980. In comparative terms, this was equal to 1.7 per cent of the Gross National Product.

Volunteer activity and output is a significant sector in Canada's economy. It is especially significant in the improvement of the health and social well-being of Canadians. As well, we know that there are social, psychological, philosophical, and cultural aspects of volunteer activity which enrich our society and cannot be measured economically.

If the intent of the motion of the Hon. Member for Thunder Bay—Nipigon is to recognize volunteer workers, I fully agree with it. I believe we can agree in general that volunteers work of their own free will in a discretionary activity, that is, in an activity of their choice without immediate anticipation of pay or expectation of benefits of an economic sort. Volunteer workers are committed to helping others by giving time, services, goods or materials without looking for their own gain or expecting remuneration. It is this altruistic principle which is the foundation of all voluntary activity in this country. If the intent of the Hon. Member's motion is to remunerate volunteer workers, I do not feel that the motion is entirely appropriate.

There is no doubt that volunteers do real work, valuable work and that they deserve recognition. I believe that this recognition should be in keeping with the volunteer spirit. Volunteers have energy, time, desire and motivation to help others freely in a discretionary activity. Recognition of volunteer workers should be in keeping with their independence and should support and foster their altruistic ideals.

I want to point out that the Government recognizes the work of volunteers in ways which are compatible with and support the spirit of voluntarism. For example, one of the ways the federal Government recognizes the contribution of health and social service volunteers is through the lifestyle award presented by the Minister of National Health and Welfare (Mr. Epp). This award is presented annually to individuals who have undertaken voluntary activities without remuneration to improve the well-being of their community.

We can seek two of various examples of notable volunteers receiving the Order of Canada from the Governor General. There are also various programs of recognition initiated by the provinces. National Volunteer Week, which is sponsored by

the Canadian Association of Volunteer Bureaus, is proclaimed in many communities. This year it was April 13 to 19. It provides another occasion on which Canadians can focus their attention and express their appreciation for volunteer workers.

• (1840)

Assistance to the voluntary sector is an issue of great concern to the Government. We recognize the importance of voluntary action in the lives of Canadians. We also recognize that Government and the voluntary sector must complement each other in appropriate and effective ways.

The Government provides tangible support to the voluntary sector through grants, technical and material assistance directed to voluntary activities. For example, the Department of National Health and Welfare directed grants totalling $6.1 million to 51 national voluntary health organizations and 27 national voluntary social service organizations during the 1985-86 fiscal year. These grants assisted national voluntary organizations in meeting their operating costs and carrying out national activities during that fiscal year. This is the kind of support that has significant social relevance for our society as a whole and assists the voluntary sector in achieving its goals and objectives on a broad scale.

As well, there are various programs which provide grants, technical assistance and other material support for voluntary projects and voluntary action programs across Canada on a regional or community level and/or to particular groups and activities. For example, under the Department of National Health and Welfare, the New Horizons Program funded close to 2,000 projects in 1985-86 involving senior citizens. Voluntary projects in areas dealing with the elderly, children, the poor, youth and families in crisis were also supported through this Department.

Another example of the Government's commitment to volunteer activity is the specific responsibilities that the Department of the Secretary of State has been assigned. A voluntary action program administered by that Department provided support to over 100 voluntary groups across Canada with a budget of $708,000 in the 1985-86 fiscal year. This program encouraged the participation of disadvantaged groups, such as women, native citizens, minority groups and the disabled to participate in the mainstream of Canadian society.

Over and above the grants programs, the technical assistance and other material support provided to voluntary organizations, the Government plays an advocacy and policy role in regard to voluntarism. Through research, we seek a clearer understanding of the dynamics of voluntary action in Canada. Such understanding is necessary if the Government is to develop policy initiatives to improve its ability to offer the kind of support to voluntarism which that sector requires. Such support should be appropriate and effective. It should also be consistent, of course, with the historic qualities of independence and self-reliance of the voluntary sector and in keeping with the principles of voluntary action.

Although the sentiments which prompted the Hon. Member's motion are admirable, I do not think that the direct remuneration of volunteer workers through Canada Pension Plan benefits is appropriate. I believe that the remuneration of volunteer workers would undermine the spirit of voluntarism in the country. I believe it is much more appropriate and effective to provide tangible support to the voluntary sector through grants, technical and material assistance to support and promote voluntary activities. It is the material support to activities and good works that ultimately benefit the individuals who need them.

I have looked at only a few of the issues that concern appropriate support to the voluntary sector. I have not asked the numerous questions which could be addressed to the Hon. Member concerning the implementation of his proposal. My purpose is to show that volunteer workers are recognized and encouraged by the Government and that voluntary activities are materially supported. The Government is very aware of the importance of voluntarism in this country and its role in supporting the voluntary sector in flexible and vital ways.

[*Translation*]

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, it is a pleasure to take part in this debate on a fascinating motion proposed by my colleague from Thunder Bay—Nipigon (Mr. Epp), which reads as follows:

> That, in the opinion of this House, the government should consider the advisability of paying Canada Pension Plan benefits to persons not making contributions to the Plan, and that such payment be in proportion to the time such persons dedicate to voluntary efforts in community social services.

I find it fascinating as I have thought many times about to the difficulties of people who are short of financial resources but not of human qualities. If we could help those people we might encourage them to participate in voluntary work. You know as well as I do that voluntary work costs a lot of money and that many people who are willing to help do not have the money to buy a bus ticket or decent clothing.

[*English*]

I thought the motion of the Hon. Member for Thunder Bay—Nipigon (Mr. Epp) was fascinating. How can we recognize the role of the volunteer in today's society? Many are willing but do not have the means to participate in ways they would like. Either they do not have the money for transportation, the money for clothes or even the health that would allow them the luxury of time to get out and work. There is no question that the volunteer brings a humanizing perspective to our society. It brings a human touch to the bureaucracy that surrounds so many of our institutions. It also brings a degree of skill development and self-satisfaction which is so important in the development of one's sense of worth, ego and personality.

• (1850)

I know that many of us in this Chamber have been involved in volunteer work, whether in teaching young people in the field of sports, arts and crafts, Brownies, Scouts, Guides or

Cubs. We may have worked as Big Brothers or Big Sisters or in the hospital milieu or helping the poor, sick, or elderly. We may have been involved in Meals on Wheels or pushing the gift cart through the hospital. We may have driven people who were incapacitated or incapable to doctors appointments. We may have actually cooked the meals that went into the hot packed meals delivered to doors. We may have been involved in friendly visiting or going to the veterans' hospital, which I can recall doing. We brought all kinds of services to society because we had an inner desire to fulfil our own personal need while, at the same time, helping someone else.

What that did for us is incredible. In many instances we learned how to develop a publicity program, how to design posters and leaflets and how to meet people. Our interpersonal skills were developed in this kind of setting. It was a challenge to meet people at their level and to meet people of different backgrounds, cultures, and persuasions and to get along with them. It is a great and important skill for people of all ages.

I would not like this to be a skill which is only usable by those who have disposable income. That is where the dilemma comes in. My friend has proposed that we consider a way, through the Canada Pension Plan, of being able to carry on when you are older. How can we acknowledge volunteers? We have volunteer week and volunteer buttons. We give plaques and cups and God knows how many different things to try to encourage and recognize voluntarism. I do not know if that is truly enough. I can only say that the Member has brought a most creative thought to mind which I do not want to turn down out of hand. I cannot say that I buy it a hundred and fifty per cent because I can see the inherent problems. However, maybe there is a way to get around it. I will never know unless I study the matter and pay attention to an important issue in our society, the role of the volunteer.

Is it contribution to this plan? Is it another form of protecting oneself and allowing oneself the capacity and ability to participate in our society? I really am not sure. However, I am sure that I do not want to turn the idea down cold without giving it a chance, without looking at—

[*Translation*]

—the pros and cons and seeing if there is not a possibility to earn pension credits for voluntary work. In this regard—

[*English*]

I would like to move an amendment to Motion M-103. I move:

That all the words after the word "that" be deleted and the following substituted therefor:

"the Standing Committee on National Health and Welfare be empowered to study the question of paying Canada Pension Plan benefits to persons not making contributions to the plan, and that such payment be in proportion to the time such persons dedicate to voluntary efforts in community social services."

I submit this amendment for your consideration, signed and sealed on this day. I would like to speak to it following its disposition.

[*Translation*]

The Acting Speaker (Mr. Bernier): I want to say, with respect, to the Hon. Member for Mount Royal (Mrs. Finestone) that I am taking her amendment under advisement and that she can continue her speech until 6:57 p.m.

Mr. Malépart: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Charest): The Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) on a point of order.

Mr. Malépart: Mr. Speaker, my point of order is the following: Would the Chair rule now on the amendment of my colleague from Mount Royal (Mrs. Finestone) instead of waiting to rule later? I think it would be better—

The Acting Speaker (Mr. Charest): As I said, the Hon. Member for Mount Royal (Mrs. Finestone) will be allowed to continue her speech for a few minutes so that the Chair—and the Hon. Member for Montreal—Sainte-Marie will surely understand why—can consider the amendement. It is as simple as that.

The Hon. Member for Mount Royal (Mrs. Finestone) has the floor for a few minutes.

[*English*]

Mrs. Finestone: Do I understand, Mr. Speaker, that you are now going to study the amendment and, subsequent to your decision, we will know whether we are to debate the amendment which I have just moved?

I feel very strongly that we must study voluntary effort because through the various budgetary reforms in the November statement, the May Budget and the February Budget, we have cut back in some significant areas of service. It is true that certain areas would need to be realigned. In other areas, however, as in the equalization payment fund, we are cutting in areas which are going to hurt our population. As a result of this we will need additional manpower and all the resources and encouragement possible to recruit people to fill the gap created by these Government decisions. In order to find such people, they themselves have to find mechanisms which would be enabling to them.

That is why I feel we should not shut the door on any new innovation. We should not close our minds. There may be something here which will be helpful. I do not know. I certainly do not have all the answers. I see that my amendment has brought the House to life. The whole world is coming in. They are all volunteers coming in to volunteer their time to discuss this Bill. That is wonderful.

This is beyond a joking matter. It is an important issue. Anyone who makes light of the role of the volunteer is insensitive to that particular function in our society which is key to the values that we hold as helpers of others in society.

Federal-Provincial Fiscal Arrangements Act

• (1900)

The Acting Speaker (Mr. Charest): The Hon. Member for Calgary South (Mrs. Sparrow), a few seconds.

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, the intent of the Hon. Member's motion is commendable. However, I am struck by the complexity of implementing the proposal for paying Canada Pension Plan benefits to persons not making contributions to the plan. It is also proposed that payments should be in proportion to the time such persons dedicate to voluntary efforts in community social services. In order to look at the CPP as a vehicle for implementing the Hon. Member's motion, we first need to consider the purpose of the plan and some of the ways in which it works.

The purpose of the CPP is to replace a portion of employment earnings, the major source of income for most Canadians, in the event of retirement, disability or death. Virtually every worker between the ages of 18 and 65, in the paid labour force, whether an employee or self-employed, working full-time or part-time, is required by law to make contributions to the plan. The important point I want to make is that it is a mandatory social insurance scheme. It is also a pension plan in the true sense of the word. It is a mechanism for replacing employment earnings for wage workers and their families when those earnings are lost because of specific contingencies of life.

Currently contributions to the plan are set at 1.8 per cent of an employee's contributory earnings. That is matched by an equal payment from the employer.

The Acting Speaker (Mr. Charest): Order. On the question of the motion of the Hon. Member for Mount Royal (Mrs. Finestone), I regret to inform her that I cannot find the motion in order. I refer her to Beauchesne's Fifth Edition, Citation 435, paragraph one:

> It is not an amendment to a motion to move that the question go to a committee.

It now being seven o'clock, the hour provided for Private Members' Business has now expired and we return to Orders of the Day.

Mr. Guilbault (Saint-Jacques): Point of order, Mr. Speaker. The Hon. Member for Calgary South (Mrs. Sparrow) appeared to be well prepared for her speech and she had only a minute or two. I thought that with unanimous consent we could all hear the remarks she has been working on for so long.

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): Is there unanimous consent?

Some Hon. Members: No.

[*Translation*]

The Acting Speaker (Mr. Charest): Order, please. The hour provided for Private Members' Business has now expired. Pursuant to Standing Order 42(1), the order is dropped from the Order Paper.

GOVERNMENT ORDERS

[*Translation*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the third time and passed.

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the Conservatives' strategy failed, thanks to Liberal vigilance. Mr. Speaker, what is C-96? It is a Bill providing for the transfer of federal funds for health care and post-secondary education. Why, Mr. Speaker, is the Official Opposition so violently opposed to Bill C-96? First of all, because this Government has made undue and unacceptable cuts in funding for two very important items: post-secondary education for our young people and medicare.

Mr. Speaker, in Quebec, this Government is going to cut a total of $2 billion from these programs.

Mr. Speaker, this is unacceptable, according to representations made by the Liberal Government of Quebec, the Hon. Robert Bourassa and his Finance Minister, Gérard-D. Lévesque.

Mr. Speaker, the same Conservative Government that claimed Canadian unity as its priority is now refusing to transfer to the provincial governments those payments that are vital and essential to the well-being of our youth.

Mr. Speaker, in committee, the vast majority of the people who testified objected to the way the Conservative Governement is distributing money to the provinces and the amounts involved. But who is going to be affected? If the changes in transfer payments meant that the problems were merely being transferred from the federal to the provincial administrations, it would be bad enough.

But who are these people across Canada, who are these people in Quebec who are going to be affected by these cutbacks? Look at post-secondary education. Our sons and daughters, our young people have to spend an increasing number of years getting an education just to get a job and be able to plan for a career once they are on the labour market. Compared to previous generations, our young people must be

far more flexible because they will change careers at least three times in their lifetime. Mr. Speaker when these young people get to the post-secondary level, it is important for our schools to have all the facilities and resources they need to ensure that tomorrows youth has the knowledge and intellectual skills they will have acquired in these institutions.

The victims of this unacceptable decision will be our youth. Mr. Speaker, the Government's excuse is that it does not have the money, but I say, Mr. Speaker, that this excuse is shocking and outrageous!

• (1910)

Even though the Government had no mechanism, no legislation to refund people, banks and companies with deposits of $60,000 or more, it costing $1 billion of taxpayers money in order to do it. The Government was not helping people who had $50 or $100 in the bank, but people who had $60,000 or more. They spent $1 billion for the rich, at a time when provincial Governments needed that money to help our generation, our youth at the post-secondary level.

Who will be affected as far as Medicare and hospital cost are concerned, Mr. Speaker? First, our senior citizens, because provincial governments will be forced to make cuts in health programs. The quality of care, the quality of services, the salaries paid to the staff will be affected by these cuts made by the Federal Government. Mothers at the time of delivery, maternity departments in hospitals, people afflicted with serious illnesses will be affected—

Mr. Speaker, this party does not care. They imposed a 10 per cent tax on drugs last year. They had the guts to impose a 10 per cent tax on the syringes that diabetics have to purchase. These same individuals had decided that medication for cardiac patients would be taxed. Those people, Mr. Speaker, that is the Prime Minister (Mr. Mulroney), and his Minister of Finance (Mr. Wilson) saw the profit for the treasury which could result from people's illnesses. Meanwhile, in order to fulfill an electoral promise, that same government misspent $55 million of taxpayers' money to change to blue the colour of the uniform of our forces. This same government spends an additional $100 million a year, to send 1,000 extra soldiers to Lahr in Germany and did grant tax concessions to the Reichman brothers, Mr. Speaker, in the Gulf take-over. And we know the results and what has happened in Quebec and in Montreal East.

Mr. Speaker, this same Prime Minister says today that there is no money for the sick in Canada, no money for our young people; yet, he spends money on a film about himself, for historical purposes apparently.

Mr. Speaker, ever since September 4 we have witnessed a series of blunders and scandals. No wonder that not one Conservative Member, I should not say none, because in fact there was one, the Member for Assumption but he resigned— No wonder that not a single Conservative member should rise in this place to protect the interests of his constituents and the citizens of the whole province of Quebec, the men and women of Canada, health and post-secondary education—

Mr. Speaker, what has been their main concern since September 4? The appointment of friends, sons and brothers-in-law. Their main concern, their main interest, Mr. Speaker, has been patronage.

Meanwhile, who is suffering hardship in this country? Canadian men and women, of course.

Mr. Speaker, now I am mainly addressing the conservative Members from Quebec because they know full well that the Government will only create more hardship for Quebekers unless it changes its stand with regard to this Bill.

However, we all know this is not the first time Members opposite remain silent. One needs only remember all those issues that were important for the province of Quebec, where decisions had to be made in Ottawa in order to protect the interests of the Quebec people. They failed in all of them: Domtar, the situation in the East end of Montreal, the Gulf take-over, Vickers, all the debates about the shipbuilding industry, the Desbiens pulp and paper plant, Matane.

Mr. Speaker, Quebec businesses face a tax increase, because the Canadian Government refuses to pay the $66 million in equalization payments it owes the province. And to whom did businesses pass on that cost? To Quebec consumers.

Mr. Speaker, no Conservative Member would dare stand up and say: Wait a minute, we Quebecers have had enough. It's time something is done, it's time for the Government to deliver. But no one on that side has stood up to defend the interests of the people.

Mr. Speaker, I would like to put on the record part of an article written in the Montreal newspaper *La Presse* by Lysiane Gagnon who is very well known in Quebec. The article was published on May 22 under the heading: "Image is not enough". I quote: "The problem with the Conservative Government is that it is "cheap". I cannot find any other word that fits it. Incompetent? Not always. Common? The word is too strong. Mean? Well, this is the same as cheap, but it does not have the same ring to it. So let's say it's cheap, because the word conveys at the same time the idea of lure of gain as well as that of being naive and ridiculous, somewhat upstart, a little mean and immensely silly."

Mr. Speaker, this is the reputation this Prime Minister and these Members are making for themselves in Quebec.

I shall not list all the Conservative scandals, Mr. Speaker, I shall not mention the names of the people involved, but that article provides a very good summary of the impact and of the primary concern of this Prime Minister: his own image, his appearance is all that counts. The interests of the people are a minor concern to him.

I am sure that my colleague from Mount Royal, who is here tonight, as well as the Hon. Member for Saint-Léonard—Anjou, would want their Conservative colleagues from Quebec to rise, as they did tonight and get together, as Quebecers, to

provide our youth with the education system they are entitled to and which they need because they will take over after us.

Mr. Speaker, my colleagues would surely appreciate that Conservative Members from Quebec would join with us so that Medicare remains the best health system, a system which provides any man or woman with the kind of medical attention then need so as to prevent uncertainty and any possible loss of life due to a lack or care, medical skills and training, as well as equipped hospitals which could save their life or make it "liveable". That is the kind of system we now enjoy in Canada, Mr. Speaker.

We must be proud of our system compared with those of the United States and many other countries... Just ask the Americans if they would not rather have that kind of medicare in their own country. Go ask Americans how much they have to pay when at 55 or 60 they suffer a heart attack. Ask them what are the consequences of having to pay the bill. Talk to young couples, to young American households when the wife gives birth to a baby! What are the costs incurred by that young couple at the onset of a career, trying to establish a family? Here, in Canada, we are lucky and if we are so privileged today, it's thanks to people before us who fought, made sacrifices, paid contributions and worked so we can enjoy everything we have. Today, these men and women are those we call the old age people, the elderly.

• (1920)

We know how understanding these Hon. Members and this Prime Minister are, they who benefit as I do from all the good things the elderly won for us. Is there sign of appreciation, of recognition, Mr. Speaker? If we list what this Government has done for senior citizens since September 4, in hardly 20 months, we realize this is the bottom line, a real shame.

Let me list them, Mr. Speaker. First, they deprived 80,000 senior citizens, aged 60 to 64, of an important program related to the old age security pension, the so-called spouse allowance.

Mr. Speaker, those 80,000 people all across Canada, 85 per cent of whom are women, those people living below the poverty line are now being denied in National Health and Welfare offices the spouse allowance that would give them an extra $100 for a more decent living. Those women are being denied that program—and they are to be found in every constituency of every Canadian province—simply because they are single, separated or divorced. It is the only thing that disqualifies them. This Government, those Members did nothing in 2 years to correct a situation they themselves created.

As a second attack against the senior citizens, there was the de-indexing or the intent to cut off 3 per cent from the old age security pension. Mr. Speaker, all the Progressive Conservative Members rose in succession, starting with the Prime Minister (Mr. Mulroney) and the minister of Finance (Mr. Wilson), to indicate they supported that.

Not one Conservative Member rose to defend them.

But when, a year ago on June 19, they came to Parliament Hill, and Mrs. Denis challenged the Prime Minister, then they were forced to bow to senior citizens. They were forced to recognize—

The Acting Speaker (Mr. Charest): Order, please. I regret to interrupt the hon. Member, but the period for speeches has now expired. Questions or comments. The hon. member for Ottawa—Vanier (Mr. Gauthier).

Mr. Gauthier: Mr. Speaker, first I want to congratulate my colleague from Montreal—Sainte-Marie (Mr. Malépart) who never fails to make a very good speech and give a very clear explanation of the issue, and ask him whether he would answer a simple question.

First I want to tell him that I agree with his statement that the federal Government transfers its deficit to the provinces through Bill C-96 by reducing the funds which had been promised to the provinces. I can give him the figures, but I am sure he knows them as well as I do. Between now and 1990-91 the federal Government will save close to $6 billion by failing to honour its commitment to the provinces and by acting unilaterally.

I will read him a quotation from *Hansard*: "Taking the action of unilaterally cutting the financing, which the Government is now proposing, and then having some discussions with the provinces, surely puts the cart before the horse. We should be reversing this procedure". Michael Wilson, now Minister of Finance, but when he was an ordinary Member who said, and this appears in *Hansard* for March 22, 1982: putting the cart before the horse. Here is more: "The only sign it... ", the federal Government, "... shows of cutting spending is by shifting the burden of the established programs funding on to the provincial Governments." Another statement made by the Minister of Finance on March 23, 1982. I would ask the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) to explain to the House the impact this Bill will have on his province, the Province of Quebec, the $2 billion which will be lost to the Province of Quebec, and to tell us his reaction to this rather significant loss.

Mr. Malépart: Mr. Speaker, my hon. colleague very appropriately mentioned that those people do not respect their word and their commitments. In the two texts that he mentioned, the attitude of the Minister of Finance, of this Prime Minister and of some Hon. Members is clearly evidenced with respect to what they said during the election campaign. Remember in Sherbrooke, Quebec, on the 26th of July, when that same Prime Minister promised to restore the full indexation, and a year and a half later he cut it and broke his promise. In the same place and at the same time he was promising elderly people that the New Horizons Program would be maintained with adequate funding.

Two years later, he has again broken his promise. He has just been cutting $3 million in the same place, Mr. Speaker, and if you turn back to the press statement, you will see that in

Sherbrooke, Quebec, the Prime Minister promised, and all the Conservative Members present in this House were there, he promised, crossing his heart, to provide funding, to maintain the health insurance plan, to maintain hospital insurance. To top it all, he promised that no legislation would be modified without consulting the people concerned. Mr. Speaker, what we have is exactly the opposite. We have seen that with the old age security pension case, we have it again with the New Horizons Program, we get it with respect to health insurance, post-secondary education, unilateral redistribution of transfers to the provinces, and we have it today with the change in the Canada Pension Plan, Mr. Speaker. The Minister tables a Bill and says: This is final, but we are listening, you can say what you want, but this is what must be passed. That is not good enough.

In conclusion, Mr. Speaker, let me tell my colleague the Hon. Member for Ottawa—Vanier (Mr. Gauthier), the Conservative Members and the Prime Minister that although they just laugh at other people and they do not give a damn, there is one thing for sure, and it is something Mrs. Denis was telling me today when she came to Parliament Hill and other people that you meet everywhere tell you, even in the constituencies of Conservative Members, and it is that the people of Canada will laugh best because they will get rid of them at the next election.

The Acting Speaker (Mr. Charest): Questions and comments, the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano).

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I should like to direct a question to my colleague, the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) who has led the fight that forced the Government to reconsider its decision to reduce pension benefits paid to older citizens and who has stoutly supported all issues in east-end Montreal. I should like to ask him the following question: If Bill C-96 deprives Quebec of $66 million, how will Quebecers manage to get all the health care, the university programs, etc. Can he tell us what will be the direct harmful consequences of such a federal measure in Quebec?

Mr. Malépart: Mr. Speaker, some of the consequences have already been felt. In the last budget brought down by the Liberal Government of Quebec, taxes on businesses and professionals have been raised to recover the $66 million that were cut-off by the federal Government. And those people had to increase the price of their products and services so that down the road Quebec consumers will have to pay.

During the present negotiations in the public and parapublic sectors, the government proposals had to account for the loss of federal funds. As a result of strikes, rotating strikes and threats of strikes in educational institutions, and hospitals, Quebecers will have to pay for those workers because of the unacceptable decision of this Government.

• (1930)

There are also reduced services and we have to consider the level of dental care provided to Quebec children. I am convinced that some people will get downgraded health care due to the shortage of funds and the obsolete equipment which should be replaced but on account of the reduced payments made by this Government, Quebec and I am sure all the other provinces are in the same situation, cannot replace the necessary health care equipment.

Mr. Gauthier: Mr. Speaker, I would like to come back to the question I was asking earlier and follow up on that asked by my colleague for Saint-Léonard—Anjou (Mr. Gagliano) about the impact, and the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) refered to it when he replied that the taxes would mean an additional source of income for the Quebec Government which must make up for the amounts it had expected to receive from the Federal Government. However, there is also the impact on hospital services. As an Ontario resident, I know that we are already feeling the effects in my province. In spite of its valiant efforts to meet the need for hospital beds, the Provincial Government can only do so much to extend its services to more people. We must therefore reassess our priorities.

Does the Provincial Government in Quebec not have to reassess its priorities rather seriously since the amount it had expected to receive over the next four or five years is being reduced by $2,083 million? I think that the level of services will suffer. Can the Hon. Member make a comment about this issue?

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I would like to thank the Hon. Member for Ottawa—Vanier (Mr. Gauthier) for having steered the debate to this subject.

We all know that the main problem for health care in Quebec was the overcrowding of emergency rooms. It is not much fun for someone who has just had an accident and who is in pain to have all kinds of trouble to get help. The Provincial Government, both under the PQ and the Liberals, has sincerely and honestly tried to improve the situation. But with the cut-backs, it will not be easy to do so now.

I am sure that the Quebec Government had projected to build the necessary foster homes and chronic care centres to free up . . . In my own riding, there is the case of the Notre-Dame Hospital: They have to use part of the wing to find accommodation for long-term patients, even though it should be used for short-term patients.

Mr. Speaker, there are sick people who have to wait longer to get treatment or be operated because of a lack of hospital beds. The Hon. Member for Ottawa—Vanier was right to emphasize the situation in Ontario, but I can tell him that we have exactly the same situation in Quebec; I am sure there are Hon. Members opposite who could tell us that the situation in New Brunswick and Newfoundland is exactly the same.

I should like to tell my colleague, the Hon. Member for Ottawa—Vanier, that what we are going through tonight is part of a package, of an ongoing endeavour.

With reference to these people's mentality, if they hear that someone rich in the country has a problem, the Government will introduce a legislation to help him—

The Acting Speaker (Mr. Charest): Order, please! I must regretfully advise the House that the question and comment period is now over. Debate. The Hon. Member for Regina West (Mr. Benjamin) has the floor.

[*English*]

Mr. Les Benjamin (Regina West): Mr. Speaker, I have pleasure in rising tonight to support the Progressive Conservative Party and to help the Conservatives and the Government in every way I can so that they can implement the promise of the Prime Minister (Mr. Mulroney), and the Conservative Party, to return to the 1977 funding formula for post-secondary education and health care.

It is not often I rise to support a Government, Liberal or Conservative, in something it said it would do. I admit that it is not very often I have done that. But tonight I want to applaud the Government for its platform plank. I just hope that its plank does not get plunked. I want to assure Conservative Members in the most non-partisan manner I can muster that if they were to implement the promise they made of returning to the 1977 funding formula, they would be applauded by every person in this country from all political Parties including, I must confess, myself.

Mr. Nickerson: I doubt it.

Mr. Benjamin: In that event, if I could get the floor, I would be the first to rise in the House and applaud. I am trying to be helpful to the Conservatives. I know it is a rare occasion but there is also nothing wrong once in a while for a Government or political Party to say: "Holy mackeral, maybe we underestimated this or goofed on that. Let's go back to the drawing board, back into the Parliament or the legislature and decide to do it in a different way". It is not too late. The Government can call another Bill as soon as I sit down and debate it for the remainder of the evening. It can call a different Bill for tomorrow and come back next week with a revised formula in conjunction with the announcements of the Minister of Finance (Mr. Wilson) today, his amendments to his Budget, and you can be sure, Mr. Speaker, that the House would quickly approve any other amendments which would help the Government and the Conservative Party implement their promise to return to the 1977 funding formula. I do not know how much more helpful I can be than that.

Mr. Lewis: Sit down.

Mr. Benjamin: My hon. friend opposite suggests that if I sit down that would be helpful. In terms of my speech it might be helpful, but it sure would not be helpful in terms of giving him and his colleagues time to consider a change in the eleventh hour. In fact, I think they would probably receive more credit for that than for anything else they have done in many months, at least since their change of heart, and I call it that sincerely, with respect to the indexation of senior citizens' pensions.

• (1940)

I had only a few moments to browse over the material which arrived on my desk today from the Department of Finance, in particular the amendments tabled by the Finance Minister. He can obtain any extra money the Government thinks it would need to live up to its promise of returning to the 1977 funding formula, and he can certainly bring in amendments if further ones are needed. With respect to his minimum tax proposal, for example, if we were to add 1 per cent to that—perhaps even one-half of 1 per cent—he would have the money he needs to return to the 1977 funding formula.

I also have another little suggestion. It could be posed as a minor amendment on which I am sure the Minister of Finance would receive unanimous consent in a matter of a minute. What I propose is a small, modest interest rate to be charged on corporation taxes which have been deferred. Let us say an interest rate of only 3 per cent, which is the rate we used to charge during the Second World War. I point out that 3 per cent of more than $30 billion in deferred corporation taxes would bring in $900 million in revenue. Surely that would be more than enough to keep the fifty-fifty funding formula in place for secondary education and health care. It would also provide enough money to provinces when they choose to improve or enlarge the services they presently provide which are eligible for federal cost sharing. The money would be there for that. In fact, it would serve as an enticement to the provinces to improve even further their delivery of secondary education and health care services.

The other thing it would do is to allow the provinces to get into new services that would also be eligible under the criteria. I worry that, in my efforts to assist the Government in meeting its promise to return to the 1977 funding formula, new services that would ordinarily be eligible under the criteria of the federal-provincial agreement for health care would lose out.

The two items I have proposed would also provide enough funds, for example, to allow for new services that are not necessarily new but that would have been placed under new regimes. I refer to ambulance services, whether they be air or ground ambulances, and whether they be for injuries, sickness or for moving the elderly. A few weeks ago a senior citizen telephoned me with respect to moving her 85-year-old husband by ambulance a total of about seven miles from their apartment to a hospital for emergency blood transfusions. The bill was $65.

I wish to repeat what I said at second reading stage of this Bill. I wish to direct this comment to my colleague, the Hon. Member for Bow River (Mr. Taylor), whom I respect as a fine Christian gentleman. Those who would make a profit off the misfortunes of others are basically immoral. I submit that the provision of a service such as an ambulance service should be

part and parcel of our hospital, doctor and senior citizen medical health services. There should be no question about that.

I would like some reassurance from the Government on the following. In the event that a province attempts to include all ambulance services under their services for hospitalization and medical care as well as for senior citizens under the EPF program, I am not sure that they will qualify for any funding, let alone funding under the present legislation.

We are approaching the 21st century. A formerly prominent personage in the country said that the 20th century belongs to Canada. At the rate we are going in this Parliament—and I do not want to blame it all on the present Government since this started in 1975 under the former Government—what we are really saying with this type of legislation is that the 21st century does not belong to Canada. It belongs on the backs of the young, the sick, the poor, the universities, the hospitals, the medical care plan, the provinces and the unemployed.

This type of legislation is an accurate symptom of the disease that is destroying co-operative federalism. It is destroying the sharing among Canadians of different walks of life of the costs with respect to providing what is a fundamental human need and human right. The Government House Leader or his Parliamentary Secretary should say that the subject matter of this Bill will be referred back to the appropriate committee, where it can be dealt with in a matter of a day, with respect to bringing in appropriate amendments to restore the program to the 1977 funding formula, as pronounced by the Party in power and by the present Prime Minister.

I now wish to deal with the decrease in the increases—and I want to be fair, it is not a cut in Government spending, it is a decrease in the increases. The increases that were projected and agreed upon as between the provinces, the hospital associations, the medical associations, and the federal Government over so many years, will cost my province $200 million over the next five years. That is less than is now the case under the Minister of Finance's new deal. That should cause the ghost of Franklin D. Roosevelt to rise out of his grave and scream about the perversion of the phrase "new deal". The reduction in the increases amounts to $2 billion. Of course, this gets transferred to the provinces, muncipalities, hospitals and various other services that are an adjunct to the health care delivery system. The money has to be raised somewhere.

• (1950)

Perhaps I can provide some support for the current Government in terms of sound business practices and efficiency. It seems to me that it is more efficient and less administratively costly to have the collection and delivery of tax dollars done by the national Government on its own behalf and on behalf of the provinces, universities and health care services. The Government then distributes the money under the fifty-fifty formula, and that is what the Government said it would do. It said it would return to the 1977 funding formula.

I am trying to be calm and reasonable. I am not trying to provoke my hon. friends opposite. I really mean it when I say that I am trying to be helpful. If Government Members wanted to win plaudits right across the political spectrum in Canada and maybe even pull the teeth of members of the Opposition, not many of which I have left, and reduce whatever effectiveness we do have, they would carry out what they said they would do. I think I can safely say on behalf of my Party that if the Government were to do this, we would not object or obstruct and we would support wholeheartedly a return to the 1977 funding formula. The costs of that to the Canadian people would be less than they would be if a multiplicity of provinces, municipalities, hospitals, health care services and universities were to undertake the collection.

Two provinces have objected to this move vociferously. New Brunswick expressed its opposition in a well prepared brief and passed a unanimous resolution in its Legislature. The Province of Manitoba, which is governed by the Party to which I happen to belong, not only presented a brief but appeared before us. That brief has not been refuted by the Minister of Finance or the Minister of National Health and Welfare (Mr. Epp) in any way, shape or form of which I am aware.

The brief indicated that the fiscal capacity of the provinces in 1985-86 was about 100 per cent, more or less. The fiscal capacity now for Nova Scotia, New Brunswick, even Ontario and certainly Manitoba is under 100 per cent. The fiscal capacity of Alberta is at 200 per cent, although with the oil crash I doubt if the figures are valid any longer in the case of Alberta. In fact, if the national average of fiscal capacity is 100 per cent, I doubt very much if more than one province will be able to make up the difference in the increased costs required to cover the decrease in the increases imposed by the federal Government.

I am trying to think of what else I could say to persuade my hon. friends that there is still time left between now and June 27 for them to say that they are prepared to rethink this matter. I for one would never rise to say: "Aha, you guys backed down". I would not do that and I promise to persuade my colleagues not to do so either. I am not sure that I would succeed in persuading them, but I think I could. I can say one thing and that is that I, members of my Party and people from all walks of life would applaud the Government for doing so.

No one is 100 per cent perfect and no one is 100 per cent wrong. It takes a big person to admit he or she is wrong and it takes a big person to say that he or she will change. Equally so, it takes a big Government, a good Government, at whatever level, to say that it will change what it has proposed. I think that, generally, people will applaud that. My colleagues opposite would do it if they had the courage and the political will. I believe they have the courage but they lack the political will. I think they worry too much about what Charlie Lynch, Jeffrey Simpson and others might say in their columns. Do not worry about that.

Mr. Howie: It's Doug Fisher we're worried about.

Mr. Benjamin: Yes, and Doug Fisher. They have been saying bad things about the NDP too and we have been going up ever since so I would not worry about that. In fact, if they are so smart, why do they not run against us? I invite members of the Press Gallery to try that. In fact, I invite those same three people who write columns from on high to contest the election in Regina West. I would welcome them there. If I know the people there, even if they did not like me, they would run those three out of town.

To be even more serious, the Bill flies in the face of a piece of great Canadian history which was supported by members of all political Parties in the 1950s and 1960s. I am thinking of the likes of John Diefenbaker, Tommy Douglas, Lester Pearson and many others from all Parties who established a regime under which all the people of Canada shared in the costs of university education and health care services.

In my last minute may I say that we can do no less than not only return to the 1977 funding formula as promised by my good friends opposite but we could ensure through the tax system that the increases in funding for those programs are not decreased. I do not know of any hospital or university that is throwing money away. The hospitals and universities will be affected severely under this Bill. I make a final appeal to the Government and to my colleagues in the Liberal Party and the NDP: there are a few days left to go back to the drawing board and come up with what we all support, which is a return to the 1977 funding formula.

• (2000)

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I rise to speak once again to Bill C-96. Unfortunately it will bring about reactions and results for which no one in the House was elected or had a mandate to undertake. I would suggest that while we still have a chance we should seriously consider the amendments or at least undertake the consultation promised by the Government prior to cutting or decreasing equalization payment funds and established program financing funds which affect planning and responsibilities at the provincial level.

The federal Government should not have cut its contributions to post-secondary education since Canada is experiencing fundamental technological changes and since our youth and workers need more and more training, retraining, and education if they are to be able to face the challenges ahead of them in this post-technology world. Nothing bespeaks the need for this more as we move toward the Government's goal of entering into a free trade negotiation. That kind of negotiation, as well as negotiating on a multilateral level, will require a change in our workforce and a change in the educational patterns of the people and the workers of Canada. The key to being able to accomplish and meet those challenges will be a better educational program, and certainly better educated workers in society.

Therefore, I should like to bring to your attention, Mr. Speaker, some comments that were made. Rarely do we hear them from a member of the judiciary. I am speaking now about the remarks of Chief Justice Brian Dickson of the Supreme Court of Canada when he spoke to the graduating students at the University of British Columbia. He pointed out that we were in a tragic underfunding of universities situation, and that it was making Canada a second-class nation. I should like to quote what he said because I think it is information all Members of the House should keep in mind. These remarks come from a man of great and deep conviction, a man who has manifested his concern for the society in which we live, and a man who is in a position to see the impact of change as people come before him in the hallowed halls of the courts of the land. Chief Justice Dickson said the following:

> Canada must have good universities with outstanding teachers and world-class research facilities.
>
> Second-class funding of universities will inevitably lead to second-class teachers, second-class students, and—ultimately—a second-class nation.

We love this country too well, every one of us. We are proud of our accomplishments, and we are anxious to see ourselves move forward in today's society. The kind of action undertaken precipitously by the Government will certainly not enable us to continue to grow and to reach that first-class status and first-class stance we all want for our constituents. I want it for my constituents and the young people in my riding of Mount Royal, as does every Member of Parliament for his or her riding.

Chief Justice Dickson went on to say that the lack of funding was bordering on tragic and to choke off universities was the real tragedy. He also added: "It has been said by many people that education is too important to be left to educators. That may be true. But it is also true that education is too important to be left to Ministers of Finance", certainly a Minister of Finance who forgot to consult—that famous word about which we have heard so much—his confreres and his partners across the land. I am referring to each and every one of the Finance Ministers and the Premiers of the provinces. Where were the provincial Ministers of Education in these consultations? What happens to their long-term planning? They cannot plan on just a short-term program. They need five-year funding plans. It involves a great deal of considered effort and intelligent observation, as well as a deep knowledge of the system in each province, in order to develop the kind of curriculum which will produce the young and retrained we need for society.

In his federal Budget last May, the Minister of Finance (Mr. Wilson) announced plans to limit annual increases in transfer payments to the provinces health and post-secondary education systems. The weak excuse he used in doing that shows the kind of priority he places upon consultation and the very difficult role which our partners at the provincial level have to play. He forgot that they have a responsibility as well. Unilaterally, because he had this bug about decreasing the deficit at any cost, he went ahead and moved in a very serious and sensitive area of society.

To limit annual increases in transfer payments to the provinces for the post-secondary education and health sectors

to 5 per cent from 7.5 per cent seems to be a very short view of saving. What will be saved in the long run? It will be neither education nor health for those in need.

"In my opinion", said the Chief Justice, "money spent on minds will never be money misspent". He also added: "Like the courts, universities require a high degree of independence if they are to search for knowledge and educate students in the best fashion possible". This Chief Justice is a gentleman of 70 years of age who has had time to learn, to regard, and to respect the world in which he lives from the advantage of both his position and his years of experience. We ought to take the time now to stop, ponder, and vote against this kind of action by the Government.

As the House knows, Mr. Dickson was also the Chairman of the University of Manitoba Board of Governors. He also said: "Business and industry have a moral obligation to contribute to the financial well-being of Canada's universities". He gave a message to the private sector which should gladden the hearts of my confreres and colleagues in this room. He said: "My message to the private sector is to give to universities all the assistance that you can". However, that will only do part of the job. Universities would still need the firm knowledge, foundation, and money to do the planning. Perhaps the rest will enable the additions, but we need the fundamentals.

The mission of the universities is a trust which they exercise on our behalf. Universities train students for their future, but it is also for our future. "I would like to suggest", he added, "that the concept of equality, especially equality of opportunity, lies at the heart of Canadian values".

As they cut back on education, they thereby make it more expensive and less accessible to the larger number of young people who need to attend university. If they cut back on post-secondary scholarships, they cut back on the kinds of professors which remain here and end up with a very serious brain drain. We can ill afford the loss of our best educated and those who can pilot us through to the future. It will impact upon research and development. It will have very negative effects upon the well-being of society.

I could read chapter and verse and refer to many other clippings. If the Government is not prepared to listen to the views of the opposition Parties, then it should listen to the views of its constituents and the people who are very distressed by this undertaking on the Government's part. It has been said as well that the federal Government should not cut its contribution to health care, since the Canadian population is aging and since new and sophisticated medical equipment is very costly. I do not have to tell the House that that is a reality.

• (2010)

It would not hurt if we went back and refreshed our memories about a very important comment made as well by a member of our high court. I refer now to comments that were made by Mr. Justice Hall in his review of the health care system in Canada, Canada's national and provincial health care program for the 1980s. Justice Hall provided us with a simple but eloquent reminder of the reasons that Canadians supported the concept of medicare in the first place. He said that almost all Canadians were agreed:

> —that the trauma of illness, the pain of surgery, the slow decline to death, are burdens enough for the human being to bear without the added burden of medical or hospital bills penalizing the patient at the moment of vulnerability. The Canadian people determined that they should band together to pay medical bills and hospital bills when they were well and income earning. Health services were no longer items to be bought off the shelf and paid for at the checkout stand. Nor was their price to be bargained for at the time they were sought. They were a fundamental need like education, which Canadians could meet collectively and pay through taxes.

That is a fundamental value. That is the social contract that is Canada. It is the social responsibility and, yes, the moral obligation of the Government in power to see that those high values are maintained.

With the kind of action taken by the EPF cuts, we are not meeting the goals and aspirations for which this Government was elected. You cannot say that where you have obligations toward medicare you will be providing adequately for institutions, for health care centres, for homes for the elderly, for homes for the physically and mentally handicapped. What is the Government going to do about those people who need ongoing care that is costly? Some day, Mr. Speaker, you and I, everybody in this House—and certainly the Government in undertaking these actions—will suffer. The day will come, it is an unfortunate one, when we will become sick and we will have to go to a hospital. We hope that we would get the best of high-tech service, the finest in medical equipment and the finest of support mechanisms in a staff that is educated and trained.

The kind of action being taken today does not even allow us to dream in those terms. The Government is diminishing the kinds of structures we have put in place and it is lowering the quality offered to every citizen.

As far as planning is concerned, whether you are planning in the hospital sector or in the educational sector, you plan for the long term. You must plan not for tomorrow morning. It is not as if you were a Member of the House of Commons where your long-term agenda is for maybe 12 hours. A minimum of five years is needed to do proper planning. The cut which the Government has made was done without consultation.

I recall that when I spoke on this Bill before there were laughs and nasty interventions. I wondered at the lack of sensitivity of certain Members across the way. I am embarrassed to mention them although I might in the course of my remarks. They had the nerve to think that a 25 year veteran in the National Assembly, who was then and still is the Minister of Finance, brought down a Budget and accounted for the cuts in his Budget by saying that Quebec will have to tax firms to make up for the federal short-fall. Two Members across the way had the nerve to say to me that the Quebec Minister of Finance did not understand what was going on. I hope that

their constituents will remember that. They should be embarrassed and ashamed of what they said. Quebec did have to add extra taxes to make up for the federal short-fall, an additional $148 million was needed. I quoted the facts and figures last time, I may come back to them, but right now I would like to deal with some people who have had a great deal to say about what this Bill means.

It is obvious that the Government does not intend to listen to what I, as a simple Member, have to say, but maybe the Government will listen a little more closely to each and every one of these groups which the Government supposedly consulted. Let us take New Brunswick. The New Brunswick Legislative Assembly unanimously approved a motion presented by the Liberal Opposition condemning the unilateral action of the federal Government with respect to this EPF funding Bill, Bill C-96. Let me read the motion. If you do not want to believe me, Mr. Speaker, then believe the New Brunswick Legislative Assembly where I think you have a friend in office, if I recall correctly. It reads:

WHEREAS the Government of Canada has announced that the rate of growth in transfer payments under the Established Programs Financing Act will be decreased commencing in 1986; and

WHEREAS this reduction in the rate of growth will cost New Brunswick $9 million this year and will total an estimated $160 million by 1990-91; and

WHEREAS New Brunswick does not have the economic base to absorb such a loss;

BE IT THEREFORE RESOLVED that the Legislative Assembly of New Brunswick requests the Government of Canada—

I hope a few more Members are listening and maybe if they have electors in that area they have heard from them.

—to reconsider its unilateral decision and restore the Established Programs Financing to the level agreed to in 1982; and

BE IT FURTHER RESOLVED that the Legislative Assembly of New Brunswick requests the Government of Canada to enter into discussions—

You know that famous word "consultation", Mr. Speaker? The Legislative Assembly of New Brunswick has requested the Government of Canada to enter into discussions. It continues:

—with the Provinces in an effort to mutually agree to the level of funding under the Establishing Programs Financing Act for 1987-88 and beyond; and

BE IT FURTHER RESOLVED that should any reduction in the rate of growth of funding under the Established Programs Financing Act be agreed to that the federal government take steps through the equalization program to compensate the Atlantic provinces for such EPF losses, and ensure that the equalization program provide sufficient revenue so that all provinces have the ability to provide comparable levels of public services at comparable levels of taxation.

The difference of what the Government is doing will have an impact that will be different in the East, in the West, in the central provinces and in the Territories, Mr. Speaker. We have an equality clause in our Constitution. We are even going against our own Constitution, which is something we ought to look at.

The Government of Manitoba was not pleased. I could quote practically the same thing. The Government of Manitoba suggests that Canadians should devote a declining share of our economy to health and higher education services at a time when all forecasts show that needs are clearly increasing and evidence suggests that our country can afford to maintain and improve our services.

Quebec—

[*Translation*]

Mr. Speaker, during his budget speech for 1986-87, the Quebec Finance Minister pointed out that provincial transfers are not the cause of the federal deficit since they have remained constant in relation with the GNP for many years while other federal expenditures have taken up an increasing share of the GNP. He also asked whether equality meant that the Federal Government should transfer its deficit to the provinces. Is that how we should administer our community?

[*English*]

I could go on and tell you what the Canadian Medical Association has to say and what the National Federation of Nurses Union had to say. Maybe one of my confreres, the Hon. Member for Saint Leonard—Anjou (Mr. Gagliano), might tell us what they had to say. They are certainly not very pleased. Then there is the Canadian Federation of Students and the Canadian Health Coalition.

What I have been trying to say is that so many people are so unhappy, so many people have expressed their concerns, so many people have let Members of this House know that they are dissatisfied with this Government's undertakings. I request the Government to reconsider its action sincerely and perhaps change the Bill.

[*Translation*]

Mr. Gagliano: Mr. Speaker, I would like to ask a question to my honourable colleague for Mount Royal (Mrs. Finestone) who mentioned the Quebec Budget and the fact that, because of the impact of Bill C-96, the Quebec Finance Minister had to increase health insurance premiums. Until only a few months ago, the employers paid 3 per cent of the aggregate remuneration of their workers into the health insurance fund, but because of Bill C-96, the Minister of Finance has had to increase their contributions. Since the small business sector pays more in salaries than any other sector, it must indirectly pay the cost of Bill C-96 and of the reduction in provincial transfers.

Will the Hon. Member tell us, since she referred to the Quebec Budget, what the situation is, and specifically what its effects will be? I suppose there are small businesses in her constituency—what is the response of those small businesses in her constituency?

Mrs. Finestone: Mr. Speaker, I thank the Hon. Member. There will no doubt be a negative impact on employers and employees in small and medium-sized businesses. They will have to pay more in Quebec, because of the incredible shortfalls in this legislation that will have to be covered. The shortfall will come to $82.3 million in fiscal year 1986-1987, to $174.9 in 1987, to $270,000 in 1988 and going right through to 1989-1990 there will be a $3,089.2 billion shortfall to be filled by way of taxes on small and medium-sized businesses.

And down at the bottom, the total between 1986 and 1992 will exceed the $2 billion mark. But who will have to provide that kind of money? The workers and the employers, especially in the small and medium business sector.

Mr. Speaker, I thank you for this opportunity to express the disapointment of all those people, the fact that they are 110 per cent disappointed with this Government's actions.

The Acting Speaker (Mr. Charest): Questions or comments. The Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin).

• (2020)

[*English*]

Mr. Tobin: Mr. Speaker, I rise to say that seldom have we witnessed in this Chamber a more eloquent or visionary speech than that given by my colleague, the Member for Mount Royal (Mrs. Finestone).

Mr. Blaikie: You weren't even here.

Mr. Tobin: Oh, indeed I was. I was listening to every word. I was captivated, not only by the Member's description of the problems which befall our health and educational institutions today, but by her concern and vision for the future. Too many Members in this place are preoccupied with today's or tomorrow's headlines. Too few have any vision of the kind of society we want to build in the country. Many of us think in terms of preserving that which already exists. Too few of us understand that we are still building a Canadian society. I appreciated that refreshing dimension of the Hon. Member's remarks.

Will the Member share with Members of Parliament her insights into the kind of society she sees Canada evolving into if the philosophy of this Bill of passing the burden of health and education on to the provinces is expanded into other areas and plays a role in the shaping of our society? Perhaps she could share with us as well her vision of the kind of society we are capable of becoming if we can put behind us the bottom line accountant's mentality of how a country is served by its Government.

Mrs. Finestone: Mr. Speaker, I thank my hon. colleague. I find the challenge almost a *défi de taille, comme on dit.* Although I have not the wisdom to fulfil the Member's request, I have the conviction that if we do not expend our energies constructively in the areas of post-secondary education and care and concern we are going to return ourselves to the three monkeys' world: see not, hear not, and speak not. We will see not because we cannot bear to look. We will hear not because the sound will be too harsh and too hard on the heart to hear. We will speak not because we should be struck dumb and speechless.

We live in the most beautiful of lands. We are blessed with a vastness of space and a beauty of surrounding that is beyond belief. Everyone of us has had the opportunity to travel this land and make comparisons to other places. Believe me, we are many times blessed. We will throw away that heritage and lose the advance potential if we do not place our efforts and energies where they will be the most productive in the long run.

I thank the Hon. Member for mentioning the eyes of the Finance Minister (Mr. Wilson). I often think that all I see there is a very handsome superman grin with eyeballs that look like dollar bills. That is not the society that this country wants and it is not the society that elected the Government to office. The Government was not elected to undertake undercuttings which will lower the quality of our lives and, more particularly, the lives of our children and grandchildren by cutting back on the primary areas which are the measure of a nation: health, the well-being of the elderly, the sick and the infirm, and the well-being of our children and their futures.

The place to invest is in the minds of our young people, in training, education and retraining to the highest level in the world. We will then be competitive. We will then not have to worry about whether we negotiate sectorally or bilaterally, or whether we are continentalists or internationalists. We will be the finest and the best in two languages which we should all speak. We must respect the multicultural tapestry and background which is the beauty of this land.

Some Hon. Members: Hear, hear!

Mr. Lewis: Mr. Speaker, I rise on a point of order. There have been discussions among the Parties. Normally we would sit until 10.20 this evening in order to make up for the time which was taken up by the Minister's statement and the responses to it. We have decided that, in view of the long sittings, it would be more appropriate to adjourn the House at 10 p.m. and go immediately to the adjournment debate at that time. Those parties who are involved in the adjournment debate have been notified and the Parliamentary Secretaries will be here to reply. I think you will find there is agreement for that among the Parties.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I rise on this point of order. At the request of the Government we have checked with our Members. One of them who was prepared to speak in the adjournment debate has decided to wait until tomorrow to comply with the request of the Government. We are, therefore, agreeable.

• (2030)

The Acting Speaker (Mr. Charest): As usual the House has shown great kindness. Agreed and so ordered.

Resuming debate.

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, this evening I would like to set out the history and future of medicare, one of the programs which the decrease in funding we are debating tonight is all about. Many years ago the righteous energy of many Canadians, angered at a society in

which serious illness could mean economic ruin or the indignity of dependance on charity for many Canadian families, found political expression in the advocacy by Canadian democratic socialists of a public health plan to provide benefits to those who needed them without regard to their ability to pay. Publicly insured health services, prepaid collectively through progressive taxation, and available at no direct charge to patients, would recognize health as a fundamental need, like education, and would be the mark of a more fully human community.

The CCF in Saskatchewan, after its election in 1944, wasted no time in living up to its commitment to establish a provincial hospital insurance plan. Other provinces were to follow in the 1950s, with federal cost sharing finally accepted in 1957. The CCF in Saskatchewan again led the way, despite considerable opposition, in 1962, when it introduced a provincial medical insurance plan. Subsequently NDP pressure on the Liberal minority Government of 1963-68 led to the establishment of medicare in 1966. Direct 50/50 federal cost sharing of provincial medical insurance plans along the lines recommended by the royal commission on health services chaired by Mr. Justice Emmett Hall, which reported in 1964, was made available to provinces whose plans met five basic principles. Those five principles were and are public administration, comprehensiveness, universality, portability and accessability. Most Progressive Conservative provincial Governments resisted, but by 1972 all had responded to the double effect of federal money and public demand.

Ideological prejudices against medicare simmered for a decade when there was plenty of money, but soon a context for renewed hope on the part of medicare's philosophical opponents was provided by the increasing cost and therapeutic limits of the entrenched health care models, by the actions of the former Liberal federal Government in reducing its funding while calling for tougher national standards, and by the recession of the early 1980s.

In the absence of the kind of economic growth that complemented the expansion of medicare and other aspects of the modern welfare state in Canada, Canadians have for some time had two choices before them. Prior to the passage of the Canada Health Act, the choice was often caricatured as a choice between a health care system based on caring, on real human community, and on the principles of medicare on the one hand, and a health care system characterized by high and rising premiums, user-fees, extra billing and privatization of health services.

The Canada Health Act, passed unanimously by this House, could and should have been a statement of our commitment as a society to preserve medicare and its principles by whatever redistribution of wealth and power it takes to keep it and improve upon it. It should have settled the matter. It should have represented a choice. However, it did not. Instead it appears that our suspicions at the time of the debate on the Canada Health Act, that Conservative support of the Act was purely tactical and not from the heart, were all too well-founded. The long-term effects of the cut-backs we are debating today will be to do through the back door, indirectly, what the Tories did not have the ideological courage to do openly, put pressure on our health care system and seek more opportunities for patient financial input instead of looking for ways to make our health care system more efficient and new sources of public revenue through a review of the tax system.

The health care model which forms and shapes the insured hospital and medical services available through medicare needs to be substantially reformed. Among other things, we have to critically re-evaluate the role of doctors in health care delivery; the way in which we use expensive medical technology; and the persistent lack of attention to the preventive side of health care. The emphasis within the established medical model on the treatment of illness and the relative neglect of disease prevention and health promotion goes hand-in-hand with the current role of doctors and technology in that doctors and the technology they employ tend to focus almost exclusively on the sick. The increasing cost of new technology in combination with the open-ended income expectations of many doctors all have to be met from a finite number of public health care dollars and at the expense of other health care priorities such as adequate nursing staff, home care alternatives and pharmacare, to name only a few areas that will become even more demanding as our population ages, with the pharmaceutical needs of our population about to be aggravated by the planned changes to the generic drug laws, a change which could add over $200 million a year to Canada's health care bill. A serious debate on the allocation of Canada's health care dollars is long overdue. The public should demand such a debate and the information they need to meaningfully participate.

We should be moving in the direction of a health care model which, instead of being dominated by doctors, looks more like a professional team of differently trained health care practitioners, all working together, each doing what they can do best in the least costly setting to provide health care which is integrated with and sensitive to the life of the whole person and the community to which people belong.

To these ends the NDP supported the amendment to the Canada Health Act which introduced the concept of health care practitioner. We successfully moved and argued for an amendment to the preamble to the Act which made it clear that any future improvements in Canadian well-being would be dependent upon "collective action against social, environmental and occupational causes of disease."

Actions taken by the previous Liberal federal Government often provided Progressive Conservative provincial Governments with handy excuses and political cover for health care policies which they philosophically preferred in any case. The April, 1982 unilateral cut-back in federal funding should be particularly remembered at a time when we are debating Bill C-96, an Act to unilaterally reduce federal transfer payments to the provinces. Now it is the Liberals who are outraged and the Tories, who were outraged in 1982, are contradicting themselves. The argument that they did not know about the

deficit is not very credible. In the election of 1984 they ran on the deficit.

Even before 1982, specifically in 1977, structural damage was done to medicare through federal block funding of medicare and abandonment of the direct 50/50 cost sharing, something the NDP opposed. We predicted, and unfortunately we were right, that such a withdrawal of active participation by the federal Government would result in an erosion of the principles of medicare by Progressive Conservative provincial Governments. The Liberals admitted at the time that they were gambling with medicare. By 1979 the gamble was over and they had lost.

Canada was at the beginning of what came to be known as the "medicare crisis". In 1980 the health services review conducted by Mr. Justice Emmett Hall recommended federal action against extra billing. In 1981 the Special Parliamentary Task Force on Federal-Provincial Fiscal Arrangements recommended federal action against extra billing and user-fees, and advised that there be no cut-backs in federal funding because, and this is still the case, federal transfer payments were not seen to be a cause of the deficit.

In 1984, after cut-backs in federal funding and five years after the crisis began, the Liberals finally moved against extra billing and user-fees with the Canada Health Act which enabled the federal Government to penalize on a dollar for dollar basis those provinces which continued to allow extra billing and user-fees. The Government withdrew one dollar of federal money for every dollar collected through extra billing or user-fees. However, we in the NDP, and I think a great many other Canadians as well, are under no illusions about the ability of the Canada Health Act to deal with the underlying problems which beset the future of medicare in Canada. On this score the Canada Health Act was a tragic failure. A golden opportunity to enhance the future of health care in our country was missed.

• (2040)

The Canada Health Act addressed the problem of preserving the principles of medicare. It did little or nothing to change the present health care model, and then only symbolically. It did absolutely nothing to restore a sense of federal commitment at the funding level to the future of medicare, a failure which is coming home to roost now in 1986 when we are, once again, debating unilateral cut-backs in federal support for medicare. Full federal-provincial partnership in health care still needs to be re-established and Bill C-96, instead of doing that, further damages that federal-provincial partnership.

Leadership must be provided at the federal level in pioneering new health care directions through direct federal cost-sharing with provinces willing to take on the difficult but necessary task of developing alternative health care models. Leadership could also be provided at the federal level in creating and redistributing the wealth necessary to fund the health care system of the future. Leadership must also be shown in getting Canadians and their Governments to realize that in the final analysis good health is intimately related to everything else in our life, individually and collectively.

Instead we are faced with Bill C-96, a Bill which does two things. It leaves the problem of reforming our health care system to the provinces, and it asks them to do this with less money than the already limited sums they would have had if there were no unilateral cut-backs.

I am afraid that, under the circumstances, the cumulative pressure of continuing federal cut-backs, given the inertia and power of the established health care model, will be an increased temptation on the part of provincial Governments, particularly those which are not strongly committed to the principles of medicare, to seek more opportunities for private money, or user fees, to be a part of our health care system. This could be complemented to a degree by public demand, by those who can afford it, to be able to exercise such private buying power, in order to get to the head of the increasing line-ups for quality health care that will increasingly be created by starving the health care system of money. This is what I mean when I say the Conservatives are doing by the back door what they do not have the courage to do by the front door. Quality in our health care system, in terms of service, accessibility and care, is bound to decline, as, for demographic and technological reasons, medicare is asked to do more and more with less and less, and Canadians who can afford to pay to get better care will increasingly want to have that opportunity.

The pressure will be on with respect to hospitals for instance, for profit-oriented hospitals. The pressure is already on with pilot projects like the one in Hawkesbury, Ontario, under way for some time. I would like to deal with this issue for a moment if I have the time.

For-profit hospitals most certainly would be part of a trend to a two-tiered or multi-tiered health care system, a trend which would have a negative effect on the long-standing and often realized Canadian objective of equity, or equal access to quality comprehensive health care. This would be compounded over the years by a fragmentation of public support for public funding of health care, as those who felt they could afford some of the frills or services otherwise offered by for-profit hospitals would tend to make distinctions between themselves and other Canadians.

Though we often talk about health care consumers, a phrase I have never liked, the introduction of for-profit hospitals could bring out all the values implicit in such a term, and reintroduce the consumption of status as a component of our health care system. Those with the least status and income would eventually be reduced to wards of a weakened public system, as is the case in the U.S.A., or victims of the worst private operators, as is often the case in nursing home care right now in many provinces.

Americans who favour for-profit hospitals and the multi-tiered health care system that is to be found in the U.S. often call their system "pluralistic". This is an inappropriate use of a word or concept generally used to designate room for a variety

of values or cultures, not a variety of health care levels available on the basis of ability to pay.

The proliferation of for-profit hospitals would have a negative effect on public funding of health care for another reason, and one which should be particularly noted by those who often argue that our system is underfunded, but who also argue for increased privatization. By this I mean that to the degree that for-profit hospitals seem to be acceptable, that will be the degree to which federal and provincial Governments pass the buck on down to hospitals themselves when it comes to containing deficits.

The argument in favour of for-profit hospitals often comes from those who are ostensibly, and often genuinely concerned about the rising cost of health care, and who equate efficiency with anything that operates on a profit basis. This way of arguing in favour of for-profit hospitals ignores the many examples in Canada of publicly administered hospitals that are well run, as documented even by Bud Sherman, the former Minister of Health for Manitoba in his study done for the Minister of National Health and Welfare (Mr. Epp).

The argument in favour of for-profit hospitals also completely ignores the fact that soaring health costs in the United States, where for-profit hospitals are abundant and where public health insurance is limited, are even more of a problem than they are here in Canada.

Let us briefly compare the United States and Canada. One of the criticisms levelled at the Canadian system has been its lack of accountability, the fact that the open-ended nature of our publicly funded system encourages both providers and patients to be less conscious than they should be of how the limited resources of our health care system are allocated.

This is precisely the problem, i.e., lack of accountability that is found to a large degree in the U.S. where employees are covered by employer funded health insurance. Now efforts are being made by corporations like Chrysler to get these skyrocketing costs under control. Most of what they have done has been in the way of containing and shaping the choices which health care providers make. In their system, as in ours, it is the provider decision, mainly doctors' decisions and hospital decisions, and not patient choices, which determine how expensive health care will be. Americans spent 11 per cent of their GNP in 1984 on health care, compared to 8 or 9 per cent in Canada. For this many Americans got considerably less than what Canadians have access to in the way of health care. On top of this it is well known that a much larger percentage of U.S. health care dollars is spent on administrative costs, some 16 per cent as opposed to 2 to 4 per cent in Canada and the United Kingdom.

Add to this the irrational competition which takes place between hospitals in the U.S., particularly in the high-tech fields of medicine, the tendency for smaller independent hospitals to lose out to or have to sell out to the larger hospital chains, and the rationalization at the expense of regional needs, which may accompany this, and one gets a far different picture of the virtues of the profit motive as it applies to health care. It is certainly not any more efficient than our system and is arguably much less efficient.

Those whose real interests is the containment of health care costs should look elsewhere to other than for-profit hospitals. Privatization and for-profit health care simply cannot deal with the more fundamental problems facing our health care system. Indeed, they will aggravate them. For-profit hospital care could well aggravate rather than alleviate the following problems; inequalities and access to hospital services; the problems associated with expensive medical technology; the geographic and professional maldistribution of doctors, despite aggregate over-supply; the emphasis on curative care to the neglected primary and public care; the duplication of expensive programs and services; the under utilization of non-medical manpower.

In all these areas it is most certainly true that a for-profit hospital system has no edge, and will likely be inferior, on top of preventing the kind of public discussion and debate that should take place about the difficult decisions that have to be made concerning the spending of health care dollars. These are decisions that should be public in nature as they have to do with values, and should not be left up to the market-place.

All this, it seems to me, argues for a conclusion that what is needed is better planning and management of our publicly funded, non-profit health care system, and the corollary that for-profit solutions should be left only to those, who for ideological rather than analytical reasons, prefer such solutions in the first place.

As Harvard University Management Professor Diane Burrett wrote in an article on multi-institutional systems in the April, 1982 edition of *Hospitals Magazine*, the key difference between those institutions which are meeting the challenge of needed major changes, such as changing the behaviour patterns of physicians and patients, does not seem to be whether or not the institution is or is not profit-making. "The real distinction seems to be between those institutions that are truly well managed and those that are rather haphazardly managed."

The drive for privatization and for-profit hospitals here in Canada is, in part, motivated by desire on the part of certain health care providers to shift power away from health care planning of the public kind. It is a drive that points away rather than toward the kind of planning that will be needed on the supply side of health care to deal with regional needs, with physician behaviour, with the profusion and diffusion of technology, with excessive reliance on fee-for-service mechanisms, with unnecessary hospitalization, prolonged length of stay in hospitals and unnecessary surgery.

• (2050)

In all of these problem areas, there is a need for sound public management, complemented by informed discussion and adequate public funding. This will allow the difficult

decisions that must be made about allocation of health care dollars to be made with a view to better health and a disciplining of everyone involved in health care rather than with a view to the interests of the very few who might benefit from a shift to for-profit hospitals and all that that would mean.

Given what I believe is the clear philosophical superiority of a non-profit approach, and the fact that a for-profit approach is not demonstrably superior in any practical way and will probably worsen the problem, it behoves Canadians to: "Leave the for-profit road untaken", to paraphrase a great American poet. "And that will make all the difference." There is no conflict between the virtue of non-profit health care and the vicissitudes of good management. All that is needed is the political will to raise the money and create the system that will enable our health care practitioners to innovate and do new things on the preventive and integrative side, in harmony with the principles of medicare, and in a way that does not threaten the funding of the established model.

The health care model of the future must be allowed to grow within and alongside the current system. More money, rather than less, will be needed for this to happen. Otherwise, rather than a creative transition we will have what can only be called retrogression and the re-emergence of the very inequalities that the founders of medicare set out to eliminate.

Finally, medicare and its principles will only be as valued as the quality of the health care system itself. Equal access to deteriorating equipment and facilities is not what the founders of medicare had in mind. For medicare to be preserved, it must be well funded. For medicare to be transformed, it must be well funded. For medicare to be destroyed, all that needs to happen is to have the current federal funding trend continue. We must not let that happen.

New Democrats realize that the strongest medicare principles imaginable will be powerless against such things as individual carelessness about one's health, traffic injuries due to drunken driving, exposure to hazards in the workplace, carcinogens in our food and water, or malnutrition and bad pre-natal and peri-natal care due to inner city poverty. That is why we will not be afraid to advance the health of Canadians by asking the fundamental economic and political questions that have to be raised in connection with over-all health care policy. We know that in spite of our attachment to the history and the future of medicare, the battle for medicare is not just the battle for a particular health care insurance system or a particular health care model. It is a battle for that total health which can only come as we achieve greater social, economic and ecological justice. All Canadians are invited to join with us in that common cause and oppose the passage of Bill C-96.

Mr. Benjamin: Mr. Speaker, I want to compliment my colleague on his speech.

Mr. Dingwall: He is a great speaker.

Mr. Benjamin: I could even criticize a couple of his comments, but I will not do it here.

My question deals with the current situation with doctors in Ontario and Saskatchewan and the fiscal ability of the provinces to continue the level of medical practice and services in the provinces.

What effect will this legislation have on the fiscal ability of provinces to maintain the level of services and payments to doctors?

Mr. Blaikie: Mr. Speaker, with all due respect to my colleague, I believe I partially answered that question in my speech. It is clear that any reduction in funding to the provinces makes it more difficult for them to do what they want. One of the requirements of their health care systems is to pay doctors and meet the increasing expectations of a growing medical community. This is one of the many problems that I listed and which a simple cut-back in funding does not address. It simply passes the problem on to the provinces.

Ontario doctors are on strike at this moment, some 24 years after the first strike of that nature in 1962.

Mr. Benjamin: I was there.

Mr. Blaikie: The Hon. Member for Regina West (Mr. Benjamin) was deeply involved in the political life of Saskatchewan at that time, as he is now. I am sure we would do well to have the benefit of his reminiscences about that strike.

The Liberal Government in Ontario has moved to ban extra billing in that province. The doctors are resisting this move, as they have resisted it in other provinces. However, Ontario is the province in which most of the extra billing took place and we see that the resistance is much stronger in Ontario and Alberta. The resistance in the Atlantic provinces and other Canadian provinces was not very strong because when the provincial governments realized they would have to pay certain penalties as a result of the Canada Health Act, they quickly passed legislation and came to an agreement with their doctors. However, in Ontario—the locus of extra billing—there is much stronger resistance. I find it regrettable that the doctors in Ontario have chosen to take this action.

I know that there are many doctors who are not on strike and I compliment them. However, it is regrettable that the doctors have chosen to act in this way because what is perfectly clear is that they are snubbing their nose at the unanimous view of the House of Commons of Canada. The Canada Health Act was passed in this House unanimously, without one dissenting murmur, in the spring of 1984. The Ontario doctors, through their action, are basically telling the House of Commons to go to hell. That is what they are telling the people of Canada who, through their elected representatives in the House of Commons, stated unanimously that we have come to the point in the history of medicare when extra billing by physicians is no longer tolerated. Yet, we are seeing what is happening in Ontario today.

I am confident that the doctors can only do themselves harm by this action. They can only damage that doctor-patient relationship which they say they value so much. In the past,

that relationship seemed to very much centre around this financial transaction called extra billing. That that exchange of money is more sacred to the professional doctor-patient relationship than making themselves available to their patients, is a mystery to me. If the doctors had any remaining claim to professional integrity, they would not have gone on strike in the first place.

Mr. Benjamin: Will my hon. friend explain the implications of this legislation on the provinces in terms of their ability to negotiate fees with the medical profession, which is a perfectly legitimate subject for the medical profession to discuss with hospitals and with governments at all three levels? 2100 Would the Hon. Member tell us if the decrease in the increase, what this Bill calls for, does in fact inhibit the provinces from reaching settlements with the medical profession in all provinces and, particularly at this moment, in Ontario, because of the decreased amount of funds the provinces can look forward to over the next two or three years?

• (2100)

Mr. Blaikie: Mr. Speaker, of course, the decrease in the increase will have that effect not just in Ontario but in all provinces. I think what has to be realized is that it is very easy, when one talks about federal transfer payments, to get caught up in what the effect will be next year or even the year after. But what needs to be noticed in this debate—and I have paid some attention to this issue over the years, and was on the task force of federal-provincial financial payments in 1981—is the structural changes which are effected by successive federal Governments on the original 50/50 partnership. We said then that even though there was a time when it looked like the provinces were getting the better part of the deal because the federal Government was spending 60 per cent, 65 per cent and even 70 per cent in some provinces, if my memory serves me correctly, of the money spent on health care, the long-term trend in a block funding structure was in favour of the federal Government, particularly because of the established practice that the federal Government could act unilaterally. That was established regrettably by the Liberal Government and the Conservatives are now picking up on it.

That means we have a system which has to carry on, no matter what, and the federal Government can act unilaterally to reduce its share of the partnership, leaving the provinces in the very situation, to be historically accurate, in which a lot of Progressive Conservative premiers predicted they would be in in the late 1960s, when they did not want to go into medicare in the first place. They said they would just get in there and the federal Government would back out and leave them holding the bag.

The provinces are not yet completely holding the bag, but the way it is set up now, the provinces will be left holding the bag. Those Tory premiers of the late 1960s were not all wrong. The reason they were not all wrong is because of the actions of the Liberal federal Government in the early 1980s and now, ironically, the actions of a Conservative Government.

The Acting Speaker (Mr. Charest): Debate.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I am happy to rise to debate Bill C-96. Earlier this evening I had an opportunity to meet with several distinguished Canadians over dinner, some of whom have a very profound interest in the subject matter we are debating tonight. I happened to take a few notes in summarizing some of the points they wished me to make with regard to Bill C-96. For the edification of Hon. Members of the House, I would like to describe very briefly what those concerns are. Knowing of your great interest in the subject matter, Mr. Speaker, I am certain without qualification, and I say this with great respect to you, Sir, you would not want to disagree with the proposition I am going to put forward at this time. The summary of that gathering earlier this evening alludes to five points. Collectively, I think they would have a very profound effect on all Hon. Members of the House.

I have to say at the outset that I am somewhat disturbed, if not appalled, as I look across the aisle. I am not going to mention the absence of Ministers of the Crown. That is not my intention, but I have to say in terms of the quality as well as the quantity of Hon. Members opposite, particularly Ministers of the Crown, there is a lot to be desired. I shall leave it at that.

I will now summarize the points this distinguished delegation made to me earlier in the evening. They believe that the federal Government should not cut its contributions to post-secondary education because Canada is experiencing fundamental technology changes and our youth need more training and education to adequately face tomorrow's challenges. The federal Government should not have cut its contributions to health care since the Canadian population is aging and new sophisticated medical equipment is costly.

The federal Government failed to respect the five-year tradition of the federal-provincial agreements. The federal Government should review its priorities. On the one hand, it has reimbursed the uninsured depositors of failed banks, exempted capital gains from taxation, gradually stopped taxing oil and gas in the producing provinces and increased RRSP deductions. On the other hand, it is cutting health care and post-secondary education. Finally, the group asked me to convey to Hon. Members of the House that the federal Government should have convened a federal-provincial summit to reform the 1977 EPF Act to ensure that all transfers are effectively used by the provinces for health care and post-secondary education. That, very succinctly, describes their concerns. It describes the concerns Canadians from coast to coast have with regard to Bill C-96.

In debating the substance of this particular Bill, I think I have to take strong exception to some of the propositions and rhetoric being advocated by the Parliamentary Secretary to the Minister of Finance (Mr. Vincent). I know he is a young individual who is aspiring to become a Member of the Cabinet. However, when one stands in his place as a Parliamentary

Secretary to a Minister of the Crown, in my view, one ought to speak from fact and not from aspirations for one's self gain. Unfortunately, the Government of the day, as represented by its Parliamentary Secretary, has said that there will be no reduction in EPF in real terms. I found that difficult to believe. Perhaps the greatest friend of the Government is the First Minister of the Province of New Brunswick who happens to be the Premier. It was the Premier's Minister of Finance who seconded a motion put forward before the Assembly in the Province of New Brunswick condemning the Government for the contents of Bill C-96. With your permission, Mr. Speaker, I would like to read the motion moved by none other than the next Premier of the Province, the Honourable Frank McKenna, which was amended by the Minister of Finance, the Honourable Mr. Baxter, Q.C. I am sure all Hon. Members will find it interesting. The motion reads as follows:

WHEREAS the Government of Canada has announced that the rate of growth in transfer payments under the Established Programs Financing Act will be decreased commencing in 1986; and

WHEREAS this reduction in the rate of growth will cost New Brunswick $9 million this year and will total an estimated $160 million by 1990-91;

That is clear, demonstrable evidence which ought to be taken by all Members of Parliament, particularly those Members opposite. When they stand in their place and say in a very cordial way, with every courtesy, to Members of Parliament that there will be no negative effects upon the province, they should take note that this is a motion, passed by a provincial assembly, which clearly spells out that the opposite effect will take place.

The motion goes on to include a number of items. I wish to table this motion for the benefit of all Hon. Members so they can perhaps read and understand the substance of it. Its essence is that it points out very clearly that the provinces will be affected negatively this fiscal year and in subsequent years. The Province of New Brunswick does not yet have a heritage fund. It cannot draw upon revenues which were produced at an earlier time to absorb the costs as they relate to education and health care.

• (2110)

Surely any reasonable Member opposite—in fact any Member on this side of the House—ought to conclude that the effect of this legislation will be devastating to the economy of New Brunswick. Surely New Brunswick ought to be equal to the Province of Alberta and to the other provinces of Canada. This legislation is not only taking money out of the economy of New Brunswick, but I respectfully suggest that it is in conflict with the Charter of Rights and Freedoms. The Charter of Rights and Freedoms provides for equal opportunity and provisions for equalization so that in all parts of the country all Canadians, regardless of their geographical birthplace, will have an opportunity to receive those services which the national and provincial Governments wish to provide to their people.

I am a Liberal and Members opposite may say—

Mr. Benjamin: It's no time to brag about it.

Mr. Dingwall: The Hon. Member tells me that I should not brag about it. Well, I am very proud to be a Liberal. I want to tell Hon. Members that I am not the only one in my Party or, indeed, elsewhere, who finds great difficulty with Bill C-96. I have to say to Members of Parliament that perhaps one of the most distinguished legal minds and jurists in this country, who I am sure appeals greatly to the Minister of Supply and Services (Mr. McInnes), who had an aspiring career in another avenue and whose career today is quickly on the decline, would have to agree with what the Chief Justice of the Supreme Court of Canada said. For the Chair and for Members opposite I wish to quote the words of the Chief Justice. He said:

It has been said by many people that education is too important to be left to educators. That may be true. But it is also true that education is too important to be left to ministers of finance.

Those are very telling words spoken by the Chief Justice of the Supreme Court of Canada. No Member, regardless of his or her partisan viewpoint, regardless of his or her ideology, and regardless of where they may stand on the substance of this issue, can disagree with the remarks of the Chief Justice of Canada when he alludes to the provisions of Bill C-96. He went on to state:

Please do not choke off the funding of universities. Canada must have good universities with outstanding teachers and world-class research facilities.

Let us ask ourselves what this does for the people of the Province of New Brunswick. Hon. Members have heard the unanimous resolution which was passed by the Legislature of that province. They have heard of the $9 million in cut-backs in 1986-87. They have heard that by 1990-91 the amount of expenditures that will take place in that province in terms of these two subjects will be reduced by $160 million. I ask: Is this Bill not discriminating against the people of New Brunswick? I am certain that the Hon. Member for Regina West (Mr. Benjamin) would agree that it is.

Mr. Benjamin: Agreed.

Mr. Dingwall: Mr. Speaker, the Hon. Member agrees with what I have said. He is trying to be a Liberal, but he has a long way to go.

It is worth noting that not only the Legislature of the Province of New Brunswick strongly opposes Bill C-96, but the great Province of Manitoba has great difficulties with the Bill as well. However, before I deal with that province I would like to turn to comments made by the Canadian Medical Association. What has it said with regard to Bill C-96 and how it will affect the lives of Canadians? As evidenced by the number of cabinet Ministers here tonight, we know that they are not concerned. Well, we are concerned. We are very concerned about the effects that this Bill will have on the lives, both healthwise and educationwise, of Canadians. The Canadian Medical Association stated the following:

The federal Government must ensure that its proposed legislation, that will reduce the amount of budget increases for health care is applied on a short-term

basis only and that it exclude the Atlantic provinces. In addition, the federal and provincial Governments should proceed immediately to negotiate a formal agreement for the future financing of health care in Canada.

I will table this document for the edification of Members opposite, particularly for the edification of the Whip of the Conservative Party who I know has an abiding concern for the health and welfare of Atlantic Canadians. He demonstrates his concern by his presence here tonight. The medical association states:

Although the Atlantic provinces spend more of their provincial revenues on health care than do other provinces, there are disparities in the range of services available to their populations . . . "If special provisions are not made for the health care system in the Atlantic provinces we can only expect disparities to widen and the national character of health care in Canada to be seriously endangered."

I ask this House, not in a partisan way, but on behalf of Atlantic Canadians: Where have the members of Cabinet from Atlantic Canada been with regard to the provisions of Bill C-96? Where has the Minister of Supply and Services been? What has he said in this regard? Where have the Minister of National Revenue (Mr. MacKay), the Minister of Justice (Mr. Crosbie) and the Minister of State for Forestry (Mr. Merrithew) been? Where has the Minister of the Environment (Mr. McMillan) been? Where have they all been? They have been silent. That only leads us as Canadians—not as partisan Liberal Canadians but as Canadians—to conclude that they agree with the intent of the purposes of the Bill which, as I said at the outset, is clearly and unequivocally discriminating against the four Atlantic provinces.

As a Canadian, I am appalled that Members opposite have allowed this legislation to go as far as it has gone with no amendment emanating from them. I am appalled that members of the Government have allowed this sort of discrimination and deterioration of services in health care and in the post-secondary education field to continue and to be exacerbated.

In another life the Minister of Finance (Mr. Wilson), that paragon of equity, that great Minister who wishes to have equity in the system throughout, said something different when he sat as a Member in opposition. Again, for the record I wish to quote the words of the Minister of Finance. This is what he said on March 23, 1982:

The only sign it shows of cutting spending is by shifting the burden of the established programs funding on to the provincial governments. The provinces are now moving into a deficit position, a position which will make it more difficult for them to finance this shift in spending . . . That is not co-operative federalism. That is predatory federalism, and it will not and cannot work in this country.

That is what the Minister of Finance said when he was a member of the Opposition. However, to show the contradiction and the hypocrisy, not only of the individual but of the Government of the day, I viewed firsthand a First Ministers' conference in the Province of Nova Scotia in that great capital city of Halifax.

• (2120)

At that conference, premier after premier said to the Prime Minister (Mr. Mulroney): "Mr. Prime Minister, keep your word. Please don't cut EPF for fiscal year 1986-87". The Prime Minister, aided and abetted by the Minister of Finance snubbed those premiers. I know that you, Mr. Speaker, in your capacity as the objective person in the House, would not condone such ill-advised behaviour on the part of the Prime Minister.

What was more devastating to the people of Canada was what happened after the conference was over. The Government tried to portray an image of attempting on bended knee to assist the poor provinces of Canada. The facts indicate otherwise. The Premier of the Province of Newfoundland, assisted by the Premier of British Columbia, said: "A deal is a deal is a deal and you have broken your word, Mr. Prime Minister".

Looking at what took place at Halifax and what is taking place today with the Prime Minister travelling throughout the country with his video cameras, his flags and his podiums, we understand where the priorities are. Are the Nova Scotians, Newfoundlanders or the great people of British Columbia and Alberta the priority? No, the priority is the great one, the president of Canada—I mean the Prime Minister of Canada. He can return to his living room to see in living colour the wonderful, magnificent blunders he is making on free trade and regional economic development.

I see, Mr. Speaker, that you are indicating I have two minutes—no, one more minute left. I say to the Prime Minister who has a Colgate smile and can sing like no other Prime Minister that he has his priorities wrong. He should rise in the House of Commons to defend health care and embellish upon the facilities and opportunities for the sick. He ought to rise in his place to say to the young people of Canada that their education may have been good in the past but we have to make it better in the future. However, this Conservative Prime Minister is more concerned with embellishing upon his own egotistical behaviour and attitudes. If the Prime Minister has tenacity and guts, why does he not do the appropriate thing and call a general election now so that the people of Canada may have a choice? I demand a general election.

The Acting Speaker (Mr. Charest): Order. I hope the Hon. Member will not mind a question and comment period before the election.

Mr. Benjamin: Mr Speaker, I listened with great interest and fascination to the speech made by my hon. friend from Cape Breton—East Richmond (Mr. Dingwall). I would like to remind him that I lived through a doctors' strike in Saskatchewan and watched a Saskatchewan Liberal administration rule for seven lean, famine-stricken years—

Mr. Riis: Mean years.

Mr. Benjamin: Yes, lean and mean. That administration brought in deterrent fees and extra medical charges. Would the Hon. Member tell all of us if the Liberal Party has had a change of heart? If it has had a change of heart, I will applaud the Hon. Member for saying so. I would like the hon. gentleman to say whether or not the Liberal Party has had a change of heart since what happened under a Liberal regime when medicare and hospitalization was in its infancy and there was a 23-day doctors' strike and doctors were allowed to charge extra.

Second, is it not correct that the change to the 1977 formula which this Government promised to restore began when the Liberal Party was still in power? Does that mean that his Party has now had a change of heart? If he will say so, we will applaud him.

Mr. Dingwall: Mr. Speaker, it is not often that I have an opportunity to respond to the Hon. Member for Regina West. However, because of the few years that I have been here, I do not have the experience both in age and in the number of years serving in Parliament—

Mr. Schellenberg: You have the same amount of hair.

Mr. Dingwall: The Hon. Member is talking about hair. I was coming to that conclusion myself. There is one glaring similarity between us. We both have the same barber.

In his usual eloquent way, the Hon. Member talks about heart. In the years I have represented my constituency, I have not, with the greatest of respect, had to take lessons from the Hon. Member with regard to heart. I remind NDP Members, if they wish to be reminded and are prepared to listen, that it was not a national CCF Party that brought in medicare for Canadians, it was a Liberal Government and that fact ought not be disputed either by the Hon. Member to the left of me or by Hon. Members opposite.

In his second question, the Hon. Member made reference to the changes made in 1977 to the Established Programs Financing. I do not know if the Hon. Member intentionally or inadvertently forgot what happened in the years preceding 1977. Does he not realize that it was the collective will of the First Ministers across Canada, including members of the Hon. Member's own Party who were Members of provincial legislatures at the time, who asked time and time again that the Government create the 1977 formula? I could give more details about this, but suffice it to say that there was a will among the first Ministers, Parliament and Canadians that that formula ought to be changed from the fifty-fifty cost-sharing program, and I might add that this was being sought by my own province and by my sister and brother provinces as well.

• (2130)

I think in the long term it has proved to be not very beneficial to those regions. However, it was the will on the part of the First Ministers and Canadians of the day who sought out those changes for block funding. If there is a lesson to be learned from block funding, it is that there are certain positive aspects to it in terms of budgetary preparations both for the provincial and federal Governments.

In fairness to the question put by the Hon. Member, all levels of Government have lost in the debate the clear objective of Established Programs Financing. It is supposed to be about people, people who want to be educated and people who want to be served under the health care system. That is the objective of the Established Programs Financing, whether we are talking about 1977, 1982, or 1986; that is the raison d'être.

Mr. Benjamin: Mr. Speaker, I appreciated the earlier comments of the Hon. Member, because the better looking fellows in this place are him and I; we have the same hairdo. I wanted to refresh his memory that it was minority Parliaments in 1963 and 1965 which brought about medicare, thanks to people like Tommy Douglas and Justice Emmett Hall.

I wonder whether he would answer the question which I directed to him. Is it not true that the decreases in funding were begun by the Liberal Government and were only continued by the Tory Government? It did not start in 1984. It started back in 1977, 1978, and 1979. Is it not correct that there is nothing new about this with the Conservative Party and that it also started with his Party when it was in power??

Mr. Dingwall: Mr. Speaker, as I said at the outset, I do not have the wealth of experience of the Hon. Member.

An Hon. Member: That is a cop-out.

Mr. Dingwall: If I were given unanimous consent of the House, perhaps I would have the time to make a few more comments for the benefit of the Hon. Member opposite.

In any event, I cannot answer the question because I was not here. The Hon. Member very conveniently forgets some of the facts. He mentioned Tommy Douglas, a great Canadian. There is no question about that. I think all Hon. Members would unanimously agree. However, he forgot to mention the work and the efforts of a former Prime Minister, in the person of Mackenzie King.

Mr. Benjamin: Oh, come on!

Mr. Dingwall: Also he forgot to mention the contribution made by the Hon. Paul Martin and that of the Hon. Allan J. MacEachen, only to mention a few. Of course the grand-daddy of them all was the former Liberal Prime Minister, in the person of Lester B. Pearson, another great Liberal Canadian Prime Minister.

I hope the Hon. Member would want to reflect upon those remarks. His partisanship is becoming a little bit too much for him. He should take the time to reflect upon history, not only the books written by socialists in various universities across the country, but also some of the objective analyses which were written by a great number of Canadians and dealt with the social programs put in place by the Liberal Party of Canada and begrudgingly supported by the New Democratic Party.

Federal-Provincial Fiscal Arrangements Act

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, this is a very dark day for Canada—

Some Hon. Members: Oh, oh!

Mr. Riis: —and it is not because it is late at night. Bill C-96 is an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977. It should be entitled "the Conservative Government hacks away at post-secondary education and at care for the ill across the country". Frankly, the Bill is anti-people. It is an anti-youth Bill, and it discriminates against the poor regions.

Mr. Friesen: When are you going to say "ordinary Canadians"?

Mr. Riis: It also discriminates against ordinary Canadians, generally speaking.

This is an extremely serious situation. Tonight we are debating whether or not to proceed with a Bill which, over the next five years including 1986, will see a reduction in payments for post-secondary education and health care to the provinces of Canada totalling some $5,600 million or $5.6 billion.

Mr. Deans: That much?

Mr. Riis: Yes. It is an incredible amount of money; it is an unbelievable amount of money. It is a very clear indication of the priority of the Government. We have heard many Hon. Members across the aisle say that they cannot afford to improve the education of Canadians, both young and old, and that they cannot afford to provide decent health care for Canadians. However, there are all kinds of other things they can afford.

Mr. Deans: What are they?

Mr. Riis: I hear the Hon. Member for Hamilton Mountain (Mr. Deans). I do not have the time to give a long list tonight, but I should like to refer to two or three examples. It took one weekend for the Government to find $1 billion to bail out two banks.

Mr. Deans: One billion dollars!

Mr. Riis: Yes, $1,000 million in one weekend to bail out major depositors including the Bank of America, Citibank, the Bank of Hong Kong, and the Bank of Korea.

Mr. Deans: Where did they get the money?

Mr. Riis: They got the money from the people of Canada. They said that $1,000 million for the bank bail-out was a priority, as was the $1,000 million for Dome Petroleum and the $1,000 million for the Gulf takeover. However, they did not have any money for education or additional health care.

Mr. Deans: For sick people.

Mr. Riis: Yes, for sick people.

Mr. Deans: They would give money to the banks but not to the young people?

Mr. Riis: That is correct, they would give money to the banks, mainly to foreign banks, but not to the young people of Canada. The priorities of the Government are very clear.

What makes it particularly troublesome for some of us, people like myself who represent constituencies in the Province of British Columbia, is that the province happens to be ruled by a Party which is anti-youth, anti-people, and anti-education. They are called the Socreds or the Social Credit Party of Canada.

Mr. Benjamin: They are the same as the Conservatives.

Mr. Riis: That is right. They are the same as the Conservatives in many respects.

Mr. Deans: In fact a Conservative is running for the leadership.

Mr. Riis: The Hon. Member for Hamilton Mountain has made an interesting point. In fact, a number of Conservatives are actually running for the leadership of the Social Credit Party. I suspect there is an obvious linkage there. In any event, it has been anti-education for many years. As a result, I know of an instance in my constituency where a science class of 120 students is studying and has 26 textbooks to share. Another biology class, which obviously has advanced significantly in the knowledge of biology in the last few years, has a text book which is 18 years out of date or 18 years old. This is the kind of education to which they are subjected because the Socreds cannot afford education. As I said, the Conservatives have said that they cannot afford decent education in the country.

Let me put it into some context. First I refer to post-secondary education. Let us look at the top 20 OECD countries or the top western industrialized nations, as they are perhaps more commonly called, and at the money which they are putting into education, research, and development. All of them except one is investing more than ever before in post-secondary education. What country of all the western industrialized nations is cutting back on those investments? What country is cutting back investment in the most important resource of any country, namely, the human resource of a country? It is Canada. Of all OECD countries, Canada has failed to invest in its most important resource—the people of Canada.

Let us also look at the provinces, in particular the province which has failed to invest in these areas more than any other province. It is the Province of British Columbia. Not only do Canadians get the short end of the stick internationally, but people from British Columbia get the short end of the little stick in Canada. When you look within the Province of British Columbia and at which people get the short end of the British Columbia educational stick, it is those who have to live outside

of the lower mainland where there is access to universities, technical and vocational schools and various institutes. It costs much more to be educated if you happen to be living in the interior of British Columbia. The interior of British Columbia gets the short end of the stick in B.C.

• (2140)

The people of B.C. get the short end of the stick in Canada and Canada gets the short end of the stick internationally, so, Mr. Speaker, for some of us there is no stick left anymore. That is why we are very concerned about what Bill C-96 is doing. It is saying that we are going to be cutting back from the traditional kinds of investments which this country has made in post-secondary education and in health care.

It is interesting to see how people change their minds. The Liberals took a step in this direction when they were government. They introduced the 6-and 5-program during the time when inflation was running at a particularly high rate. They decided to cut back their contribution to post-secondary education and health care to 6 per cent and 5 per cent. This was a drastic cut.

At that time the then Finance critic for the Conservatives, who is the present Minister of Finance (Mr. Wilson), predicted that these cuts would result in closures of hospitals and cut-backs in post-secondary education. He went on and on about how regressive the action was, how it was a slap in the face to the people of Canada and how it was going to set back our education and health care systems many many years. Now that the Conservatives have changed sides and formed the Government of Canada, they have cut back much worse. This is not a 6-and 5-program for one or two years. These are cut-backs that, as I indicated, will result in a total of $5.6 billion over the next five years, and on and on. It will compound. We are now seriously saying that we are not going to be investing in post-secondary education as we have in the past.

In my constituency, having spoken with the various college instructors and professors, having discussed the matter with representatives from Cariboo College, the Okanagan College, with university representatives in our area from the three major universities in British Columbia, with teachers, staff and principals of schools in the north Thompson area, the south Thompson area, Kamloops, Salmon Arm, Shuswap, Logan Lake and many other areas, they all say exactly the same thing. We cannot deliver the kind of education that people in 1986 require. We simply do not have adequate funds.

The universities make a particularly compelling case. They say that they are now having to cut back on research. The student enrolment numbers are increasing, the teaching loads are increasing and the work that professors normally would be doing in research is not being done. The same calibre of teaching is not there, and some of the best minds in Canada are saying that if this is indicative of the priorities of the Government, then it is time to take research staff, knowledge and expertise elsewhere.

That is a very regressive situation developing in the country. We will have user fees in our hospitals, cuts in college funding and cuts in education funding generally, cuts in research and development. Now the Government says it expects the private sector to make up the difference in research. Again, that might, and I say might, work to a certain extent in central Canada, the industrial heartland of Canada, but when you get into Atlantic Canada, northern Canada or western Canada and if you are expecting the corporate sector in those regions to be funding vast amounts of research, you are dreaming in Technicolor. That simply will not occur. The ability to do that, even if the will is there, is simply non-existent.

The newspapers are filled with reports over the last number of days with various corporate presidents saying they would like to participate in R and D but that it is not a priority at this time. One of the vice-presidents of Canada Aeronautics of Ottawa, when asked why would the private sector participate in university research and development, replied "You got me". He does not understand why they would be encouraged to participate in research.

Let us look carefully at what has happened regarding this Bill. When the New Democratic Party wrote to every Premier in Canada, every Minister of Health and every Minister of Education to ask how they felt about this initiative by the Government, replies came from every province except two. One was the Province of Alberta which can, in a sense, be forgiven because it was in the middle of a provincial election. The Province did have the courtesy to at least acknowledge the letters, and said it was unable to reply. The Province of British Columbia failed to acknowledge the letters and failed to reply. It is typical of the Province of British Columbia when it comes to placing a priority on health care and education. B.C. was too busy, too uninterested.

In the second to last First Minister's conference, the Premier of British Columbia was applauding the Government for the cut-backs it was making in a variety of areas and failed to speak out against cut-backs in post-secondary education and health care. Only one province, in the replies which the New Democratic Party received regarding this Bill, said it thought the idea of cutting back on education and health care as per Bill C-96 was a good idea. That was the Province of Saskatchewan. Premier Devine said that this was an appropriate step for the Government to take, to put more and more burden on the provinces, to cut back in research and in the kind of education and health care system which Canadians have been developing over the last number of years. He was the only Premier to suggest that that was an excellent idea, and he put it in writing.

Let us recognize that the overwhelming majority of people in Canada, represented by their Premiers and Ministers of Health and Education, made the representation to the Government that they felt it was an inappropriate step, that it was not the right thing to be doing with funding post-secondary education and health care. I thought this was a Government that was going to be interested in consultation, in

listening to the provinces and other political jurisdictions to come up with something that we all more or less agree on, and develop a consensus. But this is unilateral action. The Bill says: "We know that you do not like it, provinces, but we are going to jam this down your throats and cut back on the kind of funding we have been making over the years."

Unfortunately, Mr. Speaker, this is not a particularly new development. It has been going on for some time. When you look at the data, you will notice that back in 1977 the funding for post-secondary education and health care between the federal Government and the provinces was fifty-fifty. Fifty per cent came from the provinces and 50 per cent came from the federal Government. Since 1977, this percentage has continuously been eroded over the years so that by 1990, based on the provisions of Bill C-96, the federal Government will be contributing only 36 per cent to post-secondary education and health care to the provinces of Canada. This means the overwhelming burden of these two areas will fall on provincial Governments. That means one of three things. First, either the services provided will have to be curtailed significantly or, second, additional user fees or increased tuition fees will be the rule of the day. Third, it could mean simply go and collect more taxes from the people in the provinces or add to the deficit of the provincial coffers. Any way you cut it, it is already bad news for provinces that with very few exceptions are hard pressed.

When you see the federal Government backing off from its commitment of 50-50 funding, it is particularly problematic in certain provinces. One of these provinces is British Columbia. The universities I suspect pointed out to all Members of Parliament that when you examine who it is that funds post-secondary education in the Province of British Columbia, it is the federal Government at 100 per cent.

• (2150)

The Province of British Columbia funds none of its post-secondary education. When the federal Government says that it is cutting back on its contribution, it is not a contribution but the sole provision of investment in post-secondary education in the Province of British Columbia. That is why some of us are particularly concerned. If we knew that the provincial Governments would make up the short-fall it would be one thing, but we are particularly alarmed because we know the attitude of the present Government in the Province of British Columbia on post-secondary education.

We are very concerned about the passage of this Bill. I notice that the Canadian Chamber of Commerce was the only witness which said this Bill was a great idea. I have always had some concerns about the progressive thinking of the Canadian Chamber of Commerce. This Bill will result in less money being spent on research and development and on the training and education of young and old Canadians. I simply do not understand that anyone could think this would be in the best interests of Canada and the Canadian economy. I am afraid the Canadian Chamber of Commerce was totally off the mark on this particular issue.

We believe that this is a very regressive piece of legislation. We believe that this Bill is anti-people and anti-youth. It discriminates against the aged and the ill. It discriminates against the regions of Canada which are away from the central heartland. For those reasons I believe that this Bill ought not be passed. I look forward to hearing my friends and colleagues across the aisle in the Conservative Party stand in their places and explain where my analysis of this Bill has been incorrect or incomplete. Perhaps they could give us reasons why it is in Canada's interest to cut back on increases to funding for the post-secondary and health care institutions of Canada.

The Acting Speaker (Mr. Charest): Are there any questions or comments? I will recognize the Hon. Member for Hamilton East (Ms. Copps). I am sorry, the Hon. Member for Hamilton Mountain (Mr. Deans).

Mr. Deans: Much though I admire and respect my colleague, the Member for Hamilton East, I find it difficult to imagine that you can make such an error. I do not have nearly the leaping quality that she has.

Mr. Gauthier: Careful, careful.

Mr. Deans: My colleague raised an interesting point. I want him to elaborate on it a little bit. I understood him to say that the measures being proposed by the Government would further reduce opportunities for young people in British Columbia to advance their education as a result of the fact that the Social Credit Government in British Columbia is already contributing so little to the post-secondary education facilities. I have always wondered about this and have never received an answer.

Is the Member suggesting that by virtue of the fact that at least one Conservative Member of Parliament is running for the leadership of the Social Credit Party, the difference between the Social Credit Party and the Conservative Party is nonexistent and that they are, in fact, one and the same? Is he suggesting that the policies of the Social Credit Party in British Columbia are the policies of the Conservative Party of Canada and that the policies of the Conservative Party of Canada are the policies of the Social Credit Party of British Columbia? Is he suggesting that by virtue of those two very close relationships, if you vote So-Cred in B.C. you are in fact voting for the Tory policy of the federal Conservative Party?

Mr. Benjamin: The answer is yes.

Mr. Riis: It is not difficult to answer that question, Mr. Speaker. I think my friend from Hamilton Mountain has summed it up admirably. A Conservative Member of Parliament who has been a member of this House for many, many years is running for the leadership of the Social Credit Party.

Mr. Deans: He used to be a So-Cred.

Mr. Riis: At one time he was a So-Cred MLA from the Province of British Columbia. They interchange positions like some of us change socks. There are a number of Conservatives running for the leadership of the So-Cred Party in British Columbia. One would be hard pressed to find a single policy on which there is a difference between the Progressive Conservative Party of Canada and the Social Credit Party of British Columbia. I know that my friends across the aisle may have long lists of such policy areas. I hope they will stand up and point them out.

We have seen what has happened in British Columbia. I challenge any of my friends in the House from British Columbia or elsewhere to stand up and say that what the Social Credit Party in British Columbia has done to education from kindergarten through post-graduate studies has been positive, progressive, or good. I ask them to stand in their place and say that. I do not think there is an educator in the world who is not absolutely aghast at what has gone on in that province in terms of anti-intellectual and anti-educational policies.

That is what they are doing and we make the linkage very carefully. That is why some of us are concerned about this particular Bill. We see the beginning of that trend now across Canada. We see that same regressive, mindless, thoughtless, anti-people type of policy. That is what concerns us.

Mr. Taylor: Mr. Speaker, if the Ministers in the NDP Government of Manitoba did not use so many thousands of dollars of federal tax credits for their own personal use, we would have more money for education.

Mr. Deans: I rise on a point of order. I would ask the Hon. Member to be cautious that he does not make allegations on a matter which is presently under judicial review. I think he would recognize, as all Members would, that such an allegation would be unfair and certainly unbecoming of this particular Member.

Mr. Taylor: What is unbecoming is what you say about some of our Members.

Mr. Benjamin: We will have you under judicial review later.

The Acting Speaker (Mr. Charest): Order, order! I appreciate the comments made by the Member for Hamilton Mountain (Mr. Deans) but this is really something which falls within the domain of the Speaker. I hope he was addressing his comments to the Chair rather than to the Hon. Member.

Mr. Deans: Of course, always.

Mr. Benjamin: Now you can rule.

[*Translation*]

Mr. Prud'homme: Mr. Speaker, I apologize for coming a little late, but the place I come from is a very stimulating one for the conversations concerning what is going on now in the House of Commons. The people there, very well known for that matter by the Government members, were asking me: "How could the Government jeopardize two of the programs for which the rest of the world look enviously to Canada"? As I was saying, federal contributions to post-secondary education and especially to health care are the envy of the whole world. Now, for considerations not submitted to the Canadian people, the Government is in the process of jeopardizing these two programs. That is what I wanted to emphasize tonight I will develop this point tomorrow.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

ABORTION—THERAPEUTIC ABORTION COMMITTEE PROCEDURES—DEATH OF OTTAWA WOMAN

Mr. Jim Jepson (London East): Mr. Speaker, on April 24 I asked the Minister of Justice (Mr. Crosbie) about a tragedy which occurred recently in Ottawa. On January 23 of this year a young woman underwent an abortion at Ottawa Civic Hospital, but died because of complications arising out of that procedure. The report of the inquest revealed that the Criminal Code provisions respecting abortion had been all but ignored by hospital officials on the therapeutic abortion committee who had been given the very serious responsibility of protecting the rights of unborn children.

Under our laws abortion is illegal. This reflects the fact that it is morally wrong for a pregnant mother to kill the child she is carrying. Our laws do, however, make an exception where a mother's life or health is in danger in the opinion of the experts on a therapeutic abortion committee. Should a woman decide she wishes to consider an abortion, she can present her case to the committee for consideration and discussion.

At the Ottawa Civic Hospital, the interpretation of this law has been irresponsible in the extreme. No one connected with the hospital's therapeutic abortion committee seemed to know when this specific abortion was approved. Apparently it was already listed as approved on the day of the operation, two hours before the committee was to meet. Last year the Civic Hospital committee approved every application for abortion put before it, approximately 2,000 in total.

There can be no doubt that Canadian families, women, and unborn children are being victimized by a rubber stamp process of approving abortion requests. This has to be the most serious moral issue facing Canada because of the more than 65,000 deaths from abortion each year. We are fooled by the argument about the women who become pregnant through rape or incest. This year those situations accounted for

approximately 150 pregnancies. Does this justify 64,850 other abortions? Obviously not.

The situation as it is now is policy making by default, since no one is taking any responsibility for enforcing the existing laws. All too often federal and provincial Governments are content to say that action lies in the jurisdiction of the other. It is up to the federal Government to demonstrate the intent of the federal legislation and encourage consistent and responsible application of all its provisions in all of our provinces and territories.

We have a law which is not obeyed, as we can see from the free- standing abortion clinics, or is abused by the hospitals which provide virtual abortion on demand. To leave such a *status quo* in place ignores our responsibility to provide workable laws for a just and orderly society. This is the law, but when hospitals and provincial agencies do not interpret its provisions as they were intended, it leaves the door open for the ongoing perpetuation of injustice. That is what is happening.

It is not the tragedy of one woman's death that we are condemning the committee for. Of course, she might well have lived with her baby if the committee had been responsible and met with her to discuss the merits of her case. The real tragedy of this case is the fact that there are literally thousands upon thousands of cases where a rubber stamp is all that is needed to end the life of an unborn child.

No one in Canada can say that there is not a special value to the life of an unborn child. Indeed, all must acknowledge that foetal life has a very special value. It is because of this belief that we have therapeutic abortion committees with the job of ensuring that the utmost recognition is given to the potential of the unborn child. It is quite reasonable to require the most compelling justifications for a woman's decision to have an abortion. Therapeutic abortion committees are not established to remove the obstacles to a woman getting an abortion. They are there to ensure that the abortion of a pregnancy is a last resort when the state of a woman's health leaves no other option.

• (2205)

I congratulate hospital officials in Prince Edward Island, who last week announced the decision to dismantle that province's last therapeutic abortion committee. If other provinces and the federal Government do not have the initiative to adhere to the workable legislation in this area, the hospitals of P.E.I. are doing the right thing by protecting the rights of unborn children.

The federal Government should make it clear to the provinces what we expect from them in concrete terms. I hope the Minister of Justice will take the leadership in this issue so that our Criminal Code can continue to provide protection for the lives of all Canadians, including unborn children.

In that vein I would urge the Minister of Justice to encourage the Attorney General of Ontario, Ian Scott, to close the second abortion clinic opened last week in Toronto in total defiance of the law. We cannot and should not tolerate this act of defiance if we are to expect Canadians to respect our judicial system.

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I would like to add some comments to the reply which was given on April 24, 1986 by the Minister of Justice (Mr. Crosbie) to the Hon. Member for London East (Mr. Jepson) regarding the tragic death of the young Ottawa woman and the procedures followed by therapeutic abortion committees.

The Minister informed the House that the question of procedures followed by therapeutic abortion committees is a question of the administration of health and hospital services, which is the responsibility of the provinces.

In addition, it is my duty to present the Government's comments on the divisive issue that is abortion.

It is well known that abortion is one of the most hotly debated issues of recent times. By the nature of the subject, abortion is at once a moral, medical, legal, sociological, philosophical, demographic and psychological problem not readily amenable to one-dimensional thinking. It is commonplace to identify groups, be they religious, ethnic or political, on the basis of whether the group is in favour of or against abortion. Occasionally the division is expressed in terms of so-called liberal versus so-called conservative policy. What this approach fails to take into account is that there is no one single group in any society whose members have been able to arrive at complete unanimity of opinion on the issue. Even if such labels as pro or anti are acceptable, there is still failure to take cognizance of the wide range covered by such designations.

For example, existing so-called progressive abortion legislation includes laws which allow abortion on demand with no questions asked; those which allow abortions generally but require the pregnant woman to apply to a specially constructed board which would pass the applicant through a series of consultation and advisory board; and those which permit abortions on grounds of material welfare and extend the grounds for granting an abortion for socio-economic reasons. On the other side, existing so-called restrictive abortion laws include laws which prohibit abortion completely; those which permit abortions only to save the life of the mother; and those in which rape, incest, or foetal malformation would provide justifiable grounds.

Such divergence exists in the many disciplines which are touched by the subject of abortion. It is not uncommon to find participants in the discussion of this subject at immediate odds because of their different perspectives. The reason behind this lack of consensus is the fact that the subject touches on so many areas of a highly personal and emotive nature, such as morals and religion. Debate proceeds with reference only to the participants interests, convictions or expertise. There is a failure to recognize that a great number of different moral and social values exist in any society, and that it is by no means

easy, if not impossible, for one solution to commend itself to all men and women.

What Government seeks then is a compromise which satisfies the most, with offence and inconvenience to the fewest. There has been no lack of conferences and publications on this issue, and the various seminars and publications have, by and large, made a vital contribution to society by the dissemination of specialized and general information, and the education of the general public. Unfortunately, there have been many who have jumped on to the rhetorical bandwagon and have succeeded in contributing no more than further confusion to the issue. It is regrettable that a great body of poorly researched and overly subjective material exists in the whole area. It contributes nothing to an understanding of the problem, much less to a solution.

• (2210)

ATOMIC ENERGY CONTROL BOARD—APPOINTMENT INQUIRY. (*B*) REQUEST FOR RECONSIDERATION

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, as we are only too well aware, since the nuclear reactor accident at Chernobyl in the Soviet Union, Canadians and all citizens of the world live in a nuclear age. In Canada, the Atomic Energy Control Board regulates the nuclear industry, so who is on that Control Board is important.

On April 15, 1985, the Minister of Energy, Mines and Resources (Miss Carney) sent a letter to Dr. Ursula Franklin, a distinguished Canadian, appointing her to the Atomic Energy Control Board. I have a copy of her letter which states:

> May I say how pleased I am that you have agreed to serve in this capacity.

She also states:

> I am delighted to confirm your appointment as a member of the Atomic Energy Control Board.

On April 22, 1985, Dr. Franklin received the Minister's letter that was sent on April 15.

On April 22, 1985, Dr. Franklin posted her letter of response, stating that she would like a clarification of the secrecy provisions of the Atomic Energy Control Board and of the relationship of the Board to the public. She did not refuse to accept an appointment. She says in her letter, of which I have a copy:

> May I stress that I am not looking for private dispensation from the secrecy provisions but for a clarification of the relationship of the Board to the public.

On April 23, 1985, Dr. Franklin was informed by telephone from the Minister's office that the appointment was a mistake. Note that she is informed of this before the Minister's office actually received her letter, inquiring into the secrecy provisions.

On May 29, 1985, a letter was sent by the Minister to Dr. Franklin, informing her that her appointment to the Board by letter was sent in error. Clearly, between April 15, 1985, and April 23, 1985, the Cabinet vetoed the Minister's appointment while she was away in China.

In answering a question put in the House by my leader, the Hon. Member for Oshawa (Mr. Broadbent), the Prime Minister (Mr. Mulroney) tried to claim that the reason for the rescission of the appointment was that Dr. Franklin did not want the job because of the oath of secrecy. This is wrong, however, and actually a falsehood on the part of the Prime Minister because obviously the Cabinet had already refused to give the okay to the Minister's appointment.

Why did the Cabinet veto that appointment of a very distinguished Canadian? Did the Atomic Energy Control Board and members of the atomic industry lobby the Cabinet members when it became known to the nuclear industry that Dr. Franklin had been chosen by the Minister?

No replacement has been chosen and this position has been vacant for a year. Furthermore, Hugh Spence, an official of the Atomic Energy Control Board, stated publicly that he agrees with Dr. Franklin that the secrecy oath is badly worded, vague and needs to be changed. Why has the Government been so shabby in its treatment of Dr. Ursula Franklin of the University of Toronto? I believe that it was the Deputy Prime Minister (Mr. Nielsen) who stopped this appointment because he did not like the credentials of Dr. Franklin and that she is an outspoken person. I think the industry obviously stopped the appointment of this person and I would like the ministry to tell us why the Prime Minister had his facts wrong about the appointment of Dr. Franklin. Why did the Government treat Dr. Franklin so shabbily?

I want to draw the Government's attention to *The Canadian Encyclopedia* to see the tremendous qualifications of Dr. Ursula Franklin. The Encyclopedia states:

> She is a tireless advocate for Science for Peace. Her work has received worldwide recognition.

The Government shabbily withdrew her appointment.

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, this is a matter that dates back to more than a year ago. I would invite the Hon. Member to resort not to *The Canadian Encyclopedia* but rather to the dictionary and look up "innuendo", and "omittendo". The Hon. Member, persisting in his quest for something momentous in all this, was assured at that time by the Minister of Energy, Mines and Resources (Miss Carney) that there was nothing more or less notable in this other than the fact of an unfortunate administrative error.

• (2215)

The facts in the matter are these: Dr. Ursula Franklin, in April of 1985, was being considered for appointment to the AECB. During the course of that consideration, it became apparent that Dr. Franklin held reservations about the provisions of the secrecy oath required for all board members. Specifically, she wanted to know to whom she could or could not impart AECB information. The administrative error referred to earlier happened at this point and a letter was sent informing Dr. Franklin of her appointment to the board, even

though full consideration was still being given to the appropriateness of the appointment.

When the error was realized, the Minister's spokesman immediately telephoned Dr. Franklin, explained the mix-up and apologized for any embarrassment that might have been caused to her. Dr. Franklin said she understood completely and accepted the apology.

Those are the facts, Mr. Speaker, and as will be obvious to all Hon. Members, there is nothing more complicated in it than a matter which involved human error and human understanding of that error.

Mr. Waddell: Lies.

The Acting Speaker (Mr. Charest): The Hon. Member for Ottawa—Vanier (Mr. Gauthier).

[*Translation*]

PUBLIC SERVICE—PENSIONS—GOVERNMENT POSITION. (*B*) ENQUIRY IF PENSIONERS WERE REPRESENTED DURING NEGOTIATIONS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, at the request of a number of public service pensioners, on May 15, 1986 I asked the President of the Treasury Board (Mr. de Cotret) . . .

[*English*]

Mr. Waddell: Those are lies.

Mr. Edwards: Mr. Speaker, I do not suppose it would be parliamentary for me to call—so I will not need to now. I would suggest that the remark made by the Hon. Member for Vancouver—Kingsway (Mr. Waddell) is not appropriate and perhaps should be withdrawn.

Mr. Waddell: I will not withdraw it. They are lying. They are not telling the truth. The appointment was—

The Acting Speaker (Mr. Charest): Order. Just to make things clear for both Hon. Members, at this time I do not think the House is actually sitting. Technically we are on an Adjournment Debate—

Mr. Prud'homme: No, no.

The Acting Speaker (Mr. Charest): —which causes a great deal of difficulty for the Chair at this time.

Mr. Prud'homme: No.

The Acting Speaker (Mr. Charest): I would, therefore, suggest that the Hon. Parliamentary Secretary for the Minister of Communications (Mr. Edwards) bring up this matter at an appropriate time tomorrow. It will probably solve that dilemma.

Mr. Gauthier: Mr. Speaker, just on that same point before I start, I do not take exception to what you have said, but the House is sitting at this time. We are on Adjournment Motion. I hope you will not take the time off the seven minutes I am entitled to in addressing the subject matter at hand.

[*Translation*]

Mr. Speaker, I would like to speak to the question I raised in the House on May 15, 1986, when I asked the President of the Treasury Board whether an agreement had been concluded with respect to public service pensions.

The Minister answered that a document had been submitted to Cabinet and that discussions with the unions on the final document would be completed in a matter of days.

I will be in a position, he said—this was only a month ago, on May 15—to report to the House before the end of the session.

In a supplementary, I also asked the Minister whether pensioners had been involved in the negotiations and if so, at what level.

The Minister confirmed that pensioners were represented on the advisory committee and that a representative of the association knew about the negotiations and the progress made to date.

That was nearly a month ago, and the Minister has yet to announce in the House his Government's position on this vital issue.

As we know, the House of Commons will adjourn in a matter of days, and everyone, especially our pensioners, is anxious to know the Government's position on this particular issue.

Mr. Agius, a retired pensioner who works for the Association of Federal Retirees, got in touch with my office recently and asked me to intervene again so that the decision might be announced before the House adjourns later this month. Since Mr. Agius belongs to an association which was present and is anxious to know what is going on, I am seriously asking the Government what its answer will be, and may we seriously expect its response to this problem which is of concern to all of us. Federal employees and retired public servants want to know what changes will be made to their pension plan. Will full indexation be granted or maintained? Will the Government keep its promise? Will the Government re-adjust the pension base to offset the harmful impact of Bill C-133, the 6 and 5 per cent imposed some time ago?

As you know, Mr. Speaker, I was strongly opposed to the deindexation of pensions, and I still feel the same way today. But this Government has promised to restore full indexation. I expect a positive response from this Government. After waiting for over a year, my patience and the patience of pensioners have been severely tried. God knows we are waiting patiently, but we are also waiting for this Government to take position on this question. Can the Minister, through his Parliamentary Secretary, tell the House and pensioners this evening that the Government has made a decision and will announce the terms of the agreement, that we will know exactly where we stand with respect to this important matter?

Of course I remain ever optimistic, Mr. Speaker, I was born that way, but I am also among those who would like to know just where the Government stands on this issue.

As Hon. Members may recall, the Minister told me recently that he had managed to negotiate in a spirit of co-operation and to find responsible solutions in the pension case. In answer to a question I directed to him on March 10, 1985, more than a year ago, he said: As soon as Mr. Samson, the former president of the Alliance, or the representatives are prepared to sit down with me again, they can call me. This is rather strange. First he tells us: I am negotiating, I have been successful, I am about to announce something. Then he turns around and says: Well, I am waiting for them to call me and tell me what is going on.

Quite obviously, Mr. Speaker, the Government has had plenty of time to study the matter. For over a year now I have been regularly asking questions on this subject. Could the Parliamentary Secretary tell us tonight in this House what the Government's plan is concerning the pensions of retired civil servants?

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communication): Mr. Speaker, I am pleased to hear that my hon. friend is still optimistic about this. So is the Government and so am I.

• (2220)

[*English*]

I am pleased to be able to speak on the Government's progress on the issue of Public Service pension reform. The Government is well aware that to some observers the process appears to be slow. However, because of the complexity of the issues and because we recognize that pensions is an area of such importance and financial consequence, we have chosen a cautious and thorough approach.

The first step toward placing Public Service pension plans on a sound financial basis for all time was to conduct an actuarial examination of the superannuation accounts. Second, a wide variety of options was explored to give effect to the principles upon which the reforms were to be based. The objective of this exercise was, of course, to have a clear picture of the nature of the problems so that they could be addressed in their entirety. Since the solutions to the controversy surrounding Public Service pensions must be acceptable to pensioners, plan members, other employees who sponsor pension plans and Canadian taxpayers, the concerns of all these groups have to be examined in light of the various options for reform.

As the President of the Treasury Board (Mr. de Cotret) has previously reported to this House, independent actuarial advice has been received by the Government and the Public Service unions on behalf of Public Service Superannuation Act plan members. These reports have been referred to the Advisory Committee on the Public Service Superannuation Act and have been reviewed by members.

Preliminary discussions have been held with management of the Armed Forces and of the RCMP on how the reforms will affect their pension arrangements. In other words, the necessary groundwork has been done and the formal consultative process with the President of the Treasury Board's advisory committee is well under way. During this process, the details of the reform of Public Service pension arrangements, including indexation, are being worked out. Plan members may expect to hear a statement from the President of the Treasury Board in the near future.

With respect to the subject of Public Service pensioners, the President of the Treasury Board has often assured the House that in determining how the reforms apply to them, fairness and equity will be his guiding principles. He has repeatedly stated that the Government has not lost sight of the commitments made to pensioners in the past. I think it is fair to say that the President of the Treasury Board has gone further than any of his predecessors in that portfolio in recognizing the role which pensioners have to play in the development of Public Service pension policy.

From the beginning he assured pensioners of a continuing role by making it clear that they would be members of the Pension Management Board which will, in the future, manage the Public Service superannuation plan. The President has met with pensioner representatives and has been receptive to written representations from them. More important, he has appointed a pensioner representative to his Advisory Committee on the Public Service Superannuation Act, thus ensuring that in the consultative process the pensioner voice is strongly heard.

• (2225)

In conclusion, let me assure pensioners and indeed all Public Service pension plan members that an announcement on the details of the pension reform proposals may be expected soon and will have resulted from a consultative process in which their interests have been represented.

[*Translation*]

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 11 p.m., pursuant to Standing Order 3(1).

The House adjourned at 10:26 p.m.

HOUSE OF COMMONS

Friday, June 13, 1986

The House met at 11 a.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

AEROSPACE INDUSTRY

MAINTENANCE OF CF-18 AIRCRAFT—AWARDING OF CONTRACT—QUEBEC

Hon. André Ouellet (Papineau): Mr. Speaker, CF-18 aircraft maintenance will soon have to be provided by a Canadian company. Canadair, CAE and North West Industries have established a consortium to get this contract.

Unlike this Government, the Liberal Party is firmly committed to support Quebec's aerospace industry.

As a leader in research and development as well as in subcontracting, Canadair strengthens, supports and justifies the presence of other aerospace industries in Quebec.

Therefore, we Liberal Members of Quebec urge the Conservative Government to sustain the growth of the provincial aerospace industry when making the final decision to award the contract, and particularly to protect the jobs of all Canadair employees whose skill has been amply demonstrated.

* * *

[*English*]

AIRPORTS

IMPROVEMENTS TO MANICOUAGAN RIDING AIRPORTS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, airports in the Prime Minister's (Mr. Mulroney) riding of Manicouagan are being equipped with facilities and million-dollar instrument landing systems unheard of at airports with 10 times the air traffic. Seven small airports in Manicouagan are in line for over $19 million in grants over the next two years. Gravel-strip runways in areas with little or no traffic are being paved in other Conservative ridings.

We are aware of the Prime Minister's love of Hercules aircraft and video cameras, but it appears he is getting carried even further away with major airport upgrading projects in his riding. It is passing strange that the Minister of Transport (Mr. Mazankowski) is heard in some ridings to say that his Department is eager to fund local airport projects. Yet where there are needs in sizeable communities he often writes that he cannot help them at the present time due to financial restraints.

If the Prime Minister feels so insecure in his riding that he has to make these large expenditures, let him at least spend these patronage dollars on something that his own people can use and appreciate.

* * *

• (1105)

TOURISM

INCREASE IN NUMBER OF TOURISTS FROM UNITED STATES

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I am pleased that the Government has recognized the tourism potential inherent in the currency differential between the Canadian and U.S. dollars. I have noted that in most of the Government's tourism advertising and promotion in the United States, the U.S. dollar premium is a prominent selling feature. If American tourists are treated fairly and given good value for their money in Canada, we stand a much better chance of increasing our share of one of the most lucrative tourism markets in the world.

In the summer of 1985 a survey showed that only one in 50 Americans thought of Canada as a vacation destination. However, statistics are showing a 16 per cent increase in U.S. travel to Canada so far this year. This is in large part due to better advertising by the tourism Ministry and the promotion of a fair exchange rate.

* * *

[*Translation*]

TRADE

IMPORTANCE OF RELATIONS WITH UNITED STATES

Mr. Gabriel Fontaine (Lévis): Today, Mr. Speaker, I should like to draw the attention of the House to the importance of trade relations between Canada and the United States. The United States is the main trade partner of Canada, and vice versa.

Canada-U.S. trade exchanges topped $165 billion in 1984, by far the world's most important bilateral trade relations.

More than 75 per cent of Canadian trade is done with the United States.

More than 20 per cent of United States trade is done with Canada, and Americans trade more with Ontario than with Japan, their second trade partner. They do more trade with British Columbia than with China. They do more trade with Canada than they do with the whole European Economic Community, which is made up of ten countries.

From 1964 to 1984, American exports to Canada rose more rapidly than total American exports. Mr. Speaker, our two countries have common and complementary resources. Respective access to our two markets can only enhance the quality of life of Americans and Canadians.

* * *

[*English*]

CANADIAN NATIONAL RAILWAYS

FUTURE OF MONCTON SHOPS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, during a recent visit to New Brunswick I had an opportunity to view first hand the CN shops in Moncton. I met with hundreds of workers, with the SOS committee, and with municipal officials. I can report back to the House that they are all very concerned with what is taking place.

The faces of the workers told me the story. When I spoke to them, it struck me just how deeply important it is to them and their families that these shops remain open. I assured the workers that I would do all I could within my power to ensure that the shops remain open and that jobs are protected.

Now that the CN's internal study into its maintenance requirements is finally completed, it is time for the Minister of Transport (Mr. Mazankowski) to act. The Minister made a clear commitment that the shops would not close as long as he was a Minister. I urge him to keep his word and act accordingly.

* * *

[*Translation*]

THE ECONOMY

IMPORTANCE OF MARKET DIVERSIFICATIONS

Mr. Gilles Bernier (Beauce): Mr. Speaker, the economies of both Canada and Quebec depend largely on competitive and dynamic marketing of goods and services on international markets. Our Government is giving trade the vital emphasis it deserves because it has understood the need for recovering world markets lost during the last fifteen years.

Exports represent 23 per cent of Quebec's DNP; 66 per cent of these exports go to the United States, and the people of Beauce play a vital role in this respect.

Manufacturers in the Beauce area realized the need for diversifying production and taking advantage of external markets, and as a result, the region is one of the most dynamic in the country in terms of industrial development, job creation and its steadily dropping unemployment rate.

In Quebec, exports represent nearly one quarter of DNP. We must pursue this avocation, and our Government is providing its support. We are on the right track. Beauce has got the message and is reaping the rewards.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

PLANET'S OZONE LAYER—CALL FOR PROTECTIVE MEASURES

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, some attention has been given recently to the greenhouse effect, the way in which, through burning fossil fuels, using certain fluorocarbons, clearcutting and wasting our forest, and the inevitable production of methane that comes from increased population, we are fast eating away the protective ozone layer and threatening to warm up the atmosphere in ways that could make deserts of the Prairies and Atlantises of many coastal cities.

There are certain things that we already know would be helpful. A ban on the culpable aerosol sprays would not be the end of the world, yet it has not happened. Serious, massive reforestation would be an unselfish investment in the future and physically possible. Yet this does not happen, like so many other measures to protect the ecosphere.

● (1110)

Instead, we spend our time here yelling and shouting about who is lying to whom, about conflicts of interest, about videos and aircraft, and yes, about even more obviously important issues like free trade, all of which is just so much rearranging the deck chairs on the *Titanic* if we do not wake up to our responsibilities for acting fast to halt the fading sustainability of healthy human life on this planet. If we fail, we will be justly reviled by the unlucky survivors of our myopia—

Mr. Speaker: Order, please. Sixty seconds.

NATIONAL DEFENCE

LOW LEVEL AIR DEFENCE CONTRACT—IMPORTANCE TO CHATHAM, N.B.

Mr. W. R. Bud Jardine (Northumberland—Miramichi): Mr. Speaker, yesterday the Associate Minister of National Defence (Mr. Andre) announced that the low level air defence project has received final program approval by the Government, and that negotiations with Oerlikon-Buhrle have been successful in ensuring that the program is affordable under the defence capital budget. This billion dollar announcement again reinforces the Government's commitment to the Canadian Armed Forces.

The selected system will provide a capability which has no equal anywhere, and one that can effectively meet the threat of tank and aircraft strikes against our forces in Europe.

The military requirements which will make this system necessary include a training capability for the new equipment which will be established at the Air Defence Artillery School at CFB Chatham, New Brunswick. This indicates a firm military presence has indeed been guaranteed at this base.

On behalf of the people of Northumberland—Miramichi, I thank the Government for following through on a commitment which will ensure security for our forces in Europe and a future for the employees at CFB Chatham.

* * *

MEMBERS OF PARLIAMENT

TRIBUTE TO WORK ON CANADA PENSION PLAN AMENDING LEGISLATION

Mr. Ted Schellenberg (Nanaimo—Alberni): Mr. Speaker, recent media reports might leave the impression that this House is a babble of banshees, that Hon. Members while away the hours calling each other names, and that we are constantly amid bedlam in this Chamber.

Just for the record it should be shown that we can co-operate here and accomplish a great deal. For example, on June 11 the Minister of National Health and Welfare (Mr. Epp) introduced changes to the Canada Pension Plan Act. As reported at page 14249 of *Hansard*, he said:

> I would like particularly to commend my two critics, the Hon. Member for Sudbury (Mr. Frith) and the Hon. Member for Beaches (Mr. Young), who not only have co-operated but have put forward suggestions.

Those Members responded in kind, describing how the committee discussed the reforms and how the recommendations were addressed in an orderly, adult manner. Those Members were not rewarded for their accomplishment. No bevy of microphones greeted them when they left the Chamber. No headlines trumpeted their co-operation. Barbara Frum had no time for them.

[*Translation*]

And it seems that "*Le point*" didn't either.

[*English*]

They simply got the job done, and Canadians should know that that happens quite often in the House of Commons of Canada.

Mr. Speaker: Order, please. Sixty seconds.

Some Hon. Members: Hear, hear!

* * *

ABORIGINAL RIGHTS

NEW POLICY ADVOCATED

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, among the most important unfinished business in Canada is that of a just and equitable settlement of the outstanding comprehensive claims of Canada's aboriginal peoples. In order to accomplish this goal there is an urgent need for a new policy on comprehensive claims which will affirm aboriginal rights rather than call for their extinguishment. As well, the new policy must ensure that Canada's first peoples have effective participation in the management of lands and resources, that they derive direct benefit from resource development, and that the political rights of aboriginal peoples be given constitutional protection.

* * *

NATIONAL RESEARCH COUNCIL

SUCCESS OF IRAP PROGRAM

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, for many years the National Research Council has had as a priority the aiding of Canadian industry to improve its production and its innovation. Analyses show that the $70 million IRAP program administered by NRC last year will result in $1.5 billion in new sales and $420 million in federal and provincial taxes. This is a tremendous return on the federal Government's investment, particularly when one considers that these activities will result in 12,000 full-time jobs.

Thus, for the second consecutive year the National Research Council has won the gold medal in the Canada Awards for excellence in technology transfer.

The IRAP program has been enormously successful, and I would encourage all Members of the House to endorse the continued support and enhancement of the program.

Oral Questions

HUMAN RIGHTS

EL SALVADOR—GOVERNMENT'S TREATMENT OF CHURCH REPRESENTATIVES

Mr. Dan Heap (Spadina): Mr. Speaker, the Government of Napoleon Duarte in El Salvador continues to lose credibility and support. It is now attacking church figures, including even the Archbishop, by accusing his organization of funnelling money to the FMLN. A prisoner of the Treasury Police has also denounced an Episcopalian priest, a pastor of the Lutheran Church, an administrator in the Lutheran Church, an official of the Baptist Church, and a program worker of the Roman Catholic Diocese.

The indications are that many of Duarte's colleagues will use aid money from other countries such as Canada to build bases for themselves in the next elections when Duarte is no longer considered a viable candidate.

• (1115)

The European Community has a joint policy of all the European Community countries toward all of Central America, through which it apportions financial and other kinds of development aid. I urge Canada to consider consulting with the European Community before continuing with aid to such a weak and violent Government as the Duarte Government.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF VICE-PRESIDENT OF THE UNITED STATES

Mr. Speaker: May I draw the attention of Hon. Members to the presence in our gallery today of Mr. George Bush, Vice-President of the United States of America.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF MINISTER OF TRANSPORT AND COMMUNICATIONS OF TURKEY

Mr. Speaker: I also wish to draw the attention of Hon. Members to the presence in the gallery of Mr. Veysel Atasoy, Minister of Transport and Communications of Turkey.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

APARTHEID

SOUTH AFRICA—IMPOSITION OF STATE OF EMERGENCY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Deputy Prime Minister in the absence of the Prime Minister and the Secretary of State for External Affairs. It has to do with the rapidly deteriorating situation in South Africa. He knows, and the Prime Minister knows, that there is now a state of emergency there. One thousand political prisoners are being held, there are riots, and they have press censorship. That regime is offending humanity and what is happening in South Africa demands a response, I believe, from this country.

My question is the same question that Bishop Tutu is asking. When is the world going to act? My question to the Deputy Prime Minister, and through him to the Prime Minister of our country, is when is Canada going to act?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, Canada has taken a leadership role in acting with respect to the South African situation.

Some Hon. Members: Hear, hear!

Mr. Nielsen: Announcements to that end were made last July and they were made again in the House yesterday by the Secretary of State for External Affairs. He also discussed frankly with the House the wide range of options that were still left and would be pursued by Canada if necessary.

[*Translation*]

IMPOSITION OF SANCTIONS—REQUEST FOR CONSULTATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, does the Deputy Prime Minister realize that the Prime Minister should act now and intervene personally to persuade the British Government, that today he should take advantage of the U.S. Vice-President's visit, and that he should also intervene to persuade the Government of West Germany, thus urging all three countries to agree, with Canada, on imposing severe economic sanctions on South Africa?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I think the right hon. gentleman would agree with me that there is a very worthwhile objective here in making every endeavour to ensure that the Commonwealth remains united and to ensure that as many western nations as possible act in concert with Canada with respect to the lead that Canada has taken.

The Prime Minister has already, as the House was informed yesterday, commenced the process of communicating with the Heads of other Governments to achieve the very purpose which the right hon. gentleman says is desirable.

REQUEST THAT GOVERNMENT REASSES SITUATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Secretary of State for External Affairs told us yesterday that the Government was awaiting the Commonwealth meeting in August. We take the position that that is too long. The situation is deteriorating rapidly. The Right Hon. Malcolm Fraser, former Prime Minister of Australia and co-

chairman of the Eminent Persons Group, said on Canadian television last night that the situation will not wait.

Over the weekend will the Deputy Prime Minister, the Prime Minister, and their colleagues, review and reassess this situation so that Canada starts showing the way in what is a very, very serious situation?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the right hon. gentleman is not alone in appreciating the fact that it is a serious situation. The Government has recognized that fact and acted as much as a year ago. If he assumes that the Prime Minister is doing nothing now with respect to communicating with other nations, that assumption is wrong. The Prime Minister is very pro active in his attempts to obtain the support of other Commonwealth nations. He has certainly been displaying a heck of a lot more leadership in this area than did any predecessor Government in the country.

* * *

• (1120)

NUCLEAR ARMAMENTS

SALT II—UNITED STATES POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I, too, have a question for the Deputy Prime Minister. Yesterday White House spokesmen and the President himself confirmed that the United States will no longer abide by the limitations of the SALT II Treaty. In the discussions being held today with the Vice-President of the United States has Canada made known its very deep sense of disagreement with this policy? Can the Minister tell us what actions the Government will be taking to give voice and expression to that strong disappointment and disagreement?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I thought the hon. gentleman was here on the day that the Secretary of State for External Affairs made the position of the Canadian Government quite clear. For those who might believe there is any confusion arising out of the statement made by President Reagan yesterday and those which followed, whichever version you might wish to adopt, Canada's position has not altered one iota. It remains as stated by the Secretary of State for External Affairs.

CRUISE MISSILE TESTING

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, the Minister will know that the agreement which was signed between Canada and the United States on testing their Cruise missile was predicated upon an active pursuit of arms control. Does the Minister now agree with the recommendations put forward by the Canadian Centre for Arms Control and Disarmament that Canada should continue this arrangement only if the United States adheres to limitations of the SALT II and that, if it does not adhere to those limits, Canada should refuse to test the Cruise missile any further? Does the Minister agree with that position and will he express that to the United States Vice-President?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I think the hon. gentleman would agree with me that the ultimate objective here is achieving an enhanced arms limitation agreement. That achievement cannot be unilateral. It must be by both the superpowers involved.

The Geneva talks are on-going. New proposals have been made, and no doubt will be made. I think the actions of the Government of Canada should support that far more desirable objective of an enhanced arms control agreement. I am sure the hon. gentleman would agree that that should be our ultimate objective.

* * *

APARTHEID

SOUTH AFRICA—COMMONWEALTH ACCORD—CANADIAN POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Deputy Prime Minister on the alarming and worsening situation in South Africa. The Minister has suggested in the House that the Government is attempting to get a united Commonwealth position on this situation. Will he confirm that, according to paragraph seven of the Accord that was reached in Nassau, since the eminent persons made a report which was not accepted by South Africa, the Government is now free to take independent action? Paragraph seven specifically alludes to that. It lists eight possible courses of action open to Commonwealth Governments to act on their own. Could the Minister tell us why the Government of Canada chose the weakest possible options in that list to act upon?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I cannot agree with the hon. gentleman. His own critic stated yesterday that the Government had taken actions in this connection which were far ahead of any taken by any previous administration.

Mr. Broadbent: That's not the issue.

Mr. Nielsen: She appeared to me to be very supportive of what the Government was doing. She did suggest that further steps could be taken. The Secretary of State for External Affairs did not say that those steps would not be taken. Indeed, he said there was a wide range of options which remain available and that we would be proceeding to consult with other Commonwealth countries to see to it that the broadest

possible degree of support could be obtained from those countries.

• (1125)

AGRICULTURAL IMPORTS FROM SOUTH AFRICA

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I am not questioning the Prime Minister's sincerity on this issue. I happen to hold him in high regard concerning his commitment to the issue. However, I say to the Deputy Prime Minister that he is trivializing the issue when he keeps referring to past Governments. The reality is that South Africa is on the verge of civil war. That is horribly serious as the Deputy Prime Minister will understand, I hope.

In that context, and since all the opposition Parties in the U.K. are asking that Margaret Thatcher act on the tougher options, why has the Government turned down the suggestion that it show leadership by choosing one option, the second and third on the list, which say we will not take any more agricultural imports from South Africa and that we will ban Canadian investment in South Africa? Surely that is the kind of concrete measure that the eminent persons, Bishop Tutu, and all those seriously concerned, are looking for from Canada?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The hon. gentleman states that the Government has turned down options. He knows that is not correct. The action the Government has taken thus far in a very broad way has been highly regarded by—

Mr. Broadbent: By?

Mr. Hnatyshyn: World opinion.

Mr. Nielsen: —by world opinion, and certainly by anything I have seen or read—

Mr. Broadbent: By Ray Hnatyshyn.

Mr. Hnatyshyn: That is very close.

Mr. Nielsen: —in the media. I would remind the hon. gentleman of the statement made just yesterday by the Secretary of State for External Affairs when he said:

> There is no question that the wider range of economic measures and indeed other measures which Canada might wish to take against apartheid remain to be taken. We have indicated quite clearly that if necessary we will take them.

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, there are many people, including the former Prime Minister of Australia, Bishop Tutu, the united Opposition in the U.K.—even the U.S. Congress is introducing a Bill next week that would ban all U.S. investment in South Africa—demanding action. Are we as a member of the Commonwealth going to wait for the lead to come from the U.S. which is not even in the Commonwealth? I plead with the Deputy Prime Minister to have the Government reconsider on the weekend and assume the traditional leadership role this country has had on Commonwealth matters, stand up for the black majority, and announce tough economic sanctions against South Africa.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): To hear the hon. gentleman speak, Sir, one would think we have not been doing just that. The fact is that this Government has been way out in front in taking the leadership role on this question.

Some Hon. Members: Hear, hear!

Mr. Nielsen: We will continue to do just that.

[*Translation*]

REQUEST THAT GOVERNMENT NOT DELAY ACTION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, in my view the crisis is not in South Africa but here in Canada, where the Government claims the measures it has taken are adequate. Personally, I believe these cowardly measures—I am not the only one to think so, thousands of Canadians agree with me—are sending a message to South Africa and to the whole world that the Canadian Government is willing to wait instead of acting immediately.

I would like to task the Deputy Prime Minister: Since the situation is deteriorating at the speed of light, is it still the Government's position that the situation in South Africa can wait until the August meeting of Commonwealth countries?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman tries to leave the impression that this Government is standing still. That is patently absurd. The actions this Government is taking and has taken, very much in a leadership role, are visible for all to see. Naturally, monitoring is an ongong process. It is being done, and if any further steps are to be taken they will be taken. I do not know how much more positive one can be in order to get that through to the hon. gentleman.

[*Translation*]

SUGGESTION THAT UNITED STATES TAKE MORE ENERGETIC MEASURES

Mr. Jacques Guilbault (Saint-Jacques): I have a supplementary, Mr. Speaker. So if I understand correctly, it can wait until August. Nero fiddles while Rome burns!

I would like to ask the Deputy Prime Minister, since the U.S. Vice-President, Mr. Bush, is here today—and I welcome him—is the Government going to take advantage of this opportunity and ask the United States to take more energetic measures immediately with respect to the situation in South Africa?

• (1130)

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The hon. gentleman, again, repeats something notwithstanding the fact that I am standing here saying the opposite. He charges us with waiting until August. That is not true. He heard me answer his Leader. He heard me answer the Leader of the New Democratic Party that we are not waiting for August.

The Prime Minister is very much in the process of communicating with other members of the Commonwealth of Nations to ensure that we get the broadest possible support for the actions Canada has already taken and, if necessary, further actions to end the evil system that exists in South Africa.

* * *

NUCLEAR ARMAMENTS

SALT II—ACHIEVEMENT OF ENHANCED ARMS LIMITATION AGREEMENT

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, my question is directed to the Deputy Prime Minister. With reference to SALT II in the reply he gave a moment ago he said that the objective of the United States Government was to achieve an enhanced arms limitation agreement. Can the Deputy Prime Minister explain, since I assume he has been talking to Vice-President Bush about this, how you can achieve an enhanced arms limitation agreement when you are planning to breach the limits of an existing agreement, SALT II? How can you do that? Is that not totally inconsistent?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): It is totally inconsistent to me that one can achieve an enhanced arms limitation agreement unilaterally. One cannot achieve an arms limitation agreement when it is being constantly breached by the other party to that arms limitation agreement.

Surely what we would all desire to see is both sides agree to an enhanced arms limitation agreement. I have no doubt that that is the ultimate objective of the United States. I do have some doubts, in view of the existing breaches of that agreement by the Soviet Union, that they may not be genuine in achieving an enhanced arms limitation agreement.

CRUISE MISSILE TESTING

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, the Minister has said that they are constantly breaching it on the Soviet side, but has never been able to give an example. The examples he gave the other day did not relate to SALT II.

If, in fact, the United States Government determines to breach the limits established under SALT II, and, particularly, in relation to air launch Cruise missiles, will this Government say now to the United States it will not be complicit in such a breach and will, therefore, not continue with the testing of the air launch Cruise missile?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The honourable lady makes a statement that is not accurate when she states to the House that I have failed to give examples of breaches by the Soviet Union of SALT II. There are clear breaches in the bringing on by the Soviets of the SS-25 missile. That is a clear breach. A clear breach is the construction of the Krasnoyarsk radar, that is a clear breach of SALT II. It is a clear breach of SALT II to encrypted telemetry, which the Soviets are doing. So those are three clear breaches.

If those are brought onside and the Soviet Union demonstrates that it intends to honour the provisions of SALT II, surely that is the desirable situation and would lead to more greatly enhanced arms limitation agreements that can be achieved with some confidence that they are going to be adhered to by both sides.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

AIRPORTS

REQUEST FOR EXPLANATION OF FUNDS DESTINED FOR CERTAIN AIRPORTS

Hon. André Ouellet (Papineau): Mr. Speaker, my question is directed to the Minister of Transport.

Could he perhaps explain to the House why 15 per cent of his current budget and 40 per cent of next year's budget for airports in Quebec will be spent in the riding of Manicouagan? And why he is going to spend more this year on the Chevery airport than on Dorval and Mirabel altogether?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, what really is at issue here is that we are overcoming years and years of neglect in that region. Many of the initiatives to which the Hon. Member has referred were discussed back in 1983, and again in 1984, and when this Government assumed office we decided to act and give the residents of Manicouagan a first-class aviation system to enhance safety and to enhance service in that region. Why would the Member want to discriminate against the people of Manicouagan?

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Oral Questions

[*Translation*]

REQUEST FOR CLARIFICATION OF REASONS WHY GOVERNMENT IS PROVIDING FUNDS TO MANICOUAGAN AIRPORT

Hon. André Ouellet (Papineau): Mr. Speaker, I am not trying to discriminate against the people of Manicouagan. I am merely questioning the excessively presidential aspirations of the Prime Minister who always wants to drive around in Cadillacs or in the best—

[*English*]

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

[*Translation*]

Mr. Ouellet: Mr. Speaker, could the Minister of Transport confirm that the Prime Minister wants to bring his Hercules aircraft to his riding, which is why he wants to spend more on a small airport in Manicouagan, in terms of facilities and sophisticated equipment, than on other airports with ten, fifteen or 20 times the volume in relation to facilities in the province of Quebec?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I find it most disgusting that the Hon. Member opposite would want to politicize all the good things we are trying to do for the good people of Quebec. This is not the only action that has been taken on improving airport services in the country. As I said, we are overcoming years and years of neglect as a result of the Liberal administration.

Some Hon. Members: Hear, hear!

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APARTHEID

SOUTH AFRICA—PETRO-CANADA'S SULPHUR EXPORTS

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my question is directed to the Deputy Prime Minister. As a follow-up to yesterday's statement on Canada's limited economic sanctions against South Africa, and since Canada supplies 100 per cent of South Africa's sulphur, will the Deputy Prime Minister, or one of his cabinet colleagues, direct Petro-Canada, the government oil company, to cease immediately the export or selling of sulphur to South Africa?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): That is certainly one of the economic options to which the Secretary of State for External Affairs referred yesterday, and falls within the umbrella of the answers that I have given to other questions today.

ACQUISITION OF AIRCRAFT BY WARDAIR

Mr. Les Benjamin (Regina West): Mr. Speaker, my question is directed to the Deputy Prime Minister. Since the Government called for voluntary sanctions by the private sector, will the Government act to prevent Wardair from purchasing aircraft from South Africa and having their flight crews trained in that country?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): With respect to Wardair this is a straight deal between Wardair and South African Airways. I am informed that it involves the leasing of equipment and does not involve direct air service for cargo or passengers between South Africa and Canada. That is what Canada is committed to prevent. We have no ban on the import of goods such as aircraft at the moment.

* * *

ABORIGINAL RIGHTS

TREATY 8—FORMULATION OF POLICY ON SELF-GOVERNMENT

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is directed to the Deputy Prime Minister. I would like to know whether the Deputy Prime Minister is aware of the report prepared under the direction of his colleague, the Hon. Member for Prince George-Peace River, who is now the Minister of State for Science and Technology. This is a report regarding the renovation of Treaty 8. Will the Deputy Prime Minister tell the House whether this report has such status with the Government that it will be used in the formulation of government policy with respect to aboriginal self-government?

● (1140)

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I believe the Hon. Member would recognize that the Minister of State for Science and Technology has been very active in terms of trying to come up with solutions which will help us, as a country, resolve the issues relating to the dilemmas that beset our native people. He put forward a report, and all that I can tell the Hon. Member today is that the Minister of Indian Affairs and Northern Development will not only use the best advice he has from the Minister of State for Science and Technology, but also from other Members to try to come up with a solution to this issue. Frankly, it is an issue that needs the best advice not only from all Members of the House but from Canadians generally.

Mr. Penner: That is a bit vague.

GOVERNMENT POSITION

Mr. Keith Penner (Cochrane—Superior): Will the Minister state more precisely whether the Government still holds the position that was enunciated by the Prime Minister on April 2, 1985, at the First Ministers' Conference, when he said: "This renovation process should provide us with a guide for building a positive, constructive relationship with other aborginal communities." Is that the position of the Government today?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, not only was that the position of the Prime Minister and the Government at the time he made that statement at the First Ministers' meeting with aboriginal leaders, that remains the Prime Minister's very specific goal as he and the Government work toward the next meeting in 1987. The Hon. Member is well aware of these issues. I am trying to stress to him that no one person's or no one government's plan has yet brought together the solutions which we so desperately seek as a nation. The Prime Minister is deeply committed to try to solve that issue. This will help us, and I hope that we will have the support of the Official Opposition in bringing forth those best ideas.

* * *

MINES AND MINING

LEAD AND ZINC EXPORTS TO UNITED STATES

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, in the absence of the trade Ministers, my question is directed to the Minister of State for Mines. What is the reaction of the Government to the latest threat to Canada-United States commercial relations, namely, the unwarranted attack by certain United States producers against Canada's lead and zinc exports?

Hon. Bob Layton (Minister of State (Mines)): Mr. Speaker, this request for information is provided for within Section 305 of the United States Trade Act. With regard to the reopening of the mine in the Arctic by Curraugh Resources and the proposed development for the lead smelter for Cominco, we believe that both of these are private sector initiatives and will pass any test requested.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—TERMS OF QUEBEC ACCORD

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Deputy Prime Minister. He will be aware that yesterday in Vancouver, Vice-President Bush said that President Reagan broke faith with the commitment he made to the Prime Minister in Quebec City because he had to keep faith with commitments at home and considerations in the United States. Does this mean that this Accord is no longer in place?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, no doubt that is another example of the twist that the hon. gentleman usually puts on questions of that nature. That question has been answered in the House over and over again. The answers given by the Prime Minister and the Secretary of State for External Affairs still hold true.

THREAT OF U.S. TARIFF ON CANADIAN CATTLE EXPORTS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, in that case the Deputy Prime Minister will be aware that the United States has been launching another initiative in the last few days toward imposing a tariff on our cattle and beef exports to the United States, worth nearly one-half billion dollars annually. Did he raise the issue of this new threat against our cattlemen when he met with Vice-President Bush? Does the Prime Minister plan to raise it in his discussions, or will we simply get another "Dear Ron" letter, written after the fact?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, perhaps I can comment on that. Just before Question Period today a number of Ministers met with Vice-President Bush. The first item on the agenda was trade matters. The Vice-President is very much aware of the concerns that have been expressed in Canada about the actions that are being taken in the United States. I think that was reflected in the speech made by the Vice-President, not in the distortions of that speech that the Hon. Member has consistently used which do no credit to himself or to his Party.

Mr. Speaker: Order, please. The Hon. Minister is getting very close to personal comment.

TARIFF ON BOOK IMPORTS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is directed to the Minister of Finance. His tariffs on American book imports, touted by him as retaliation against the Americans, while really shooting Canadians in the foot, will hit innocent bystanders like the Europeans. Today the European Economic Community's Committee 113 is meeting to consider measures of their own against Canada. Now that the seeds for a trade war have been sown, will the Minister remove this ill-advised, poorly conceived tariff on the Canadian book industry before much more serious damage is done?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have made it clear that the response of the Government to the action taken by the Americans on the shakes and shingles industry was to identify those trade areas that are predominantly with the United States. In this case I believe it was 88 per cent or 90 per cent with the United States. It is not possible under the GATT rules for us to exempt other countries from that type of action. That is the basis for it. She is well aware of the reasons why we have taken that action. If we had not taken that action, I am sure she or some of her colleagues would be the first on their feet to ask why we were rolling over and playing dead when the Americans take this action against us.

Mrs. Finestone: Pick the pharmaceuticals, not the books which put the cultural industries on the table.

Oral Questions

RETAIL BOOK PRICES

Mrs. Sheila Finestone (Mount Royal): Is the Minister aware that people who buy English language books will have to pay more than the 10 per cent tariff and as much as 15 per cent when they want to buy their favourite Agatha Christie book because there will be adminstrative costs and tariff costs? You will need an army out there to examine all the books coming across the border and you are being discriminatory on the basis of language.

Mr. Speaker: Order. Hon. Members know that references to "you" are out of order.

Hon. Michael Wilson (Minister of Finance): Through you, Mr. Speaker, I say thank you to the Hon. Member. As I have indicated, the actions we have taken in the book industry have a cost, as the actions taken by the Americans on shakes and shingles had a cost in the United States for people who want to buy that product. My officials, my staff, and the staff of the Minister of Communications have had discussions with the publishing industry. I will be meeting with representatives of the industry later this month.

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[*Translation*]

INTERNATIONAL LABOUR ORGANIZATION

FEDERAL REPRESENTATION AT GENEVA CONFERENCE

Mr. Guy St. Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of State (Mines). Mr. Minister, are you aware of an article in the newspaper *La Tribune*—

Mr. Speaker: Order, please. Again I must tell the Hon. Member that "you" references are not allowed. Questions and answers must go through the Chair, please.

Mr. St. Julien: Mr. Speaker, is the Minister aware of an article in the newspaper *La Tribune* to the effect that the provincial MNA for the Eastern Townships, Mr. Yvon Vallières, has complained about the lack of federal representation at the International Labour Organization conference now being held in Geneva and where asbestos is one of the major items on the agenda?

Can the Minister shed light on the role of the Canadian Government?

Hon. Bob Layton (Minister of State (Mines)): Mr. Speaker, anyone entertaining doubt about the Government's commitment in this matter has to be misinformed. Our Government has been supportive of asbestos workers for over 20 months, and our propositions at Geneva are expressed by all participants. About one hundred countries have been advised of our Government's position, and I have been told that the total ban option will be rejected at Geneva.

• (1150)

[*English*]

TRADE

PROPOSED U.S. TARIFF ON CANADIAN TRUCKS CROSSING INTERNATIONAL BOUNDARY

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is directed to the Minister of Transport in the absence of the Prime Minister. The Minister is aware that on July 7 the United States Government will start charging a tariff on trucks, railcars, and so on, crossing into the United States, thereby making our exports more expensive. Was this matter raised with the American Vice-President this morning? If so, what action is he going to take to remove this barrier to Canadian trade?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am aware of the proposal to which the Hon. Member refers. I am not aware if the issue was raised with the Vice-President or not. But I can tell the Hon. Member that the Prime Minister and the Vice-President will be meeting later on this afternoon. It may very well come up at that time.

UNITED STATES POSITION

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I wonder if the Minister would not agree that if this crossing fee is not withdrawn it will be yet another sign of bad faith bargaining by the American Government at a time when your side is trying to reach a free trade agreement? Would the Minister not agree with that?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, that observation is consistent with the New Democratic Party—

Mr. Deans: Accurate.

Mr. Mazankowski: —which does not want to engage in a better and more enhanced trading relationship with the United States and other countries.

Mr. Broadbent: That's not true, Don. That is simply not true.

Mr. Mazankowski: That's not true? Well, you can't have it both ways, Ed. You can't have it both ways.

Mr. Speaker: Order, please.

Mr. Mazankowski: You can't on the one hand mouth that you want enhanced trade and on the other hand you don't want negotiations.

Mr. Speaker: Order.

REGIONAL INDUSTRIAL EXPANSION

WORKERS' OCCUPATION OF GLACE BAY GENERAL MINING BUILDING

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Acting Minister of Regional Industrial Expansion. The Minister will know that a very serious situation has developed in Cape Breton whereby the United Mine Workers of America are presently occupying the management offices at the Glace Bay General Mining building. They are doing that out of total frustration with the Government of Canada. I ask the Minister very sincerely what steps he is prepared to take to have this matter resolved? Furthermore, would he tell the House what steps he and his colleagues are prepared to take in order to resolve the high unemployment amongst coal miners at the Cape Breton Development Corporation?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, this is an issue which rightfully belongs within the Corporation's mandate, management, and the board of directors. Naturally, we are deeply concerned about the matter. We are very deeply concerned about the high levels of unemployment in that region. This Government is doing something about it. Close to a thousand new jobs have been created under the auspices of the initiatives of the former Minister of Regional Industrial Expansion. That work is continuing. There will be more jobs and more industrial initiatives to come in the future.

CAPE BRETON DEVELOPMENT CORPORATION—REQUEST FOR DEVELOPMENT OF EMPLOYMENT PLANS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I say to the Minister, and I say it sincerely, this situation has the potential to become very serious. I do not want him to fluff it off to a highly paid executive in a Crown corporation who has demonstrated no concern or compassion for the workers in that area. Will the Minister give a directive to the President of the Cape Breton Development Corporation to commence immediately meaningful discussions on alternate plans in order to find employment for the in excess of 1,000 individuals who are without jobs at the Cape Breton Development Corporation? Would he do that?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am not fluffing the Hon. Member's representations off. I know he presents the problem in a very serious vein and I take his representations very seriously. I hope he would give me the opportunity to examine the situation and we will certainly see what we can do. I am in no way fluffing the issue off, but I do remind the Hon. Member of the responsibilities of the management of the Crown corporation. I think these things have to be dealt with in a very sensitive way. I hope he understands that.

INDIAN AFFAIRS

SALMON FISHERY DISPUTE IN NORTHERN BRITISH COLUMBIA

Mr. Benno Friesen (Surrey—White Rock—North Delta): Mr. Speaker, in the absence of the Minister of Indian Affairs and Northern Development, my question is directed to the Acting Minister. News reports coming out of northern British Columbia predict a conflict between Fisheries officers and Indian bands who are being given the right to establish a commercial fishery at the head waters of the rivers. In view of the fact this base for the industry is so sensitive, that the entire province depends on a strong resource base at the head waters, and that the new bylaws are threatening that base, would the Minister use the next 48 hours, which are so vital for this industry—

Mr. Deans: Question.

Mr. Friesen: —to do something about these bylaws because discussions are now ongoing—

Mr. Deans: Question.

Mr. Friesen: —which could bring unity to the industry?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I will take that representation and pass it on to the Minister of Indian Affairs and Northern Development. However, I can tell the Hon. Member that with respect to the bylaws which could come into effect by June 15, both the Indian and non-Indian groups who have an interest in the fishery, I understand, are making arrangements to sit down to develop a regime whereby both groups can function and by which the resource will be both maintained and enhanced. That is the position the Minister is taking, and we will pass on the Hon. Member's representation as well.

* * *

TRADE

TARIFF ON IMPORTED BOOKS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the Minister of Finance. Yesterday the Canadian Book Publishers Council told Department of Finance officials that 4,000 jobs are at risk due to the Minister's thoughtless 10 per cent book tariff. Will the Minister now finally admit that he blew this one? Will he get rid of this tariff? And will he search for retaliation which hurts Americans instead of Canadians?

Mr. Deans: Hear, hear!

Mr. Boudria: Say you're sorry and you won't do it again.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the simple answer is no. As I indicated to a previous questioner, the matter has been discussed with members of my staff,

officials in the Department, and I personally will be meeting with representatives of the industry in due course.

REQUEST THAT DIVIDEND WITHHOLDING TAX BE INCREASED

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, specifically, will the Government increase the withholding tax on U.S. dividend outflows, a move which will be much more effective to get action on the shakes and shingles issue?

Hon. Michael Wilson (Minister of Finance): Well, Mr. Speaker, there are certain constraints in law by which we are bound and I am sure the Hon. Member would recognize what he has proposed falls into that category. If the Hon. Member is suggesting we break the law, I think he should rethink that one very carefully.

Mr. Benjamin: Bring in a Bill.

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[*Translation*]

TELEVISION

FRENCH TELEVISION RIGHTS TO 1988 WINTER OLYMPIC GAMES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is for the Minister of Communications, but in his absence I will direct it to the Acting Minister. French television rights to the 1988 Winter Olympic Games in Calgary have been awarded to the CTV network. In turn, the CTV network has awarded the French broadcasting rights in Canada to TVA, a Quebec private sector TV network.

How does the Minister or the Government intend to make sure that the 1988 Olympic Games French TV signal will be received by all francophone communities throughout Canada? Will Radio-Canada which has a national network be authorized to transmit the 1988 Olympic Games TV broadcast to communities of 500 or more residents?

[*English*]

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, the rights for broadcasting the 1988 Calgary Olympics are assigned by the Calgary Olympic Development Authority. I will take the question as notice and make sure the Minister of Communications is well aware of the situation, and an appropriate response will be forthcoming.

[*Translation*]

REQUEST FOR SOLUTION TO PROBLEM

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Since TVA is a Quebec private sector network which does not serve francophone communities outside Quebec, at least not the western provinces nor the Maritimes, would the Parliamentary Secretary also make sure that this question will be discussed and that a solution to the problem will be found?

[*English*]

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, the Minister is aware of the limits to coverage area of TVA. However, I would point out to him that TVA is carried to many communities outside the province of Quebec through its carriage on the Cancom system to remote and under-served communities.

Mr. Gauthier: If you had a dish. You should have a dish.

Mr. Speaker: The Hon. Member for Yorkton—Melville, one question.

* * *

TRADE

IMPACT OF PROPOSED U.S. FARM BILL ON CANADIAN AGRICULTURE

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Deputy Prime Minister. A recent secret report of the U.S. Department of Agriculture which examined the impact of the U.S. Farm Bill on Canadian agriculture stated that the U.S. is cutting its prices in the world so other exporting countries such as Canada will produce less grain. Since we are now clearly one of the targets of the U.S. Farm Bill, can the Deputy Prime Minister tell us whether or not the Prime Minister told Vice-President Bush this morning that the U.S. Farm Bill will, as the U.S. farm report itself says, kill off the small family farm in Canada? Did he tell that to the Vice-President? Did he also tell the Vice-President not to target Canada?

• (1200)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I am sure that kind of discussion has already been had by the Prime Minister with President Reagan. The Prime Minister has not spoken with Vice-President Bush this morning, but he will have that opportunity in—as a matter of fact, he is engaged in that opportunity at this very moment.

* * *

POINT OF ORDER

USE OF UNPARLIAMENTARY LANGUAGE

Mr. Speaker: Order, please. The Chair is in receipt of two notices of desires to raise questions of privilege. Since they are both the same, the Chair proposes to deal with the one the Chair received first. I think that is the only fair way to deal with the matter. Therefore, the Parliamentary Secretary to the Minister of Communications (Mr. Edwards).

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I wish to raise a question of privilege arising from the Adjournment Debate last evening in which the Hon. Member for Vancouver—Kingsway (Mr. Waddell) interjected remarks into the debate which I feel impugned my veracity. The exchange is reported at page 14356 of yesterday's *Hansard*.

Mr. Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier) has raised the same question of privilege; but I have a feeling the Hon. Member for Vancouver—Kingsway (Mr. Waddell) wishes to rise to respond.

Mr. Gauthier: I have the floor.

Mr. Speaker: I have to deal with the Hon. Member's question of privilege first.

Mr. Gauthier: On the same question—

Mr. Speaker: I know. I appreciate fully that the Hon. Member for Ottawa—Vanier has given me notice of a similar question of privilege, but I do not think I can deal with two at once.

Does the Hon. Member for Vancouver—Kingsway wish to say something?

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I would like to withdraw the remarks but I would like to explain why—

Some Hon. Members: No!

Mr. Waddell: Surely I am entitled to explain—

Mr. Speaker: Order, please. The Hon. Member will know that what in fact has happened is that the Chair has had raised with it, not a question of privilege but a point of order. The point of order had to do with unparliamentary language used during a time when points of order are not normally raised. They are normally brought at this time. The Chair would have to find that unparliamentary language was used, and I take it that the Hon. Member has withdrawn and that ends it.

Mr. Waddell: Mr. Speaker, I rise on a point of order. First, is this the proper time for Your Honour to deal with it, or should it have been dealt with by the Chair last night? I am in your hands on this matter, and I would like a ruling on it. I can then respond to it, if Your Honour would give us a ruling on it. Are not unparliamentary matters supposed to be raised when they happen?

Mr. Speaker: Order, please. The Hon. Member knows that last night the Chair was faced with the matter being raised at the time. The Chair indicated that in the Chair's view at that time the matter should be raised now. Perhaps I should say to the House that unparliamentary language should be raised and withdrawn at the time. However, once the Chair had indicated that in the Chair's view the matter should be raised today, the Chair has no choice but to allow it to be dealt with today. That does not change the Chair's view that the matter must be withdrawn.

Mr. Waddell: Mr. Speaker, given that Your Honour has ruled that way and that I have had a chance to look at the transcript of last night, I raised the point that the Government had revoked Ursula Franklin's—

Mr. Speaker: Order, please. The Hon. Member knows that the Chair is simply saying that the language that was used was unparliamentary and that the Hon. Member must unequivocally withdraw. The Chair cannot allow anything more than an unequivocal withdrawal. The Hon. Member for Vancouver—Kingsway.

Mr. Waddell: Mr. Speaker, I simply want to indicate why the language was used—

Some Hon. Members: Order.

Mr. Speaker: Order, please. I think the Chair is being very clear. The Hon. Member has used unparliamentary language. He must unequivocally withdraw it or the Chair will be given no other choice.

Mr. Waddell: Mr. Speaker, given that the Government lied about Ursula Franklin's appointment, I will not withdraw—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Hon. Member knows that the issue is what one may say or may not say, no matter what one thinks. The Hon. Member has used certain language and it is on the record. It was raised at the time and the Chair indicated that the Chair thought that the time to deal with it was now. I suggest to the Hon. Member, with respect, he knows our practices, and I invite him one more time to simply and unequivocally withdraw unparliamentary language.

Mr. Waddell: Mr. Speaker—

Some Hon. Members: Withdraw.

Mr. Waddell: I will withdraw the matter out of respect for you, Mr. Speaker.

Mr. Speaker: Order, please. Will the Hon. Member please resume his seat. The Hon. Member knows that the Chair has no option but to require an unequivocal withdrawal and nothing else is appropriate. I must ask the Hon. Member to unequivocally withdraw the statement.

Mr. Waddell: Mr. Speaker, I unequivocally withdraw the statement because there was a misunderstanding last night and I will deal with the Parliamentary Secretary personally on the matter. However, I do withdraw the statement because I do not want to be unparliamentary in the House.

Mr. Speaker: Order, please. I take it that that should dispose of the question of privilege to be raised by the Hon. Member for Ottawa—Vanier.

Point of Order—Mr. Hnatyshyn

Mr. Gauthier: Mr. Speaker, not necessarily. I would like to have my licks at this thing also. We have been living with this difficulty for some years. The problem is that on the Adjournment Debate the Speaker must allow seven minutes for the Member speaking to the point he wishes to raise and three minutes for the response of the Parliamentary Secretary or the Minister. Points of order pursuant to Beauchesne's and others are not allowed during the Adjournment Debate. I had the floor last night and I started to make a few remarks about Public Service pensions. If Your Honour reads *Hansard* he will see that it reads kind of funny.

After I stated that I was indeed talking about Public Service pensions the Hon. Member for Vancouver—Kingsway (Mr. Waddell) said: "Those are lies." I object to that kind of language being used. Everyone knows that he has withdrawn it. However, it looks like the comment was made and not withdrawn at that time. I think that reduces my credibility, and also brings in an element which I wish to raise. The House does sit at that time. Last night the Speaker said that the House was not sitting. I disagree. The TV cameras were on. The record shows that we sat, and no matter what the Speaker thinks we were still sitting at that time. I wish to make that clear.

Second, I want to ask the Speaker that, for God's sake, we get our act together in this place at the time of adjournment and decide whether or not anyone can come into the House and start calling a Minister or a Parliamentary Secretary anything and get away with it until the next day. That is my point.

Mr. Speaker: Let me put it to the Hon. Member this way. I will take the Hon. Member's comments as intending to be constructive and not as a comment on the Chair of the time. I think he does not mean it that way. I think he also knows full well what our practices have been with regard to the Adjournment Debate. Let it be clear that there is no question in the Chair's mind that that is a proceeding and that the House is sitting. The matter under debate is: "That this House adjourn?" That is the matter under consideration at the time.

Let me say that out of this it will become clearer that such a matter of unparliamentary language should always be dealt with at exactly the time it occurs, and that is what should happen in the future.

* * *

POINT OF ORDER

ALTERATION IN HANSARD

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, with respect to the record of the proceedings of the House of Commons for yesterday, June 12, I have just received a copy of *Hansard*. I refer Your Honour to page 14297 on which is reported a question asked by the Hon. Member for Hamilton East (Ms. Copps). I was listening to the question myself. I heard the Hon. Member at that time ask a question with respect to conversations that took place by the Parliamentary Secretary to the Solicitor General (Mr. Towers), and an allegation was made with respect to activites at what the Hon. Member referred to as the "Peter Pocklington plant in Red Deer". Mr. Speaker, I have noted with some interest today that in *Hansard* it is now referred to as the "Fletcher's" plant.

I raise this because there is a substantive change, the implication in the question being that it was with respect to a particular individual who is known, and nationally known. I am just wondering if Your Honour would observe as to whether that is a substantive change in the record and, if so, how it happened and if it is allowable in terms of alteration of *Hansard*.

Mr. Speaker: I have the page and I see the point the Hon. Member is making. I take it that what he would like me to do is discuss and check this matter with the Editor of *Hansard* and with the tapes. Of course, that will be done. In the end, if *Hansard* thinks there is a mistake presumably *Hansard* will do what it normally does in such a course of events and print an erratum. However, the matter will be checked into.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, just to make sure things are understood. I was here yesterday and I do think the Hon. Member for Hamilton East (Ms. Copps) said "Peter Pocklington". I heard her say that. I do not think she would deny it. Perhaps in the editing somewhere someone put another word in there to make it more specific. However, I will take it up with the Hon. Member.

• (1210)

ROUTINE PROCEEDINGS

[*English*]

RESTRICTIVE TRADE PRACTICES COMMISSION

TABLING OF REPORT ON COMPETITION IN THE CANADIAN PETROLEUM INDUSTRY

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, pursuant to Standing Order 67(2), I am pleased to table in both official languages copies of the report of the Restrictive Trade Practices Commission on competition in the Canadian petroleum industry.

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EMPLOYMENT AND IMMIGRATION

TABLING OF LIST OF PROJECTS UNDER THE CANADIAN JOBS STRATEGY

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I have the honour to table, under Standing Order 67(2), copies in both official languages of a

list of the more than 53,000 projects currently under way under the Canadian Jobs Strategy at the Department of Employment and Immigration.

* * *

PETITIONS

GOVERNMENT RESPONSE

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table in both official languages the government response to two petitions, Nos. 331-486 and 331-518.

* * *

INTERPARLIAMENTARY DELEGATION

REPORT OF CANADIAN GROUP INTERPARLIAMENTARY UNION—SIXTH CONFERENCE ON EUROPEAN CO-OPERATION AND SECURITY

Mr. Benno Friesen (Surrey—White Rock—North Delta): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House the report, in both official languages, of the official parliamentary delegation of the Canadian Group Interparliamentary Union to the Sixth Interparliamentary Conference on European co-operation and security in Bonn from May 26 to 31, 1986.

* * *

[*Translation*]

STRIKING

PRESENTATION OF THIRTY-NINTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour of tabling the Thirty-Ninth Report of the Striking Committee.

[*Editor's Note: For above report, see today's* Votes and Proceedings.]

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PETITIONS

REQUEST FOR REVOCATION OF CHANGES TO UI REGULATIONS CONCERNING PRE-RETIRED PERSONS

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, it is my duty to present to the House two petitions from constituents in my riding, residing in the villages of Richibucto, Cocagne and Harcourt. These petitions concern changes made in the Unemployment Insurance Act last January and demand that the changes considered unfair to early retirees be revoked.

GOVERNMENT'S EFFORTS TOWARD DEVELOPING PEACE IN THE WORLD—SUPPORT OF STUDENTS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, this is a petition from young students at the Lévis Polyvalente and Lévis-Lauzon CEGEP. It is a message of peace which supports our Government in its efforts to promote peace in this world.

[*English*]

MORGENTALER CLINIC IN TORONTO—REQUEST FOR REMOVAL OF ALLEGED RESTRICTIONS ON POLICE

Mr. A. H. Harry Brightwell (Perth): Mr. Speaker, I have the honour to present a petition from constituents of my riding of Perth asking that any restrictions placed on the police force of Metropolitan Toronto in regard to the laying of charges under Section 251 of the Criminal Code be removed so that they may lay charges against the operators of the premises known as the Morgentaler Clinic. My constituents believe that the performance of an unlawful abortion is an affront to law-abiding citizens of Canada.

* * *

CURRENCY ACT

MEASURE TO AMEND

Hon. Stewart McInnes (Minister of Supply and Services) moved for leave to introduce Bill C-118, an Act to amend the Currency Act.

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

MOTION TO ADJOURN UNDER S.O. 29

DETERIORATING SITUATION IN SOUTH AFRICA—CANADIAN RESPONSE

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I rise pursuant to Standing Order 29 to ask leave to propose a motion to adjourn the House for the purpose of discussing a specific and important matter requiring urgent consideration, namley, the deteriorating situation in South Africa and the urgent need for an effective Canadian response. The reason I ask for an emergency debate at this time was clearly amplified during Question Period. Conditions in South

Africa are changing hourly and getting worse hourly. The requirement for action is immediate.

We on this side of the House believe that it is important for Parliament to fully express not only its concern, but proposals and ideas for actions that should be taken. We believe that the opportune time for doing this is now. If we have to wait until August for a Commonwealth meeting, by that time the situation may have reached the point where it will be beyond recovery. We humbly ask you to accept our motion, Sir, so that Parliament, on behalf of the Canadian people, may express the deep-felt need for immediate and effective action by the Government at the present time.

Mr. Speaker: The Hon. Member will understand that my practice has been to announce a decision at this time, but I have to say, as the Hon. Member may know, that there were a number of other things happening this morning. I have not had the requisite time to think about this matter. I therefore propose to reserve for the moment and return to the House as quickly as I can.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I rise on a point of order. I appreciate the circumstances which caused you to reserve on this matter but, it being Friday, you will understand that Hon. Members have to make plans with respect to weekend obligations.

I would like to make two points. First, Beauchesne's makes reference to the fact that the Chair would consult with House Leaders with respect to the timing of this debate. I do not share the view with respect to the urgency of this matter as I think the response of the Secretary of State for External Affairs (Mr. Clark) has been clear, ongoing and continuous as indicated by answers he gave to questions put during Question Period today. There will be opportunity for debate.

Notwithstanding that, I would ask if it is possible to have a decision on this matter at the earliest moment because there is now a Standing Order before the House with respect to the extension of hours and, under the reform provisions of the Standing Orders, the idea is to expedite legislation and allow for sufficient discussion. If the Chair does decide to have a debate, I anticipate it would begin at the conclusion of today's proceedings and carry on from there. I think Hon. Members would like to be aware of this at the earliest possible moment so that they may cancel their reservations.

Mr. Speaker: I do appreciate the submission, but the Chair has to make a first decision. The Chair has to decide if the application conforms with the provisions of Standing Order 29 as written. Were the Chair to make that finding, the Hon. Member would then have the right to put the request to the House and the House would then have an option. At that point, there is a provision in the rules that allows the Chair to decide when the debate will be called. If that were to happen, there would be some consultation on timing. However, the Chair has not had sufficient time to answer the first question. I will return to the House as quickly as I can.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the following questions will be answered today: Nos. 566 and 569.

[*Text*]

UNIVERSITY PROGRAMS—FEDERAL PENITENTIAIRIES

Question No. 566—**Mr. Howie:**

For the fiscal year ending March 31, 1986, did inmates in federal penitentiaries avail themselves of university programs and, if so (*a*) how many (*b*) in which penitentiaries did such programs operate (*c*) what was the total cost of these programs (*d*) in what manner and to what extent were appropriate program objectives achieved as a result of these programs?

Hon. Perrin Beatty (Solicitor General of Canada): Yes. (a) For the fiscal year ending March 31, 1986, average full-time students: 204, average part-time students: 94.

(b) In the fiscal year ending March 31, 1986, university programs were offered at Laval Institution in Quebec; Prison for Women, Collins Bay and Millhaven Institutions in Ontario; Stony Mountain Institution in Manitoba; Saskatchewan Penitentiary in Saskatchewan; Bowden, Drumheller and Edmonton Institutions in Alberta; and Matsqui, William Head, Mountain and Kent Institutions in British Columbia. Furthermore, inmates could also avail themselves of correspondence courses at all other institutions across the country.

(c) Total cost for university programs in 85/86: $881,000.

(d) Educational programs are intended to provide opportunities for academic advancement as well as personal development through goal setting and achievement. The pursuit and achievement of a university degree has been found to be a positive contributing factor to the rehabilitation of the inmate-students.

ACQUISITION OF NEW SHIPS

Question No. 569—**Mr. Howie:**

In 1986, does the Department of National Defence plan to place orders for the replacement or acquisition of new ships and, if so, how many?

Hon. Harvie Andre (Associate Minister of National Defence): No.

[*English*]

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

Mr. Vincent: I ask that the remaining questions be allowed to stand.

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT

MEASURE TO AMEND

The House resumed from Thursday, June 12, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the third time and passed.

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, this is the third time I have spoken on this Bill. The question I would like to ask is how long must we put this before the Government before it realizes that this is one of the most serious measures with which it has come forward? I have said before and I will say again this afternoon that it affects a very important sector of the population and that is the young people of Canada.

To my mind, this is one of the most serious measures to be brought before the House of Commons. It impacts directly and negatively on the young people of Canada, a group the Senate committee tells us is in danger of becoming a lost generation, a group that is in need of the maximum, not minimum, attention from the Government at this time.

• (1220)

Before dealing with the area of education, I should like to spend some time talking about a subject which I have neglected heretofore, that is, health considerations. I am sorry the Minister of Finance (Mr. Wilson) has left the Chamber because I wanted to read to him his remarks when he was in the Opposition, as reported in *Hansard* for March 23, 1982. He stated his opposition to the removal of the revenue guarantee of the Established Programs Financing. When referring to the federal Government, he said:

> The only sign it shows of cutting spending is by shifting the burden of the established programs funding on to the provincial Governments. The provinces are now moving into a deficit position, a position which will make it more difficult for them to finance this shift in spending . . . That is not co-operative federalism. That is predatory federalism, and it will not and cannot work in this country.

He went on to say, as reported in *Hansard* for March 24, 1982:

> Taking the action of unilaterally cutting the financing, which the Government is now proposing, and then having some discussions with the provinces, surely puts the cart before the horse. We should be reversing this procedure.

Those were the words of the Minister of Finance when he was in Opposition. Those were his thoughts at that time. That was the position which he took. I suggest it was and is the correct position to take.

His first point was that if we were to deal with the national deficit, the Canadian deficit, we should not do so by simply shifting it from one regime or one level of Government to another. That is the first important point to make if we are to see it in context today.

His second point, which I suggest was equally important and is the correct position at the present time, was that unilaterally cutting the financing as the Government is now proposing and then having some discussion with the provinces surely puts the cart before the House, and that we should be reversing the procedure.

This Government or regime was to bring in a new conciliatory mood, a mood of consultation and of co-operation. However, on this most important issue before us, we have seen the Government of Canada move unilaterally. There has not been proper consultation with the provinces. On the other hand, the Government of Canada unilaterally abrogated a five-year agreement which was made with the provinces that indeed funding for health and post-secondary education would increase over the years.

I have said before in the House that many provinces have reacted negatively to this particular move. To amplify that and to add to the list which I read previously in the House, I simply want to refer to a resolution recently passed in the Legislature of New Brunswick. That legislative assembly unanimously approved the motion presented by the Liberal Opposition condemning the unilateral action of the federal Government with regard to Bill C-96.

The motion was moved by Mr. McKenna, the Liberal Leader in New Brunswick, and amended by the Hon. J.B.M. Baxter, Q.C., a New Brunswick Minister. It indicated that it should be further resolved that if any reduction in the rate of growth of funding under the Established Programs Financing Act was agreed to, the federal Government should take steps through the equalization program to compensate the Atlantic provinces for such losses and to ensure that the equalization program provides sufficient revenue so that all provinces have the ability to provide comparable levels of public services at comparable levels of taxation.

I have referred to that resolution because this move by the Government impacts particularly upon Atlantic Canada. We have always been what has euphemistically been referred to as a developing area. Other people have called us a "have-not" area. Economically, as opposed to culturally and socially, we have not been as robust as other parts of Canada. When national cuts are made across the board, the weak are hurt more than the strong. Economically the Atlantic provinces have been weaker historically, through no fault of their own.

Also I referred to that resolution to show the seriousness, particularly in the Atlantic provinces, of the cutting of Established Programs Financing, the cutting of funds to health care and to post-secondary education.

That particular recognition of the situation in which the Atlantic provinces find themselves was adequately supported by the Canadian Medical Association in its response to the action of the Government of Canada in cutting Established Programs Financing. In its news release entitled "Proposed

Changes in Federal-Provincial Fiscal Arrangements Threaten Health Care", the association had the following to say about the Atlantic provinces:

Although the Atlantic provinces spend more of their provincial revenues on health care than do other provinces, there are disparities in the range of services available to their populations . . . If special provisions are not made for the health care system in the Atlantic provinces we can only expect disparities to widen and the national character of health care in Canada to be seriously endangered.

I call the attention of the Government to that plea from the Canadian Medical Association. If it persists in its move in the area of health care, it will not only have an impact upon the country as a whole, but a more serious and greater impact in the Atlantic provinces. There is nothing more important than health care. It is a primary consideration of all Canadian citizens.

I should like to refer to the comments of Justice Hall in his review of the health care system of Canada. He provided us with a reminder that Canadians supported the concept of medicare in the first place, that almost all Canadians were agreed. Justice Hall argued:

—that the trauma of illness, the pain of surgery, the slow decline to death, are burdens enough for the human being to bear without the added burden of medical or hospital bills penalizing the patient at the moment of vulnerability. The Canadian people determined that they should band together to pay medical bills and hospital bills when they were well and income earning. Health services were no longer items to be bought off the shelf and paid for at the check-out stand. Nor was their price to be bargained for at the time they were sought. They were a fundamental need like education, which Canadians could meet collectively and pay through taxes.

Those words of Mr. Justice Hall are accurate, correct, and true; they are just as valid today as they were then.

We should be proud that we have one of the greatest systems of health care in the world. The ongoing battle in the Province of Ontario simply dramatizes and highlights that. It brings it to our attention very dramatically. We in Canada are not prepared to let individuals, particularly those who cannot afford to bear the burden, bear the undue burden of health services. We are not prepared to put that burden on the backs of the economically weak in society. We believe that it should be shared by all people. However, if the funds for doing that are cut, then it will be impossible for provincial Governments to carry on and to keep up the high standard of which we in Canada have been so proud for so many years.

• (1230)

I plead once more with the Minister of Finance to review his words of 1982. I will read them to him again because he is here in the Chamber. He said:

Taking the action of unilaterally cutting the financing, which the Government is now proposing, and then having some discussions with the provinces, surely puts the cart before the horse. We should be reversing this procedure.

I say to the Minister now that indeed he should reverse this procedure. He should keep up the transfer of funds for health care all across the country, but particularly in the Atlantic provinces where I have just shown that we are going to be more affected than other regions of the country. The Minister should review his words of 1982. He should abide by those words and abide by his position because the position which the Minister took in 1982 was the correct position. The position he is taking now is the wrong position. It will hurt health care in Canada. It will hurt ordinary Canadians, particularly the elderly, particularly the sick, particularly the young, particularly single mothers and families and those are the people we should be looking after. I plead with the Government again to review its decision on health care, to change its mind and to keep up the transfer of payments for health care.

With regard to education, and I have spoken on this before, since I spoke there have been other voices raised in the country constantly and consistently to amplify our position on this most important issue. The voice raised most recently that has been given wide respect, as it should be, is the voice of the Chief Justice of Canada. The Chief Justice spoke recently and talked about the second-class future of universities and post-secondary education if the present measures are adopted. Here are some of the quotes from the speech of the Chief Justice.

Second-class funding of universities will inevitably lead to second-class teachers, second-class students and—ultimately—a second-class nation.

He went on to say:

—the lack of funding is bordering on tragic.

The Chief Justice urged Governments not to choke off universities and went on:

It has been said by many people that education is too important to be left to educators. That may be true. But it is also true that education is too important to be left to ministers of finance.

His is a respected voice in Canada. It is a voice that I think spoke with knowledge or forethought, knowing what he said, knowing who he was, knowing what position he commanded and knowing that he was going to be listened to. I hope the Chief Justice will be listened to, Mr. Speaker. I hope all of us who raise our voices on this side of the House and in other parts of the country will be listened to by the Government on this most serious issue.

As I said at the beginning, this affects one of the most important groups, if not the most important group, our young people. The Liberal Party has just finished a task force review of post-secondary education in the Atlantic provinces. We visited Prince Edward Island, Nova Scotia, New Brunswick and my own Province of Newfoundland. In all of those provinces we heard from university presidents and student groups. The message was the same; this action if it goes ahead will seriously impact on the quality of education and the future of young people, particularly those in the Atlantic area. At Memorial University in Newfoundland, the student population is increasing, yet because of the lack of funds to pay for post-secondary education there is a great danger of a faculty outflow. Memorial University, because it is getting less money than it got in the past, cannot afford to pay its faculty the same rates as faculty are paid in other parts of the country. The order is something like 10 per cent or 15 per cent less. Therefore, faculty are only going to go to the Atlantic provinces if there are other reasons than financial. It is not the

financial reason that will attract them to the Atlantic provinces. The reverse is true, they will go elsewhere. That is a very serious situation, and a direct result of the cutting of transfer payments for post-secondary education. We found that same situation elsewhere.

Let me give you an idea of the magnitude of the funds that will be cut. Here are the figures for the Province of Newfoundland. Over the next five years we in Newfoundland will receive $187 million less than we had anticipated. There will be an increase, Mr. Speaker. The Government will say that post-secondary education is getting more money this year than it got the previous year. That is true. But provinces are getting less money than they anticipated. There was a federal-provincial five-year agreement with certain agreed on figures. The provinces were basing their expenditures on those figures and the universities were basing their expenditures on those figures. But now we are seeing the Government saying unilaterally that Newfoundland is going to get $187 million less than it anticipated, less than was promised, less than was agreed, less than it bargained for. It is somehow going to have to make that up. How is it going to make it up, asks Newfoundland? Is it going to make it up by cutting out health care, cutting down on hospital care, cutting out beds, cutting down the salaries of nurses? How is it going to make up that deficiency of $187 million?

I remind you, Mr. Speaker, the House and the Government that we are talking about a province with the lowest per capita income in the country, a province which has the highest retail sales taxes anywhere in the country, a province with the highest unemployment rate anywhere in the country, a province with the weakest fiscal capacity anywhere in the country. Yet we are telling this province that it will receive $187 million less over the next five years than it had anticipated.

What are the young people of Newfoundland supposed to do about that, Mr. Speaker? Let me tell you. In the Province of Newfoundland there is close to a 50 per cent unemployment rate among young people eligible for employment. The unemployment rate is well over 40 per cent and getting close to 50 per cent. That is the unemployment rate of the young people in Newfoundland who are going to be affected by this Bill.

I know my time is short but I want to make a last plea to the Government. Let me say to the Minister of Finance, who is a passionate and thoughtful man and I believe a man of fairness, that I understand his problem with the deficit. But let us not put the burden of that deficit on the group in the country to whom we should be paying most attention and for whom we have the greatest responsibility, our young people. If there is any future for this country it lies in their hands. I remind the Minister of the words of the Chief Justice, that we should not choke off the universities. He said that if we do that it will lead to second-class students and ultimately a second-class nation. That is something I and my Party cannot tolerate. I hope Members on that side of the House in the Government of Canada will not tolerate it either.

• (1240)

Mr. Waddell: Mr. Speaker, I rise on a point of order on a different matter. After Question Period a report of the Restrictive Trade Practices Commission was tabled by a Minister on behalf of the Minister of Consumer and Corporate Affairs (Mr. Côté) who was not here. My office and that of the Member for Winnipeg North (Mr. Orlikow), our consumer critic, have been trying to get copies of that report. We were unable to get copies until a few minutes ago. There was a lock-up this morning, We could not get in the lock-up. All the oil industry representatives got into that lock-up.

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

Mr. Waddell: Mr. Speaker, I raise that because I think the privileges of an MP are affected.

The Acting Speaker (Mr. Charest): I can appreciate the fact that the Member for Vancouver—Kingsway (Mr. Waddell) may have a point which can be brought up at some time in a different context, but not at this time in this debate.

Mr. Deans: Mr. Speaker, I rise on that point of order. I would like to make a submission with regard to the appropriateness of the raising of a point of order. It is necessary in order for a point to be sustainable that the point be raised at the earliest possible moment. This is the earliest possible moment. We would be in a very difficult position if we did not at least give notice of our intent to raise this point at a subsequent time.

If the Chair is ruling that we should make the argumentation later, of course we will abide by that. However, it is absolutely crucial that a point of order or question of privilege be brought to the Chair's attention immediately when it becomes known. I would, therefore, ask the Chair's indulgence to accept that we have now given notice of our desire to raise a point of order and to allow us to raise it either later this day or on Monday in keeping with the normal practices.

The Acting Speaker (Mr. Charest): The Chair will take that as notice. I will simply clarify the point I was attempting to make without going on for very long on this issue. In the context of this debate that is not a point of order. I understand that the Member for Vancouver—Kingsway may have a greivance following a procedure. It is my understanding that the report has been tabled, and also my understanding that it will be distributed today. If the Member and the House Leader for the New Democratic Party feel they have a point, they can put it down in writing and bring it up at the appropriate time. I was going to say that I hope this puts the matter to rest, but I see the Member for Hamilton Mountain on his feet.

Mr. Deans: I am rising on debate.

Federal-Provincial Fiscal Arrangements Act

The Acting Speaker (Mr. Charest): At this time we will proceed to questions and comments. I was about to say that before we entered into the other debate. I will recognize the Hon. Member for Mount Royal (Mrs. Finestone) on questions and comments.

Mrs. Finestone: Mr. Speaker, I listened to my colleague with a great deal of interest, particularly as he quoted Chief Justice Brian Dickson. The Chief Justice also said that it has been said by many people that education is too important to be left to educators. He went on to say that while that may be true it is also true that education is too important to be left to Ministers of Finance.

The governing Party, which the electors put into office to carry out certain mandates, has a responsibility to develop a philosophy and policy to reflect its commitments and concerns. I bring to the attention of my hon. colleague and the Minister of Finance (Mr. Wilson) that at the Quebec caucus meeting held in Sherbrooke on July 26, 1984, the Conservative Party promised to:

—respect the federal obligation to fund provincial health care through Established Programs Financing, and make additional funds available to the provinces on a cost shared basis for the establishment or enrichment of programs deemed most likely to improve the general level of health and limit long-term costs. This determination to be made following a national conference of health ministers and health care professionals.

The Conservative Party made many other promises. One was to increase research and development expenditures to 2.5 per cent of GNP. They went on to say:

Our research and development commitment is fundamental to our over-all programs for economic and social development. We are committed to doubling Canada's R and D budget to 2.5 per cent of GNP.

Perhaps there was a lack of understanding, a lack of commitment, or a number of other factors which have come into play. The Minister seems to be preoccupied with transferring the federal deficit to the backs of other people and other interests within our society. My hon. friend read into the record the concerns of Nova Scotia, New Brunswick, Manitoba, Saskatchewan, Ontario and Quebec. When I brought this issue to the attention of the House the Members from Quebec said that the Quebec Minister of Finance did not understand what was going on. I have the feeling he understood very well.

Mr. Hamel, the President of the Canadian Chamber of Commerce said that the business community is increasingly concerned that the squeeze on post-secondary education funding will make it impossible for universities to meet the demand for research and development or even to provide adequate basic training which will then be transferred to businesses so that they can become competitive in this increasingly competitive world. Mr. Anderson, the President of the Canadian Association of University Teachers said:

Proposed federal cuts to post-secondary education could place a university education beyond the reach of many students—

Canada prides itself on equal and fair treatment and access. What happened to fairness, consultation and all those other wonderful promises?

Donald Savage, the President of CAUT said that the consequence is poor quality education. Mr. Shapiro, the President of the Social Science Federation of Canada said:

Canada's entry into free trade discussions with the U.S. provides a clear example of the importance of an educated public and a strong national identity to "preserve our sovereignty"—

I think Members across the way ought to think about that. If the Government recognized that as a fundamental value, that the Canadians like being Canadians and being different and do not want to be the fifty-first state of the United States, it might put more money into post-secondary education, R and D and support for our health services, the things which we all value which distinguish us as Canadians. I wonder if my hon. colleague would care to comment?

Mr. Rompkey: I certainly would, Mr. Speaker. I consider this to be one of the most important topics that we can talk about in the House. My colleague has said it better than I. She has put on the record the growing opinion of eminent spokesmen across the country about what is happening. She made the point about the maturity of Canada now. We are entering into a period in which we will have to compete in an increasingly small and more competitive world. The Government of Canada is telling us that it wants to get into a free trade situation so that mature Canadian businesses can compete head to head. We on this side are saying that it should be multi-lateral, that Canada should be competing head to head with countries throughout the world.

Eminent authors have said that Canada is coming of age in the 1980s and 1990s. We are throwing off our sense of inferiority and coming out from under the shadow of the United States. We are becoming a mature nation with mature businesses which can compete anywhere in the world. However, a mature nation must have an educated and aware population which can take advantage of those opportunities. You cannot have a trade, financial or industrial strategy unless you have an education strategy. They must go hand in hand. Canada does not have that. At the same time as the Government of Canada is talking about trade, an industrial strategy and job creation, it is cutting back on the funds which our young people need to give them the wherewithal to take those jobs and compete with other people in the world.

There is absolutely no comparison between our educational policy and that of Japan or West Germany. My colleague is absolutely right when she says there must be a commitment to post-secondary education. It is not there at present. She has said that even the back-benchers of that Party opposite have said the Government must make that commitment to R and D and post-secondary education.

• (1250)

I simply say to the Government once again that it must change its mind. If you have to do something about the deficit, and you do, do not, for goodness' sake, do it on the backs of our young people. Do not call on them to shoulder the burden. Give them the chance to compete for the jobs you say you are

going to create. Give them a chance to compete with other young people in the world in the 1980s and 1990s.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the problem with what the Government is doing I think can best be described if I were to start by saying that I doubt very much if it has fully analysed the potential danger of the EPF cuts. I have difficulty believing that even the Government would knowingly take steps the end result of which might be the undermining of both the post-secondary educational system and the universality of our health care programs. Yet as you start to analyse the impact of a reduction in the rate of increase and juxtapose that with increases in other areas, you begin to wonder whether the Government has its priorities straight.

I want to deal primarily with the impact on the Province of Ontario. I want to set the stage by putting to the House two statements which I believe sum up the view I would like to leave with whoever happens to hear these words. What we have here is a question of priorities. The future of medicare and higher education is being placed behind the best interests of oil companies, investors, banks and, I might add, even such things as new uniforms for the military. The Department of Defence will see an increase over the course of the next five years in its expenditure level of some 41 per cent. At the same time health care will see an increase of only 14 per cent. I see the Minister sitting here. We will of course at some point no doubt have a difference of opinion on this, but to the best of my knowledge what I am saying is as accurate as I can ascertain it to be.

Mr. Wilson (Etobicoke Centre): They are wrong.

Mr. Deans: The second point I want to leave with whoever happens to think about this is that medicare and post-secondary education are already in a financial bind. I do not think anyone can deny that access to post-secondary education has been severely limited over the last few years by actions taken both here in Ottawa and in the various provinces. Opportunities for the young of Canada to continue through the post-secondary educational system and achieve an education from which we will all benefit in one way or another have become considerably lessened. Their ability to obtain the necessary funds through grants, bursaries or loans has been severely inhibited, as has their opportunity to find employment. Notwithstanding the statements the Government might make about its efforts in that regard, employment opportunities for young people which will enable them to earn the necessary funds to continue with their education at the post-secondary level have also been inhibited to a large extent. I am not going to blame the Government for that particular problem, it just happens to be a fact of life. There simply are not the same number of jobs available on a part-time or short-term basis this year as there were 10 years ago. That means those who do not happen to have wealthy parents or come from the upper 10 per cent or 15 per cent of income earners in Canada will find it much more difficult to get through the post-secondary educational system.

Not only that, the quality of education has also deteriorated. This is not because of any lack of desire on the part of those who run the universities, or because of a lack of expertise on the part of those who do the lecturing. It is not because of anything that is the fault of the universities themselves, but because their budgets have had to be cut by virtue of the restrictions placed on them. That has resulted in a deteriorating plant and deteriorating research capability. Universities without proper plant and research capabilities will not be able to keep pace with the changing times. The end result will be that, while there will still be universities, they will not be of a standard sufficient to maintain the level of excellence this country expects of them.

We are losing ground in our ability to provide top level education at the post-secondary level for the youth of Canada when measured against the capacity of other countries to do so. I make that statement without trying to leave the impression that that is true in every classroom, every lecture room, in every part of every university. I make it as a general observation about what is going on, and I contend it is most certainly true. We are unable to maintain the excellent level of education we have been developing since the early part of the 1950s. That, to all intents and purposes, was when universal access to post-secondary education became a much more acceptable practice to be pursued.

I put it to the Minister that the decrease in the rate of increase, which is what we are talking about, in the funds to be made available to the provinces for post-secondary education will only increase the speed, if you will, of the downward trend which has already begun. We cannot afford that. Yet it is, quite frankly, the risk we run by allowing this situation to occur, and it will bear terrible consequences in the future. If we are to be successful as a nation it will only be because our post-secondary education is of a standard of excellence second to none and if, as a result, we are able to derive the economic benefit which flows from that level of educational standing.

I therefore make the point that the Government, in setting its priorities, clearly should have understood this. It is true of all Governments, not just this Government but provincial Governments as well. The Government must set its priorities with a clear understanding and recognition that the future of Canada rests more in developing the level of excellence of the educational system than it does by developing any other single aspect of our economic or social life. I therefore say to the Government that it is vitally important that education be, if not the number one priority, and we all set our priorities differently from time to time and I am prepared to concede that, a priority rating near if not at the top in government thinking.

• (1300)

Having said that I turn to the second victim of this Government's lack of proper priority setting, the health care system. I

can remember the debates that took place in Canada, and I was involved in the debate that took place in the Ontario Legislature in the latter part of the 1960s when the then Premier of Ontario, the late Right Hon. John Robarts, was dragged, kicking and screaming into universal medicare. I can remember the degree of reluctance that there was within the Ontario Conservative Party at the time to acknowledge the necessity for a comprehensive and universal medical care program that would allow each and every citizen of Ontario, and which was intended to allow each and every citizen of Canada, equal and unfettered access to the very best health care that was available. No longer were we going to see the day when only those who were able to raise the money could be made well. No longer were we going to see the day when people were going to have to go out and take out mortgages on their homes in order to pay the bills that were being levied against them for the hospital care they required or for the physician care they required. That debate was a tough debate, but common sense and good judgment won the day.

The Government of Canada, notwithstanding the protestation of the then Premier of Ontario, among others, forced the province to move to the establishment of universality and public health care. Immediately after, of course, there were sufficient funds made available. Since the middle part of the 1970s, and again during my period as a member of the Legislature in the Province of Ontario, the number of dollars made available for the ongoing research and day to day medical care necessary for the well being of Ontario families, at least, began to be undercut.

First provinces re-established their priorities, and in re-establishing those priorities the provinces shifted more of the burden from general revenue to individual payment programs. We went from OMSIP, as I recall, through OHIP, and the premium levels rose by leaps and bounds, with families being asked to pay, in the final analysis, considerably more than those at the lower end of the income scale could reasonably afford. In the final analysis we found ourselves in this province having to close hospital beds, having to close hospital wings, having to close whole hospitals in certain areas of the province limiting access in many geographic areas, and continuing to add to the burden of cost.

As it now stands in the Province of Ontario there is not sufficient funding available to most of the teaching hospitals to maintain the level of technological advancement necessary to keep pace with changing demands. The submissions that have been made to me on a number of occasions have led me to believe that the opportunity to advance medically, utilizing our own medical research facilities here in this province, are fewer now than they were some ten years ago.

I put to the Government that the move it is now proposing to take will further undercut those opportunities. The move this Government proposes to take will result in a substantial decrease in the numbers of dollars available for health care purposes, in addition to what I said about post-secondary education, and that that can only result in one of three things. There will either be cuts in the medical research capability and cuts in the availability of beds and personnel, or there will be dramatic increases in the fees to be charged to the individual families who need to be covered under the comprehensive medical care program.

It will not necessarily be an either or situation. It is entirely possible that in some cases it will be all three, or two of the three, or a combination that will result in higher costs to the individual, paid through the premium structure, in addition to a decrease in the availability or accessibility of health care, and a dramatic decrease in the amount of health care research done in this country.

For the Province of Ontario alone the impact of the EPF cuts, those cuts that we are speaking about today, in 1986-87 will be $114.2 million less than had been anticipated; in 1987-88, $243 million less than had been anticipated; in 1988-89, $387.6 million less than had been anticipated; in 1989-90, $546.6 million less than had been anticipated; and in 1990-91, $722.7 million less than had been anticipated for post-secondary education and health care expenditures. The total reduction in dollars available for the ongoing work that I have been speaking about by the year 1991 will be $2,014.1 million.

Given the fragile nature of the post-secondary educational system, and given the equally fragile nature of the health care system there is no way to raise an additional $2 billion, and the system itself cannot survive and provide an adequate level of care or teaching if it does not have the $2 billion. I am suggesting to the Government that in its effort to trim the federal budget and its expenditures it has run a serious risk with the capacity of the health care and post-secondary educational systems to meet the legitimate needs, even now at a level that could hardly be called superior. I think it is at an already deteriorating level.

I want to suggest, if I may, that it is a mistake for the Government not to recognize the importance of health and education. If cuts are to be made, they cannot be made in areas that will have a detrimental and long-lasting effect on the country. If cuts are to be made, surely they can be made in areas where the effect will be less devastating, both in the short and long run.

• (1310)

The Government may ask where it should make the cuts. I can only say that when it was proposing these cuts it was telling us that there was no money. Yet, within weeks, it found a $1 billion to bail out failing banks. I can only suggest that that probably speaks more clearly to the priority-setting of the Government than anything more I can say.

ROUTINE PROCEEDINGS

[*English*]

MOTION TO ADJOURN UNDER S.O. 29

APPLICATION TO ADJOURN—SPEAKER'S RULING

Mr. Speaker: Order, please. The Chair had indicated an intention to rule as soon as possible on the application made under Standing Order 29 by the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy). The Chair has examined both the precedents and the modifications that have been made in the rule, as well as the comments that have been made about it. I have concluded that the application meets the terms of Standing Order 29. Since it is finally up to the House, does the Hon. Member have leave to move the adjournment of the House under Standing Order 29 for the purpose of discussing a specific and important matter?

Some Hon. Members: Agreed.

Mr. Speaker: Therefore, leave is granted and debate is set down for three o'clock p.m. this day.

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-96, An Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the third time and passed.

Mr. Speaker: Questions and comments on the speech of the Hon. Member for Hamilton Mountain (Mr. Deans)? Debate.

Mr. George Baker (Gander—Twillingate): Mr. Speaker, I want to say a few words concerning Bill C-96 which is in its final, third reading, stage in this chamber. Undoubtedly, the Government majority will ensure its passage at third reading so that it will then become law.

I want to deal with a specific example of the effect that Bill C-96 will have on my Province of Newfoundland. According to the formula contained in this Bill, there will be a cut of $7.3 million in 1986-87. In 1987-88 there will be a cut of $15.5 million; a cut of $24.8 million in 1988-89; a cut of $35 million in 1989-90; a cut of $46.3 million in 1990-91; and a cut of $58.9 million in 1991-92. In that short period between 1986 and 1992 there will be a total cut of $187.7 million to the provincial treasury of Newfoundland.

Newfoundland is a province which cannot afford to put water systems in communities where, according to the bacterial counts by the Department of Health, the water in the wells is contaminated and unfit for human consumption. I am amazed that the provincial Government of Newfoundland has not really objected to these cuts. It is not the people or the Province of Newfoundland that has objected, but the Government, and I find it strange that a Government like that in Newfoundland, with its Premier and cabinet Ministers, has not objected to this Bill that cuts $187.7 million from its treasury between March 31, 1986 and March 31, 1991. That poor starving province cannot afford to do what other provinces do today because it does not have the fiscal manoeuverability. Yet that Government does not object to these cuts.

I suggest that it is a clear example of straight, pure, unadulterated politics. Our system in this country is such that when there is a political Party of one stripe provincially and the same political Party in office federally, the provincial Government occasionally hesitates to object to policies about which they should object.

I took the trouble to get a copy of the Green Paper on "Health Care System Expenditures and Funding" from the Government of Newfoundland and Labrador. It is dated January, 1986. This Green Paper is referred to in a statement from the Manitoba Government dated June, 1986, which was presented to Members of Parliament yesterday. That statement by the Manitoba Government is called: "Setting priorities straight" and it refers to the Newfoundland Government's Green Paper of which I have a copy.

The Manitoba Government points out that the Newfoundland Government states in its Green Paper of January, 1986 that it faces three alternatives as a result of the Bill before us now. The first is privatization, including premiums, user-fees and extra billing. The second alternative is expenditure cuts and service reductions. The third is deficit financing and tax increases. As the Green Paper stated: "No options are particularly attractive."

That Green Paper was issued by the Government of Newfoundland and Labrador in January, 1986 in anticipation of this Bill presently before the House. I want to state for the record that the federal Government is not cutting health care or post-secondary education funding through this Bill. Those are areas of provincial Government responsibility according to the Constitution of this country.

We have a system whereby the federal Government contributes funds to the provincial treasury so that it can supply the services and supposedly make them equal across the country. The House will know that this money is given in lump sums. While the federal Government designates this as higher education and health care benefits, when it provides a cheque in an amount that is calculated according to the formula of what is needed, there is no guarantee that the money will be spent for higher education or that for which it was intended according to the federal formula.

We are talking about a squeeze on the provincial treasuries that affects the over-all budget of the provincial Governments.

In order for Newfoundland to recover the $187.7 million shortfall as a result of this Bill, the people of Newfoundland will have to accept the provincial Government's action, which will be to increase taxes or institute user-fees in the hospitals. That means, of course, charging for hospital beds, which they were doing for a while until the previous Liberal Government stepped in and said: "You had better stop that because we'll start cutting the payments we give to you". They will have to institute extra billing premiums, expenditure cuts, or increase taxes. None of those options are attactrive but they will probably opt for the tax increases. Or perhaps what they will do is cut back on services in other areas to make up for the loss of revenue they would have received from the federal Government.

• (1320)

To set the record straight, it is not that the federal Government is actually cutting the services themselves, but that the transfers to the provincial treasuries will be cut. What will be cut is the amount of money which results from the formula used to transfer money from the federal Treasury to the provincial treasury in order to equalize health care, education and everthing else. In other words, we are supposed to have, which we do not, some semblance of uniformity in social security, health and education. We do not see that.

There is no uniformity in Canada, as you well know, Mr. Speaker. How much money an old age pensioner who lives in a nursing home or senior citizens' home will receive in his pension cheque will depend on which province he lives in. That is rather interesting. Each province has its own rules. It is called "comforts allowances" to our senior citizens. An old age pensioner in a senior citizens' home in British Columbia will receive a different amount of money in his cheque from someone in Ontario or in Newfoundland.

The same thing applies with health care. It is the provincial Government which determines the health services. We have a formula whereby moneys are transferred to try to even it out, but the provinces control the money. They decide if hospitals will be built and whether they will limit the numbers of doctors practising in their province, which is an entirely stupid idea. The Government of British Columbia recently announced it was actually limiting the numbers of doctors who could practice in that particular province. The doctors are saying they should have the right to extra bill. It is probably the only profession which is so controlled by Government that they cannot extra bill. Then the provincial Government limits the numbers of doctors who are allowed to practice in British Columbia. The claim is that this practice is going to spread right across Canada. In other words, doctors who are being churned out of medical schools are not allowed to practice in the particular province of their choice. Provincial officials go to Scotland and other countries trying to encourage doctors to come to Canada. Some provincial administrations are doing that on a daily basis. Then another provincial Government says it is going to limit the number of doctors who are allowed to practice in its particular province. So there is no uniformity. That really says to the Canadian people that there should be some sort of umbrella organization which will try to at least aim for some uniformity in practice across the country.

This particular Bill before the House is just one of many measures which the Minister of Finance (Mr. Wilson) has instituted on behalf of the Government in the form of trying to cut back on federal expenditures. That is the bottom line of this particular Bill in its final closing stage of third reading. There is just one simple reason, and that is deficit reduction and cutting the costs to the federal Treasury.

We have seen that in hundreds of areas of federal jurisdiction. We saw it in Newfoundland last week. The provincial Government of Newfoundland will probably have to step into an area which is not under its jurisdiction, that is the enforcement of salmon regulations. The Minister of Fisheries and Oceans (Mr. Siddon) is in Newfoundland today for a big press conference. He is addressing the St. John's Board of Trade. Last week he cut the numbers of river guardians in Newfoundland and today he is going to stand up, after addressing the Tory fund raising dinner last night, and try to mend the fences. Well, it is not going to work.

The Minister of Employment and Immigration (Miss MacDonald) stands in this Chamber every single day and brags about the number of jobs created. But yesterday morning project officers in her own Department of Employment and Immigration in Newfoundland were called into the office and told they were being given two weeks' notice and they are laid off. One third of all the project officers in the Province of Newfoundland and Labrador received their lay-off notices yesterday morning from the Minister of Employment and Immigration. She is laying off the people who are supposed to be creating employment. Those people cannot draw unemployment insurance because of the change made by the Government, that if they receive separation pay or their sickness benefits back it is deducted from their unemployment insurance benefits. So the people who are being laid off in the Department of Employment and Immigration cannot get unemployment insurance benefits when they are unemployed, which they will be as of two weeks from now. One third of all of the project officers in the employment offices in Newfoundland have received their lay-off notices effective two weeks from yesterday.

This Bill is only a continuation of what the Government is doing in the area of program cuts. As I mentioned, this Bill will shift the burden to the provincial treasuries. Those are the cold hard facts and the reality of the situation. It will hit the poorest provinces the most. In the submission of the Manitoba Government in June of 1986 it is spelled out again. Newfoundland will be hit the worst. Its fiscal maneuvreability is the lowest of any province in Canada.

What does "fiscal maneuverability" mean, Mr. Speaker? It means the ability of a provincial Government and its administration to go with the tide, in other words, when the unemployment is high in a province, by its own intrusion into the economy, to be able to bring the numbers up. In a very simple

way, that is what it means. Over the years there were several reports from the Economic Council of Canada which suggested the way to cure high unemployment areas of Canada is provincial Governments using their own fiscal maneuverability at those times of the year to try to get more people employed. The Government of Newfoundland has the least fiscal maneuverability of any province in Canada. In fact, it only has 60 per cent of the fiscal maneuverability of the national average. What this Bill will do is cut for those five years $187.7 million from the Newfoundland provincial treasury. There are unpaved roads in Newfoundland. The federal Government is saying to the Province of Newfoundland: "We are going to chop the money we are going to give you so you will have to leave your roads unpaved unless you sacrifice in other areas". The water systems which are needed will perhaps have to wait now because the Government believes that the province should be kicking in more of its own money. Therfore, the money has to come from the capital expenditure areas of the Newfoundland Government.

• (1330)

Basically, the Government is saying to the poorer provinces of Canada: "We are going to cut more from you. You have either to increase your taxes or reduce services in those departments, or you have to shift your financial burden from one department to another and give up something that is already in existence". The problem with that argument is that when we examine Newfoundland, which has the least fiscal manoeuvreability, we find that it has the least number of programs from which it can shift money. In other words, under the Canada Assistance Plan, which includes welfare, daycare centres and the like, it can be seen that a rich province which has a high fiscal manoeuvreability is able to fund those programs.

One wonders why there are no daycare centres in Newfoundland. It is the only province in Canada which has no agreement with respect to daycare centres. The reason given by the Government of Newfoundland for this is that it does not have the money—the 50 per cent—to put in to the pot in order to sign a daycare agreement. Thus how rich a provincial Treasury is determines what social programs there will be and what type of services will be available for the people of Newfoundland, or for the people of any other province.

The Bill before us hits the poorest provinces the worst. For the federal Government to be instituting this measure, and not giving these provinces an opportunity to really have the matter examined and voice their opinions, is a black mark on the Government's record. As I mentioned at the beginning of my remarks, I cannot understand why the provincial Government of Newfoundland is taking this measure lying down. It was only a couple of years ago when the Liberal Government was in federally that the Government of Newfoundland was calling press conferences daily. Members of the Government were wearing black armbands, carrying around coffins, declaring days of mourning, and giving everyone in the province a holiday. Where are they now? The Premier of the province has gone into hibernation for the summer. He has not said a single syllable with respect to this particular Bill. Why? Because the Tories are in power in Ottawa, and one does not object to the Minister of Finance if one is a member of a Tory provincial Government. So the Newfoundland Government is seen as it should be seen in the right context. It is playing the political game. In this instance it is giving up the concerns it had expressed over the years with previous Governments as far as health care and higher education is concerned in the Province of Newfoundland.

The Acting Speaker (Mr. Charest): Are there questions or comments? The Hon. Member for Laval-des-Rapides (Mr. Garneau).

Mr. Garneau: Mr. Speaker, I would like to congratulate my colleage from Gander—Twillingate—

Mr. Wilson (Etobicoke Centre): For what?

Mr. Garneau: —for his excellent speech. He very precisely described what the situation will be in his province as a result of the decisions made by the Minister of Finance (Mr. Wilson) with respect to cutting the deficit and transferring the burden on to the backs of the provinces. I wish to congratulate him for giving to the House the point of view of the people of Newfoundland. I would also like him to elaborate further with respect to the possibility that the people of Newfoundland will have to suffer a cut in services.

The Hon. Member has said that the fiscal plan is so tight that he cannot imagine any tax increase being imposed, since there is no room for one. Does the Hon. Member think that the people of the province will have to suffer a cut in services?

Mr. Baker: Mr. Speaker, I suggest that the Government of Newfoundland will not opt for any of the options it put forward in its Green Paper in January. If the Minister of Finance was bad enough to go ahead with this Bill and if the Government of Canada would be so crude as to go ahead with his measures then the Government of Newfoundland very clearly spelled out its reaction. It has said that it would have to go to privatization, including premiums, user fees and extra billing. The second option is with respect to expenditure cuts and services reductions. Third, it would have to undertake deficit financing, and fourth, tax increases. The Green Paper states: "No options are particularly attractive".

Knowing the Government of Newfoundland, which has been in place for some time, I think since 1971 or 1972, and having watched it over the years, this is what I predict it will do as a result of this Bill; it will shift its money from one expenditure pattern to another. In other words, it will have to decrease what it would normally spend on major capital expenditure programs, and there are only two which work on a continuous basis and for which there is no cost recovery from the federal Treasury. When one looks to its expenditure programs one sees that those programs are water and sewer services and road paving.

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In a great part of my riding there are only dirt roads—dirty, rotten, filthy dirt roads. People in those areas cannot paint their homes on account of the dust. If one visits these places at some times of the year one will find one's car bogged down to the axle in mud. And this is 1986! The other major problem is with respect to water and sewer services. Since this is an area which falls under provincial Government responsibility, the capital resources were not there to make water and sewer services available to all of the communities in Newfoundland, or even to half of them. Not even half of them have water, running water, community water systems. What we are doing in this respect is using the Canada Works Program of the federal Department of Employment and Immigration and local initiative programs to put in small water systems.

A funny thing happened when the Tories took over. We have all heard that Tory times are tough times. Now those tough times are really repeating themselves. What happened was that the new program brought in by the Minister of Employment and Immigration was said to shift the emphasis from the project on which one was working to training people to perform a particular job. The Minister of Employment and Immigration has stood up in the House and said that many times. This has has ended the financing on a regular basis year after year of these community water systems, places such as Whales Gulch, Newville, Davidsville, and Indian Cove in my riding. I have 200 communities in my riding and those are only four of them.

I was talking to people from those areas just yesterday. They told me that there are two phases under the ground. In other words, $100,000 has been spent each year under the ground, and then it has stopped. That is because the Tories took over and because the programs no longer qualified for funding. The provincial Government claims that it cannot put the money in because it does not have it to put into those particular communities. Sometimes when we are talking about things in this Chamber, which some Members find absolutely important, I have extreme difficulty relating to the subjects, because I have to deal every day and every night on the phone with these types of problems.

In answer to the Hon. Member's question, yes, the provincial Government will simply turn around and decrease its expenditures in those areas which affect capital expenditures. I would predict, if the truth be known, that over the years this will be the result in terms of road construction and water and sewer services. Those two services would be affected.

• (1340)

The Government is shifting the financial burden. The provinces are not receiving enough to maintain the very little they have. There is only one university in Newfoundland. There are three or four universities in Nova Scotia, and in New Brunswick there are universities in Fredericton and Sackville. There is only one university in Newfoundland and I would suggest that there are fewer hospitals as well.

Now that the province's budget is being decreased further, it will have to make up the money from other capital expenditures without increasing the taxes. As you know, people who live in Newfoundland pay higher taxes than those who live in any other province. Some people think Quebec has the highest taxes, but they are wrong. In Newfoundland, the provincial tax take is the highest of any province of Canada. Sales taxes are higher and so are every other kind of taxes. The Government cannot afford to increase the taxes so it would shift the burden from another absolute necessity to this absolute necessity.

Mr. Dan Heap (Spadina): Mr. Speaker, I am glad to have another opportunity to speak against this Bill. I wish to remind Hon. Members who are present and those who might be watching t.v. in their offices as well as the public of the words of the Hon. Member for St. John's West (Mr. Crosbie) who said that this is a deplorable piece of legislation. Of course, he did not say that this year. The Hon. Member for St. John's West was then speaking in opposition and was attacking a Liberal Bill.

The fact is that the Government, through the Minister of Finance (Mr. Wilson), is carrying out a very simple program. It plans to reduce the federal contribution to health and post-secondary education in order to force the provincial Governments to spend more. Of course, Members speaking on behalf of the Government will say that the money is being increased. They would not dare claim that the increase keeps up with either rising costs of health and post-secondary education or with rising federal revenues because of course it does not.

To say that the Government is paying as much as or more than it paid a few years ago is entirely beside the point. When costs, taxes and federal revenues are rising, universities and medical services need increased revenues just as much. Health care and post-secondary education are not luxuries, they are necessities. The Government has decided to cut to about one-third the increases needed by these services just to keep pace with their own increased revenues and the increased costs of the services.

This is not a new idea. It is not a new discovery made by this Government. It is only copying what the Liberal Government did before it and what it condemned roundly at the time. The Minister of Finance got quite indignant and sounded as if he believed what he was saying when he condemned the Liberal Government for doing what he is doing now. Others on that side said the same.

When the Minister of Finance was in opposition, he said that the Liberal Government wanted to shift the problem over to the provinces and to shift the deficit problem at the federal level down to the provincial level. Of course, he was not alone in voicing that opinion. His colleagues, including the Minister of Employment and Immigration (Miss MacDonald) and the Hon. Member for Mississauga South (Mr. Blenkarn) all said the same thing.

Now that the Minister of Finance has crossed over to the right-hand side of the Speaker, he is adopting the very same

policy he attacked with such high sounding words a very short time ago. It may be that the Minister of Finance thinks Canada does not need universities. It may be that he thinks any research Canada may want can be bought offshore from the Americans, the Germans, the Chinese or the Chileans. The Chilean universities have been cut in half by a Government that followed the same sort of policy. The American universities are being gutted by the demands of military expenditures. It is not clear where the Minister thinks we can buy research if he destroys the ability of Canada to do the kind of research that he says we need to bolster our industry and the general cultural life of Canada.

I do not know if the Minister thinks we can buy health care offshore. Of course, he has not spoken to either of these points. He seems to imagine that we can cut back the health services available to Canadians without damaging the morale, productivity and taxation ability of Canada. I know he is very interested in the ability to tax.

It appears that the overriding concern is some sort of grudge against the provincial Governments. There appears to be a desire to get back at the provincial Governments. The Hon. Member for Mississauga South said that the only way we can really get back at the provinces for the revenues we created for them is to change their EPF arrangements. In other words, the Government is not concerned with the continued growth of health and education but with a feud between the Government and the provincial Governments.

This Government claims that somehow or other, the provincial Governments have more money than they should have, so the Government is going to figure out a way to take it away from them or else make the provinces suffer. It is very doubtful if that will force the provinces to bring forward the money that is required, and I will return to that point later.

The fact is that this is a cut. It is a cut in the provision of the amount needed by health care and education services to keep up with the growth of Canada. This kind of cut is not necessary. The fact is that the Government has taken measures to generate a great deal of new revenue. Without saying that I approve of all the measures the Government has taken, it has used its power to vote through a Budget, tax measures, changes in the Canada Shipping Act and all kinds of other measures designed to charge new or larger fees for all kinds of public services.

There will be much larger fees to use provincial parks, new or larger fees to use Canada's waterways, new fees for services like immigration and new fees for all kinds of public services under the Department of the Secretary of State (Mr. Bouchard). The Government reckons that those new charges will bring in $35 billion of new revenue in addition to what it received before. Out of that, only $1 billion will go to the universities and colleges and the health system. In other words, about 3 per cent of the new revenue will go to these two services which are basic necessities in any modern country.

There is no reason to be cutting back. There is no reason for the Minister not to allow the same percentage that was used before, 11 per cent of those new revenues, to be used again. The fact is that he has decided, for reasons he has not really explained to us, to cut education and to cut health. To argue that the provinces could make up the difference is a very, very biased argument. To the extent that the provinces can do it, to the extent that it is financially possible for them to do it, only a few of them can.

• (1350)

I am referring to a study set out by the Province of Manitoba this year called "Setting Priorities Straight". They made a comparison of the ability of the provinces to raise money, taxation, and similar revenue. Let us say that 100 per cent is sort of the average, and that some are above and some are below. My Province of Ontario comes very close to the 100 per cent; it would have 98 per cent of the ability about which they are talking. My province would not suffer as badly as some will. Conceivably Ontario might generate the revenues about which they are talking.

Certainly a province like Alberta, whose ability to generate taxes is 200 per cent, could do a great deal better than any other province. British Columbia is at 104 per cent. Saskatchewan is at 105 per cent. Those provinces which have a strong natural resource base could perhaps scrape by and raise the revenues which the Minister of Finance is demanding that they raise. However, Newfoundland can only raise 60 per cent. If a dollar is needed, Newfoundland has the ability to raise no more than 60 cents. Prince Edward Island is at 61 per cent; Nova Scotia, 72 per cent; New Brunswick, 67 per cent; Quebec, 79 per cent; and Manitoba, 81 per cent. Even Manitoba will be falling behind at that rate, let alone all the provinces east of Ontario.

The Minister of Finance comes from Ontario, as I do. Perhaps he does not feel or perceive the pinch. However, there is an old story from "the dirty thirties" about a group of unemployed people who went to Toronto City Hall to talk to the Mayor and ask for help. Alderman Smith, who was leading them, was their spokesperson. The Mayor first turned to some of the men and said: "Where do you come from?" They said that they came from Nova Scotia, Manitoba, and Newfoundland. Then he turned to Alderman Smith and said: "Mr. Smith, why do you suppose all these jobless people have come to Toronto?" Alderman Smith said: "Well, Mr. Mayor, I suppose they are following the money". That is the long and short of it.

If the Minister of Finance expects to drain money out of the poorest provinces of Canada, he will also be draining the people out of them, and they will head for Toronto. I can assure you, Mr. Speaker, that I will refer those who land in Spadina to Etobicoke. I will tell them that not only is Etobicoke where the money is but Etobicoke is where the money man is, the Minister of Finance. I will tell them that they should explain to him how he has impoverished their provinces

and forced them to move from their homes and come to Toronto in order to subsist. I hope he does not run away from them; I hope he will stay and face them, because once they have camped on his doorstep they will be his constituents.

What the Minister seems to be proposing is not only copying what the Liberals did. It seems to be also copying what President Reagan has done to the south of us. President Reagan is developing with a vengeance the principle that the rich shall get richer and the poor shall get poorer. In short it is called Reaganization. The Minister's proposal for the health system in Canada will Reaganize health. His proposal for the education system will Reaganize education. In other words, the provinces such as all the eastern provinces east of Ontario and Manitoba, which do not now have the money raising or taxation ability to carry a proper health and education system will have less ability to do it. They will provide still less health care and still less education. Compared with them, provinces like Ontario, Saskatchewan, Alberta, and British Columbia will be wealthy. In fact, they will be more wealthy. The rule which the Minister is establishing is that the rich provinces will get relatively richer and the poor provinces will get relatively poorer.

The only group which appeared before the committee to approve this was the Chamber of Commerce. We know where its main base is; we know which cities it mainly operates in—the cities of the rich provinces. The Chamber of Commerce is quite happy to have the money concentrated in cities like Toronto, Edmonton, and Vancouver. It is quite happy to have the money concentrated there because that makes a greater pool for the investors, the banks, the insurance companies, and the get rich quick investment schemes which spend billions of dollars in takeovers between companies. It is quite happy to have the money drained out of eastern Canada and out of Manitoba because the Chamber of Commerce then figures it will be the beneficiary. The Chamber of Commerce will have access to the wealth of the rich which has been drained out of the poor provinces of Canada.

It will probably work for a short time. It might work for the rest of the term of office of the Government. I doubt that it will work well enough to put them back into power because that is a long time. Another year, two years, or three years is a long time for people to go without, for people to see their health and education systems deteriorating.

It will not only be the people of the eastern provinces. In Toronto, the University of Toronto is suffering serious deterioration. It is not only courses such as the arts, which perhaps the Minister of Finance might think do not matter. Perhaps he thinks it does not matter that they reduce staff in faculties which teach languages, history, and so on. I am not sure that he is really so happy at the idea that they reduce staff in the teaching of physics, that they reduce laboratory facilities available to students, or that laboratories become obsolete and are not updated. I am not sure he is so happy that they reduce the teaching of mathematics and computer sciences by requiring a growing number of students in those growing fields to use the same limited amount of equipment, working on shifts around the clock. Even on shifts they do not have enough time to carry out their studies and researches properly. Even the biggest university in the country is suffering through lack of equipment, lack of everything in its budget. Other universities have reported that they are losing some of their top researchers to the United States.

We know what the Government of the same Party did three decades ago when it cancelled the Avro Arrow and provided no alternative employment for the skilled people or the team producing the Arrow. The Government has not learned anything from the experience of the previous Conservative Government because it is going to do the very same thing again.

• (1400)

It would be possible for this Government, by spending only 10 per cent or 11 per cent of the new revenues, to increase what it gives to higher education and health. In other words, by keeping the same percentage of expenditure for the new revenues as for the old revenues, it would be possible for the Government to enable the health and education services of Canada to maintain their present level.

The Government boasts about the economic recovery that it says it is bringing about. If that is so, there will be more revenue next year without an increase in tax rates. There will be more revenue because of more jobs and more income, so the Government says. If the Government believes what it is saying, although I am not sure that the Government does, and if the Government can keep the financing level this year for the universities and the health system, that is to give 10 per cent or 11 per cent instead of cutting the amount to one-third of that, then next year the Government should be able to increase the funding to the universities, which would catch up for years of neglect. The present Government blames the previous Government for years of neglect, so it should be trying to do something to remedy the situation. It is not too late to withdraw or amend this Bill and cut out this disastrous mistake the Government is making which is destroying our health and education systems.

[*Translation*]

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, I welcome this opportunity to say a few words about the Bill before the House, Bill C-96. I admit it is not the first time I have had occasion to speak to this Bill. However, it seems to matter very little whether we come to the House to share our views with the Government Members. It does not do much good, because since the very beginning, they have been pushing this Bill—from first reading to second and third reading—without making the major changes that should be made, which means that Canadians are going to pay a very high price for this Bill.

Mr. Speaker, there is also the way this Bill is being forced on Canadians, and I say "forced". A year and a half or so ago, it was said with a great deal of emphasis that a new era of

consultation had begun for Canada. Everything would be done with as much consultation as possible. The provinces would be asked to provide input for any Bill that would affect them. We were led to believe that before 1984, everything had been done in an utterly disorganized fashion and that there had never been any consultation at all.

In this context of consultation, Mr. Speaker, this new era in which we were going to talk to and understand each other and work together as friends, perhaps we should consider and reflect on what is being said in the various provinces, and I am of course going to start with my own province, New Brunswick. What are they saying about this Bill in New Brunswick? At this point, perhaps I may mention a debate that took place in the Legislative Assembly of New Brunswick. Listen to this. Mr. McKenna moved a motion, and you will say, of course he wanted to change the Bill, as the Leader of the Opposition, the Liberal Leader in the province of New Brunswick—indeed, and quite a leader he is, Mr. Speaker—and the motion was adopted unanimously by the Legislative Assembly of New Brunswick.

Mr. Speaker, I shall if I may read you the text of this motion:

[*English*]

WHEREAS the Government of Canada has announced that the rate of growth in transfer payments under the Established Programs Financing Act will be decreased commencing in 1986; and

WHEREAS this reduction in the rate of growth will cost New Brunswick $9 million this year and will total an estimated $160 million by 1990-91; and

WHEREAS New Brunswick does not have the economic base to absorb such a loss;

BE IT THEREFORE RESOLVED that the Legislative Assembly of New Brunswick requests the Government of Canada to reconsider its unilateral decision and restore the Established Programs Financing to the level agreed to in 1982; and

BE IT FURTHER RESOLVED that the Legislative Assembly of New Brunswick request the Government of Canada to enter into discussions with the Provinces in an effort to mutually agree to the level of funding under the Established Programs Financing Act for 1987-88 and beyond; and

BE IT FURTHER RESOLVED that should any reduction in the rate of growth of funding under the Established Programs Financing Act be agreed to that the federal government take steps through the equalization program to compensate the Atlantic Provinces for such EPF losses, and ensure that the equalization program provide sufficient revenues so that all provinces have the ability to provide comparable levels of public services at comparable levels of taxation.

[*Translation*]

So this was the conclusion at the end of the debate held in the New Brunswick Legislative Assembly, and the word which sticks out in this text is "unilateral": "The unilateral decision of the Government of Canada to change its programs." That, Mr. Speaker, flies in the face of every statement made by the new Government when it took office.

The people of New Brunswick are very disappointed. Very disappointed. They even say they have been misled because the people of New Brunswick wanted to believe in this new era of consultation. They had faith. But, Mr. Speaker, I must tell you that the people of New Brunswick are seriously pondering over what has happened and what is happening. They are seriously reflecting upon these events. They are very disappointed.

And New Brunswick is not the only province with does not take kindly to this Bill. Manitoba as well is saying:

• (1410)

[*English*]

The Government of Manitoba believes that passage of this Bill would lead Canada in the wrong directions. Bill C-96 suggests that Canadians should devote a declining share of our economy to health and higher education services at a time when all forecasts show that needs are clearly increasing and evidence suggests that our country can afford to maintain and improve our services;

[*Translation*]

So when the provinces make statements such as this one, it does look as though the Canadian Government does not believe it shares any kind of responsibility for health care and post-secondary education, or at least that it would like Canadians to think that its responsibility has diminished.

I could go on reading the comments made by the Province of Manitoba, but I will refer instead to the Province of Ontario and quote Premier David Peterson of Ontario:

This reduction in funds provided the provinces will translate into a reduction in services. There will be fewer hospital beds, warned the Premier of Ontario, David Peterson, who also thinks that in 1990, his province will lose 75,000 places in its colleges and universities.

And I could go on with Gérard D. Lévesque, the Quebec Minister of Finance, who says:

[*English*]

It is unfair to the provinces, because they have been counting on the amounts agreed to in the accords.

[*Translation*]

And we have the Premier of the Province of New Brunswick, a staunch supporter of the Conservative Government here in Ottawa. Nevertheless, Mr. Hatfield said:

I will have no choice but to increase user fees for medical services.

And his Minister of Finance, Mr. John Baxter, went on to say:

[*English*]

It is unreasonable for the federal Government to think that provinces which have taken difficult measures to deal with their own financial situation can also be expected to absorb part of the problem at the federal level.

[*Translation*]

Mr. Speaker, those were a few of the reactions we are getting from the provinces, who are very disappointed in the fact that this action was taken unilaterally, without any consultation and without the provinces knowing when and how these funds were going to be cut.

Mr. Speaker, I could go on to quote other Canadians who are also disappointed, and I would like to mention what was said by the Chief Justice of the Supreme Court of Canada:

[*English*]

An article in *The Globe and Mail* reads:

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The systematic underfinancing of Canada's university system is reaching tragic proportions, the Chief Justice of Canada said yesterday in a speech that delved unusually far into public policy issues.

Chief Justice Brian Dickson implored governments to save the higher education system before it begins producing second-class teachers and students "and, ultimately, a second-class nation".

[*Translation*]

And these words have a particular impact in New Brunswick. Why? Because we in New Brunswick do not have the same resources that certain other provinces in Canada enjoy. It is going to have a very severe impact on us. We will be far worse off than the rest of Canada.

And I could go on, and I want to quote the Canadian Medical Association, which is very concerned about the changes Bill C-96 will bring. The Association recommends, in its first recommendation:

[*English*]

That this legislation be restricted to a short-term basis only—and only if absolutely essential to the future eonomy of the country;

[*Translation*]

And it goes on with a second recommendation.

[*English*]

That the financially disadvantaged Atlantic provinces be excluded from the provisions of this legislation, i.e. that they continue to receive increasing financial support for health care programs on the basis of the existing Established Program Funding formula;

[*Translation*]

And the same CMA goes on to say that—

[*English*]

The Atlantic provinces must be excluded from proposed federal legislation which would reduce the amount of money expected by the provinces from the federal Government for health care and higher education.

"We are alarmed with the potential impact of this legislation in the Atlantic provinces," said Dr. William Vail, President of the Canadian Medical Association—

[*Translation*]

And it went on to say:

[*English*]

The federal Government must ensure that its proposed legislation regarding changes in federal-provincial fiscal arrangements be applied on a short-term basis only and that it exclude the Atlantic provinces. In addition, the federal and provincial governments should proceed immediately to negotiate a formal agreement for the future financing of health care in Canada.

[*Translation*]

So when we say that Atlantic Canada will be particularly affected, Mr. Speaker, you can see in light of everything I have been saying that we will indeed feel the direct impact of this Bill. I am really concerned that the people of New Brunswick will be very seriously affected, in the sense that our services will be reduced and especially that our young people will not have the same opportunities as others elsewhere in Canada. If I may, Mr. Speaker, I would mention the University of Moncton, the institution which provides young Acadians with an opportunity to continue their studies. Well, this young university will be very hard-pressed because it is just starting and needs more funding than it is getting, ever more. There is no doubt that this Bill will harm the University of Moncton as well as the other universities in New Brunswick and all people, all New Brunswickers.

The Acting Speaker (Mr. Charest): Before proceeding to the questions and comments period, I should like to make the following statement:

[*English*]

Earlier today the House accepted a motion to debate an issue under the provisions of Standing Order 29, which debate the Chair has set down for three o'clock p.m. this day. Since the provisions of Standing Order 29 do not allow for Private Members' Hour, I have instructed the Table Officers to drop to the bottom of the list of the order of precedence the items scheduled for debate in the name of the Hon. Member for Peterborough (Mr. Domm).

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, I would like to add my comments and observations on the proposal of the Government in Bill C-96 to cut substantially spending health care and post-secondary education. I think it is important to state at the outset that the Prime Minister (Mr. Mulroney) has not given Canadian people a clear picture of the intentions of the Government. For the Prime Minister to say that the federal Government has not cut spending on health care and post-secondary education is wrong. The Government has reneged on a commitment and obligation to provide adequate funding with the provinces to ensure that people have free access to a decent level of health care, and equal access to education.

• (1420)

The Prime Minister is going to put in place, knowingly and deliberately, a two-tier system of health care and post-secondary education. Those with an adequate income will be able to obtain a post-secondary education. Over the years, as costs increase and the federal Government's share decreases, people will gain access to learning institutions only by paying the user fees required. As time goes by, those with more money will have access, and those with less will not.

Many of my colleagues have spoken today about the post-secondary education crisis precipitated by this Government. I would like to make some observations about health care. Earlier this year the Government of Newfoundland produced a Green Paper which showed that the province could no longer afford to provide health care to its citizens if the federal Government reneged on its commitment to pay a share of those costs. The cost of health care was rapidly moving beyond the capacity of the provincial Government to deal with it.

The Green Paper pointed out that Newfoundland had strained its revenue sources to the very limit. It pointed out that the provincial sales tax was among the highest in the country. Corporate and personal income taxes were the highest of any province. If Newfoundland increased its taxes it would

drive people and businesses out of the province and its revenue position would be worse. It pointed out that health care was extremely important, yet there was literally not a nickel left in the system to pay for it.

It was pointed out as well that the Newfoundland health care system had been cut to the bone. It was as lean as it could possibly be. Any further cuts would mean that it could not adequately deliver services to the people. Staff had been cut, capital purchases had been cut, and it could not be cut any more and still be called a health care system.

The point was made very effectively that citizens of Newfoundland are also citizens of Canada and have a right to a decent health care system. The federal Government has no right to renege on its obligation towards an equitable sharing of the costs. When the Prime Minister of Canada, at the First Ministers' Conference in Halifax, said we are not cutting funding to the health care system, he was absolutely wrong.

The Newfoundland Government came up with a number of suggestions in the Green Paper. It considered revenue increases but rejected them. It examined a further cutting of the system and said that this was not possible. It examined the question of privatizing the health care system, turning it over to the private sector. That suggestion, of course, would lead us down the road to disaster. If that is a solution for Newfoundland today, it would be a solution for British Columbia or Saskatchewan tommorrow. Yet the privatizing of the health care system is being promoted by this Government. It is an absolutely wrong direction in which to go and will of course give us a two-tier system such as they have in the U.S.

Many years ago Norman Bethune, who contracted tuberculosis but had enough money in his family to obtain expensive treatment in a sanatorium, said, after being cured, that he was one of the fortunate ones at that time because there are really two types of tuberculosis in Canada. There is tuberculosis for the rich; you pay money and are cured. Then there is tuberculosis for the poor; you have no money and you die. That is the ultimate end of a two-tier health care system. If you cannot afford to buy private health care insurance, if you cannot afford to pay for extra billing, if you cannot afford to pay user fees, you do not make it.

Newfoundland asks this question. Is this a legitimate way for the Conservative Government of Canada to go? Does it want to renege on its share of the cost of an adequate health care system? Is it only prepared to pay a 2 per cent increase in the cost of health care when costs are increasing at a rate of 7 per cent? That 5 per cent shortfall will mean that a province like Newfoundland will have to turn to other sources or a two-tier system. This is an extremely serious matter and it is my hope that members of the Conservative Party will feel a responsibility to maintain the Government's commitment to give Canadians a decent, effective health care system such as they have had over the years.

Another thing that is very disturbing to me is that in my province Premier Bennett decided that the Prime Minister of Canada had found a very constructive way of saving the Government money by trimming the amount spent to preserve the health and dignity of all citizens of this country. I understand that the Premier of Saskatchewan, Mr. Devine, supported the Prime Minister as well. Yet no one else in this country would have taken such a completely irresponsible step. It is probably only in British Columbia, under a Social Credit Government, that education has been reduced to one of the lowest levels in this country. The removal of opportunities for young people has been so drastic in that province that parents are rising up and saying, "enough". That Government can no longer stay in power as long as it has that kind of attitude toward its citizens and that kind of attitude towards its future by depriving its most precious natural resource, its children, of an education. It is absolute and complete irresponsibility.

• (1430)

Premier Bennett did not stop there in his support of the Conservative Government in Ottawa. He felt that even the health care sytem could be further gutted. The Bennett Government in British Columbia has made massive cut-backs in the health care system. It has cut back hospital spending. It has cut it back to the point where large wings of hospitals are now closed, where hospitals cannot acquire, over a number of years, equipment that is seriously needed. The B. C. Government has created a situation where important surgery is backlogged to the point where it cannot be done and people's lives have been placed in jeopardy.

This is the kind of leadership that has been coming out of the Province of British Columbia. This is the kind of support that the Prime Minister of Canada is getting for his proposed cut-backs in the health care system. Mr. Bennett, I assume, would see the Prime Minister turn around and create a health care system that looks like the one in British Columbia, which would be a disaster.

I assume that when the next election is called in British Columbia the people will rectify that. For people who are concerned about the future of their children and the future of the province, the ability to obtain decent health care will be a major item of concern.

It certainly is a hope of mine that this Government will reconsider its position on the proposed cut-backs to health care spending at the federal level. There are areas in the rapid growth of health care that really need to be addressed. There is a need for attention to senior citizens. There needs to be a serious expansion of prevention and education in health care where the federal Government would pay dollars today that would, in fact, save enormous amounts of money in the future by educating people in proper health care practices. The whole process of education and prevention would pay enormous dividends. If the proper investment were made in that area today we would see a reduction of health care costs in the future.

Another concern is the home care program for the elderly. This is something that has been chopped in British Columbia

and very badly handled in many areas of the country. It is extremely important that home nursing programs be permitted to grow and expand as that need is required. It allows elderly people to live in their homes, to maintain the kind of life that they had had in the past into senior years. Yet, with short-term, shortsighted approaches that the Government of British Columbia has put in place, and that this Government in Ottawa would emulate by its cut-backs in funding, those home care programs will force the elderly out of their own homes and force them into institutional care at a very high cost. We have to stop that trend with forward thinking and new approaches to health care which will require some serious initial investment to realize the savings down the road.

While on the subject of dignity and proper care for senior citizens there are many senior citizens who can maintain an independent existence, with an increment of care provided to them. This federal Government should be making investments in that kind of independent care preventing the full institutional care of people by providing intermediate care facilities with access to some nursing assistance. That type of positive program which would give senior citizens a better quality of life has been chopped in British Columbia, and the kind of action taken by the Mulroney Government in cut-backs to health care funding is certainly going to create that shortsighted and very harsh system in Canada today.

I am extremely disappointed, as are many people in this country, that these cut-backs in funding are going to mean great difficulty for people, especially senior citizens. They emulate the kind of very negative health care program afoot in British Columbia.

Then we have the extended care facilities. There are many extended care facilities in which the staff and the people in those facilities with limited resources are doing a magnificent job, a job that is extremely difficult. Senior citizens there are getting the best care available. The attitude of the Government in British Columbia toward building sufficient extended care facilities for those senior citizens is extremely negative. The British Columbia Government sees that as an area of cut-back, an area of limited funding. We have the Premier of British Columbia, Mr. Bennett, congratulating the Prime Minister of Canada for his attempt to cut back funding of the health care system.

As the average age of this population increases, there is going to be a greater need for funding for senior citizens, for funding in the intermediate care area, for funding in the extended care area, and we should be looking toward providing a partnership in that funding, not just to the very narrow limits to which this Bill addresses itself, and certainly not to the cut-back in the level of health care increases that the Prime Minister of Canada and the Conservative Government envision.

This is a very serious matter. The senior citizens of Canada have been badly treated by this particular Government in the suggested cut-backs to the old age pension. The situation of retired members of the Armed Forces has been badly handled by this Government in its cut-backs to unemployment insurance that are extremely important in making the adjustment from active wage earners to an age of retirement. This Government has not paid adequate, fair, and decent attention to the senior citizens of this country. No more clearly is it illustrated than in this particular area of cut-backs in health care.

Senior citizens are not the only ones who are very badly treated. So are Canadians who live in remote areas of this country, who are involved in resource extraction, who provide the factories of this country and the major centres with the raw materials they need. In many cases these people do not have medical doctors. In many cases they do not have nursing facilities. They depend on air ambulances. They depend on clinics that are seeing funding cut at this point in time. Clinics in those areas are saying they can no longer provide service at a level you would expect because the federal Government is reneging on cost-sharing. It would be my hope that Conservative Members of Parliament on the government side would be prepared to put this legislation down as extremely unfair, as inequitable for Canadians, and would see a full and fair partnership in the sharing of health costs in this country.

Some Hon. Members: Oh, oh!

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I want to thank my Conservative colleagues across for their warm reception and applause as I commence my remarks this afternoon on Bill C-96.

[*Translation*]

Mr. Speaker, as you know, many Members of this House are very disappointed in Bill C-96. As far as I am concerned, Mr. Speaker, this is my third speech on this Bill—

Mr. Vincent: And that's enough.

Mr. Boudria: —and the Hon. Member opposite says that's enough, Mr. Speaker. That is interesting. Am I to conclude that the Hon. Member agrees the Conservative Government is making a mistake with this Bill? And considering the fact that—

Mr. Vincent: Mr. Speaker, the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) is putting words in my mouth which are in fact the exact opposite of what I think. I wish he would stop these insinuations, Mr. Speaker.

Mr. Boudria: Mr. Speaker, as you may have noticed, this was not a point of order. It wasn't even a good argument. It was a very weak defence to support the indefensible, namely Bill C-96.

Mr. Speaker, this Bill is a very slim document, as you may have noticed. And it also has very little to offer the various provincial governments of our country.

Mr. Speaker, if you think for one minute that I am being partisan, which is definitely not the case, but if you do, let me

tell you what others have said about this Bill, people who definitely do not have a political axe to grind.

• (1440)

[*English*]

Mr. Speaker, let me quote from sources who you will have no doubt are non-partisan, in case you mistakingly thought that I was partisan.

Chief Justice Brian Dickson of the Supreme Court said in an interview with *The Globe and Mail*:

> Please do not choke off the funding of universities. Canada must have good universities with outstanding teachers and world-class research facilities.

Those are the words of our Chief Justice. I could go on to quote from other people who also thought that the funding that we transfer to our provinces should not be cut off. Let me read the following:

[*Translation*]

Mr. Speaker, I quote:

The only sign its shows of cutting spending is by shifting the burden of the established programs funding on to the provincial governments. The provinces are now moving into a deficit position, a position which will make it more difficult for them to finance this shift in spending . . . That is not co-operative federalism. That is predatory federalism, and it will not and cannot work in this country.

Mr. Speaker, do you know whom I just quoted? The present Minister of Finance, who on March 23, 1982, when he was in the Opposition, said those words. Mr. Speaker, what happened since then? What happened to the present Minister of Finance (Mr. Wilson) to bring about a conversion, a total reversal in his thinking?

[*English*]

Let me read what the Minister of Finance (Mr. Wilson), when he was in opposition, said on March 24, 1982, as reported at page 15774 of *Hansard*. He said:

> Taking the action of unilaterally cutting the financing, which the government is now proposing, and then having some discussions with the provinces, surely puts the cart before the horse. We should be reversing this procedure.

It is almost unbelievable that the Minister of Finance has done exactly what he said should never be done. As a matter of fact, he has done even worse because he did not even consult with the provinces. It is true that he lent them an ear, just as he lends an ear to opposition Members of the House. But it is a futile effort.

This is the third time I have had to rise in the House to attempt, as best I can, to convince the Government of Canada that what it wants to do is wrong. One would think that after being told three times, it would understand. One would think that after all other opposition Members have told the Government that what it is doing is wrong, that it would understand. However, that is not the case.

Let me explain the effects of Bill C-96 on the province which I have the honour and privilege to represent in the House.

[*Translation*]

The Province of Ontario will lose $114 million in 1986-87 if Bill C-96 is adopted by the House. The loss would amount to $243.4 million in 1987-88, and $387.5 million in 1988-89. The figures keep going up year after year. Is it any wonder, Mr. Speaker, that the Members of Ontario would stand up in this House to object to this Bill? No, Sir, no wonder. Indeed, Mr. Speaker, I must say that the Members of Ontario, particularly Government Members who do not rise in the House today are neglecting their constituents by failing to make the same kind of representations we are making before you this afternoon.

[*English*]

I am sure the House will recall that the Tories made several promises during the election campaign. In fact, they made 338 promises and I happen to have a booklet entitled "338 Tory Promises", appropriately enough. Most of these promises have been broken by now, as I am sure you will understand, Mr. Speaker, since you had to listen to them as I did during the election campaign. Being the non-partisan person you are, you probably found those promises very objectionable, as I did.

I am sure you may want to read through the "338 Tory promises" to familiarize yourself with them and, if you so desire, I am quite willing to give you or any Canadian a copy of the book "338 Tory Promises", which is free for the asking, of course.

Page 15 of the book of promises concerns government processing. I am sure that the cabinet Minister who is heckling will recall—

Mrs. Finestone: He is uncomfortable.

Mr. Boudria: As the distinguished Member for Mount Royal (Mrs. Finestone) says, he is uncomfortable. He ought to be uncomfortable after reneging on commitments which he made to the people of Canada.

Let me read some of the promises that relate to funding. Promise no. 7 is to recognize the legitimate role on jurisdiction of the provinces in economic and social policy issues. How can the provinces possibly fulfil that role without money? Perhaps the Hon. cabinet Minister opposite will stand in his place and explain how the provinces can deliver social services without money.

Mrs. Finestone: And without consultation.

Mr. Boudria: Without consultation too, as the Member for Mount Royal very appropriately says.

Let me read some of the promises concerning social programs. The Tories said that they would maintain programs to help Canadians through economic crises. Those of us who represent areas dependent on textiles and so on, as you and I do, Mr. Speaker, know that with the abolition of the CIRB

program and other measures, the Government has not kept that promise. The Government's cut-back in that area has added a burden on the social programs that provinces and municipalities must deliver. However, perhaps that is a topic for another time.

• (1450)

Let me remind you of other promises, Mr. Speaker. The Tories said they would support the critical role of the voluntary sector, that they would consult with provinces, groups, individuals and health care professionals in making improvements to the system. I suppose they never said they would consult with the provinces, groups and individuals when destroying the system. So perhaps that promise has not been breached. But I want to tell you, Mr. Speaker, when the people of Canada listened to that commitment from the Conservative Party during the election campaign, they did not expect to see these cut-backs in funding, which will have the very serious results expressed by Chief Justice Brian Dickson.

The Tories said they would use the system so it acts in a preventive manner, raising the health care standards of Canadians. If we do not have any money to take care of health care needs, how could we further add to the preventive function? How can we do that if we cannot even do what needs to be done on an emergency and urgent basis? The Tories said they would use health care resources in the most efficient and effective manner possible. That most effective way must be preventive health care. The only way we can engage further in that area is by providing the immediate funding so we will not have this long-term pain. We need to provide money immediately and in the short term in order to create the appropriate atmosphere which will cause us to save in the long run and which will assist us in having a healthier society.

Perhaps some Tories opposite are not yet entirely convinced. Perhaps they still think some of us could be partisan and not totally objective.

[*Translation*]

But, Mr. Speaker, let me tell you what the Canadian Medical Association had to say when Dr. W. J. Vail appeared before the legislative committee on Bill C-96. I will read just a few lines of the statement made by the Canadian Medical Association: "The CMA is seriously concerned about the harmful consequences the proposed amendments may have on the financing of health care, therefore on the system of health services offerred to Canadians, as much with respect to accessibility to the system as to the availability and quality of care."

This is what Dr. Vail said, Mr. Speaker, and as you know, many people in the medical profession are not as big fans of the Liberal Party as they used to be, especially in Ontario, but whatever the political affiliations of Dr. Vail, we have to note that, according to his association, the Conservative Government and its present policies are detrimental to health care in Canada. However, Mr. Speaker, I would like to read . . . This is interesting, Mr. Speaker. I see that the Hon. Member opposite seems to side with the Ontario doctors rather than with the population of his province. That is interesting and I am certain that the people of Ontario will remember it. I wonder whether that represents the official position of the Federal Conservative Party about health care in Ontario.

The national union of farm women and its representative, Kathy Connors, said this when they appeared before the legislative committee on Bill C-96 on May 28: "We are very concerned by the fact that the Government has decided unilateraly what the framework of financing agreements will be. There is no consultation or consensus when a single party decides and the others are only entitled to react."

As you see, Mr. Speaker, many Canadians from various sectors of our society believe that Bill C-96 is not to the advantage of Canadians.

And the reason why we are here today, Mr. Speaker, as I remind the Parliamentary Secretary to the Minister of Finance (Mr. Vincent), is that we represent those Canadians. And if we are here to represent them, why will this Conservative Government not listen?

I would now like to deal briefly with the university community, because those cuts as proposed in Bill C-96 will have negative effects not only on health care but also on education, something I would like to bring for your attention, Mr. Speaker.

As we know, there were students here on Parliament Hill, and more specifically I remember that day, on March 14, when 300 students were here, students from the University of Ottawa and Carleton University, a good many of whom reside and vote in the riding of Glengarry—Prescott—Russell. It is therefore a double privilege to speak on the matter on behalf, as always, of citizens of Glengarry—Prescott—Russell.

The newspaper *Le Droit* had this to say on March 14: "More than 300 students from the University of Ottawa and Carleton University demonstrated on Parliament Hill around noon yesterday, condemning the cut-backs announced by the Conservative Government in post-secondary education funding." It went on: "Ottawa is considering a $5 billion cut-back in transfer payments for education and health care by 1990, as revealed recently in Bill C-96. This statement was made by the President of the Canadian Federation of students, John Casola. About a third of that amount was to be used for education."

As we see, those cut-backs as proposed in Bill C-96 will have a negative impact on education and health care.

Mr. Speaker, I would like to remind you of what the Minister of Finance (Mr. Wilson) has said. Earlier I referred to the Minister of Finance before his conversion, when he was in Opposition. In those days he opposed a certain consultation process saying it was inadequate.

But when he himself became Minister, as I was saying earlier and as you certainly remember quite well, Mr. Speaker, he decided to do what he wanted and did not consult anybody.

I should like to quote part of a press release dated February 14, 1986, published under the authority of the Minister of Finance. I do so, Mr. Speaker, because, as you know, the Government has in circulation a great many press releases, so that it is really impossible to keep track of all of them. I should like to refer to that part, for it is important. I quote:

"This serves to confirm unequivocally the Government's commitment to provide considerable support to provincial health care and education programs", said the Minister.

But you see what is happening, Mr. Speaker! When the Minister of Finance (Mr. Wilson) was sitting in the Opposition, he used to denounce the cut backs decided by the previous Government, claiming that there had not been enough consultations. Now, he does not consult anybody; he hands down major cuts, as I demonstrated earlier, and then he pats himself on the back while uttering the statement I have just quoted—congratulating himself for a job well done on behalf of the Canadian people.

It is not surprising that the Conservative Party is losing the public support of Canadians, for Government Members think they are doing right even when they are doing wrong.

I will conclude, Mr. Speaker, since you are signaling . . . I would have a lot more to tell you and this Conservative Government about Bill C-96.

* * *

[*English*]

MOTION TO ADJOURN UNDER S.O. 29

APARTHEID—SITUATION IN SOUTH AFRICA

Mr. Speaker: Leave has been granted to the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) to move the adjournment of the House pursuant to Standing Order 29 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the deteriorating situation in South Africa.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry) moved:

That this House do now adjourn.

● (1500)

He said: Mr. Speaker, let me say at the outset that I recognize how much a privilege it is to have an emergency debate on an adjournment motion. It is one of those parliamentary techniques which must, and should, be used sparingly and only in appropriate circumstances when conditions in the country and around the world warrant it. I wish to say to Your Honour that I appreciate the judgment which you made in granting this debate, and I know that other Members of the House are in accord with the motion. Friday afternoon may not be the most propitious moment for bringing to public attention a matter of such severity and seriousness as the conditions taking place in South Africa. However, I believe that it would have been negligent of Members of Parliament to have returned to our ridings without having had the opportunity to call attention to what we consider to be the seriousness of the circumstance and the need for more effective government action to respond in a way that we believe Canada can respond.

I wish to make it clear that I am not here this afternoon to condemn the Government. That is not the artifice of the Opposition. Over the past several months the Prime Minister (Mr. Mulroney), the Secretary of State for External Affairs (Mr. Clark), and other members of the Government have given very important and significant declarations about their concern for the situation in South Africa, that is, the rising violence and repression which is occurring there. We have no quarrel at all with the forthrightness of their statements. What we are here to talk about this afternoon is the action that Canada can most effectively take to give expression to those concerns and to provide the type of leadership that the world requires at this time to make something happen to stop the deterioration of the situation there.

As was clearly stated by the Eminent Persons Group when it reported on Thursday, it may be a matter of just days, or weeks, until we see a major confrontation in the structures of that society which will cause it to unravel totally. Primarily, we are here to argue not as to what is happening in South Africa and the degree of Canadian concern about it but what we believe to be an opportunity—in fact an obligation—for Canada to make an effective response to provide the direction that I believe the world is asking for and, in fact, needs.

I do not think I have to recite the events which have taken place in South Africa. However, they have rolled before us very quickly. Sometimes, when one sees them happening on television or reads about them, the full weight of what is taking place in that country day-by-day begins to be a blur. I ask Hon. Members to consider the last 48 hours in that country. Emergency measures have been imposed in the State of South Africa by a Government that is using those measures not to maintain stability but to break the back of the black movement. I recommend that Hon. Members read the column in this morning's *The Globe and Mail* by Michael Valpy who is a respected journalist and who knows the situation well. He said that at last the South African Government is comfortable with itself. It is now giving itself the tools of the army and the police to do what it has always believed it right to do, that is, totally repress the black movement in South Africa. That is one reason why it is urgent to take action today. If these emergency measures succeed by the putting in prison of thousands of people, by the use of force and restraint, then whatever evolution has occurred to give more rights to the majority in that country will be lost. It would be an act of shame if we did not cry out and say that that must stop. It would be something that I do not think any Canadian would support if we stood by to watch a deliberate and conscious decision being made to put a halt to the rights of blacks in that

country. Let us not delude ourselves with respect to what is really going on.

Beyond that, we all have to be shocked by the increasing signs of division and conflict. Nothing was more tragic to watch than the events at the Crossroads settlement over the last two days in which we saw black against black, battles fomented once again by official agents of that Government. What can be more diabolical, more machiavellian, than that type of cynical abuse of power that is taking place?

Even the last threshold of civility is being denied through the imposition of censorship. Officials in that country do not want the world to know what is going on, so the cameras are being pulled away and the journalists are being jailed. The last example of freedom of expression is being denied not only to the citizens of South Africa but to the rest of the world. We say in our motion that deterioration is taking place. I wish I could find stronger words to express it. I wish there were more deliberate parliamentary language to give full description to the conditions of evil that are taking place in that country at the present time—everything abhorrent. Therefore I believe strongly that Canadians want to cry out and say: "Enough is enough".

This is why we take objection to the words of advice that have been offered by the Government. They sound acceptable. The Government wants to take a slow and measured response building up to some form of consensus or agreement at the Commonwealth meeting in August. August may be too late. It is two months away. I ask Hon. Members to think of what could happen in the meantime to that country and the people in it. The time for action is now. We want the Government to take strong and effective action far more than what it has been prepared to do thus far. We have no quarrel with the objective and no substantial objection to the means of attaining it.

I believe that Canada has a role of leadership to play in this case. I think we are strategically positioned to provide a bold and perhaps heroic step forward. I feel that the Canadian public is often far ahead of its Government when it says that it is time to break out of the conventional modes, out of the diplomatic niceties, the minuets of the international world. At some point one must take one's conscience in one's hands and go with it, let it lead and not follow. I think it is one of those times, one of those open windows in history from which we can move forward to say something which I believe can mobilize and galvanize all types of other countries and people to take similar action.

I was reading a report today which stated that the Foreign Ministers of the European Economic Community are meeting on Monday. They will provide the same type of verbal condemnation at that time. They will close their embassies as we will close ours. But what would happen if, in the meantime, say this weekend, Canada, which is a highly respected member of the community of nations, a country which is known not to make false or adventuresome judgments, were to say that we want to have a full ban on economic activity? What would that do to the Denmarks in the EEC which are trying to fight for the same thing in that community? Would it not provide the kind of catalyst that might move those European Economic Community nations, West Germany and Great Britain, at least to reconsider and do something different from simply once again hiding behind their diplomatic language?

We talk a lot in this country about being a mature nation, a highly regarded one. It is time now to put the chips on the table. What are we storing them up for if every time it comes to a crossroads and we see a chance to act we say: "Oh no, we are going to move slowly, in measured terms"? I think Canadians want, through their Government, to become a leader in this area and to provide the kind of direction that is necessary to move the world community.

Let me give you an example, Mr. Speaker, of what is happening today. I am not privy to the discussions that went on in Cabinet with Vice-President Bush, but I do know that there could be an emergency meeting of the Security Council of the United Nations on Monday to talk about mandatory, effective economic sanctions. However, in the past the United States has used its veto power to stop such action.

• (1510)

Vice-President Bush is in the capital today. Would it not have been an important step forward if Vice-President Bush and the Prime Minister prepared a joint communiqué which said that they had agreed to go to the emergency meeting of the United Nations to put this matter on the table and let the world community have a say? What would that have done for world opinion? What would that have done for the British House of Commons which is trying to persuade the Prime Minister to take a different course of action? What would it have done for West Germany and other countries if they had heard the most important country and one of the most respected countries in the Western Alliance say that it is time to take a different course of action? That is why we are calling for more effective action. The opportunities are there.

Let me draw to the attention of the House the actions announced by the Secretary of State for External Affairs. He announced the cancellation of tourist advertising and restrictions on visas for four attachés located in Washington. He announced the elimination of government procurement of South African goods and services, which amount to less than $1 million. Will that really prick the conscience of South Africa? Will that really signal to the world community that we are serious?

The Government tried to say that it took an important step forward. However, the public knows what we could have done and what actions were available to us. Last week, an article appeared in the *Toronto Star* talking about major Government businesses. Our own Crown corporation, Eldorado, run by the Government, is taking uranium ore from South Africa and refining it here to the tune of millions of dollars. Uranium is being extracted from Libya, that country is being plundered, the uranium is being brought to Canada and our Crown corporation is involved. Would it not have been seen as an

important action if the Government of Canada had finally said enough of that? That would have been an important step which might have had the kind of heavy symbolic value for which we are looking.

Representatives of businesses involved in South African trade say that it is business as usual and nothing has changed. The Government called for voluntary sanctions and we supported that. We thought that was a good step. However, it was taken months ago and the report today is that one representative after the other says that it has made no difference and they are still doing things as usual.

We know that if there is to be any change at all in South Africa, it will not come from its Government but from its private sector recognizing that its network of connections and its economic survival is at risk. We know that that is the kind of action we must take. Even a man of such passive resistance as Bishop Tutu who previously said that we should wait is now calling for that action. He is saying that the time is now and that we should not wait.

The opportunities existed for taking many other kinds of actions, actions far stronger, far more evocative and far more demanding. If these actions had been adopted, it would have provided for that magnet that could have mobilized actions in other countries around the world. That then may have been sufficient to tell the South African Government that enough is enough and it must start negotiating and making progress.

In a matter of days, people in South Africa will be marking the anniversary of the Soweto massacres. It will be the culmination of a time of enormous frustration. Is it not crucial that all those brave souls in South Africa who are fighting day in and day out against the worst kind of repression know that outside their boundaries, they are joined in harmony and sympathy by others? It is not enough for them to hear the words. They have to see that action is being taken. It is not enough to simply make one more rhetoric flourish. The only way we can be seen to be a part of them is by taking action.

I do not want to get theological about this, but in the kind of religion I practise, at least, one is known not by one's words but by one's deeds. That is the reason for this emergency debate. It is not to condemn or to be critical but to say that we now have an opportunity, an obligation and a responsibility to act. We give full credit to the commitments the Prime Minister expressed at the United Nations, in Nassau and elsewhere. We do not argue with that at all. However, we do say that now is the time to give effect to those words.

Franklin Roosevelt said that there are many ways to go forward but there is only one way of standing still. If we add it all up, we will see that we are really only treading water. We are not doing all that we can. We are not giving our words their full force and weight. This could be a coming of age for Canada. We could take advantage of all the years we have developed good offices, good reputations and a good standing and put them on the line for the people of South Africa. If we are to be a country that will take a leadership role in demanding the expression of human rights in South Africa, the Soviet Union, Nicaragua or Central America, we have to be bold about it. We cannot hide our light under a bushel.

Perhaps the Hon. Member for Mount Royal (Mrs. Finestone) might help me, but I believe that there is a saying in the Talmud that if you save one life, you have saved the whole world. It may be within our power as a country to save some lives in South Africa by our actions. It may be within our power to provide that invitation to other countries to take similar action.

Other countries have taken action. The Danes have full economic sanctions in place and the Swedes are beginning to do the same thing. These are countries with which we have long associated ourselves, countries that try to represent a higher standard of behaviour in world affairs. They are waiting for us. It is our time and place to do something about it. We are using this debate to say to members of the Government that they have made a commitment and they should now live up to that commitment by their actions and deeds.

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, I thank you for granting this emergency debate today because the situation is an emergency. We want to see the Government of Canada take action this weekend and therefore it is absolutely essential to have this debate today. We are grateful to you, Mr. Speaker, for making it possible.

I would like to begin by reminding the House of the words of the Secretary of State for External Affairs (Mr. Clark) spoken exactly nine months ago today in the House. On September 13, 1985, the Secretary of State for External Affairs said the following:

> —Canadians are offended by, and abhor, the practice of institutionalized racism by a society that claims to share our values—

It is very important that he went on to say the following:

> The Government of South Africa should have no doubt that we will invoke full sanctions unless there is tangible movement away from apartheid.

That is what the Secretary of State for External Affairs said so eloquently and forcefully nine months ago today. He said that the Government of South Africa should have no doubt that we will invoke full sanctions unless there is tangible movement away from apartheid.

• (1520)

A month later, in October 1985, the Commonwealth Accord was agreed to in Nassau. It imposed a very limited set of sanctions upon South Africa but, most important, it called upon that Government to take a number of steps in a genuine manner and as a matter of urgency.

There were five particular steps. First, declare that the system of apartheid will be dismantled and specific and meaningful action taken in fulfilment of that intent. Second, terminate the existing state of emergency. Third, release immediately and unconditionally Nelson Mandela and all

others imprisoned and detained for their oppositon to apartheid. Fourth, establish political freedom and specifically lift the existing ban on the African National Congress and other political parties. Fifth, initiate in the context of a suspension of violence on all sides a process of dialogue across lines of colour, politics, and religion, with a view to establishing a non-racial and representative Government. That was the Accord; that was what South Africa was asked to do.

Has there been any movement at all to fulfil any of those steps? Far from dismantling or even beginning to dismantle apartheid, the Government of South Africa has reinforced it. Far from terminating the existing state of emergency, although it was done briefly, we now see in the last few days a horrendous and brutal state of emergency reimposed with thousands imprisoned and thousands more beaten. Is that progress? Was Nelson Mandela released? Were others who were imprisoned and detained for their opposition to apartheid released as was asked? Far from it. As I said a moment ago, under the new state of emergency, thousands more are being detained. Was political freedom established? Was the ban on the African National Congress and other Parties removed? Nothing was done.

Nothing was done on the final step of creating dialogue across lines of colour, politics, and religion. Not only was nothing done, but the minute the Eminent Persons Group found that all aspects of the African National Congress were willing to enter into dialogue, the Government of South Africa cracked down even more than ever before. It was not even willing to engage in dialogue.

I remind the House of those five steps which were asked of South Africa in October. I now ask the Secretary of State for External Affairs why we are not doing what he said we would do in his eloquent speech of September 13, 1985. Why are we not invoking full sanctions? The Minister said that South Africa should have no doubt that unless there is tangible movement away from apartheid, we will invoke full sanctions. This is why the debate is so absolutely essential today. The Government has not done what it said it would do if there had been no tangible movement away from apartheid. I reiterate, not only has there been no tangible movement away from apartheid, but a blood-bath is being invited.

The full sanctions, for which we have been asking since we have not seen any tangible movement away from apartheid in the last nine months, were the least we expected when the Minister spoke on the report of the Eminent Persons Group the day before yesterday. We got so little instead, not even a pin-prick. Is that the kind of leadership the Government has been talking of giving, which the Government in my view had been giving? Is that the kind of leadership for today? Will the Government of Great Britain be impressed a tiny bit by this? Of course not, nor will any other country or any other member of the Commonwealth, particularly. We also indicated the kinds of sanctions we expected even before the recent declaration of a state of emergency, because that came just as the Eminent Persons Group report was published. Are we asking too much to expect them now?

I think Canada is as trusted as, if not trusted more than many members of the Commonwealth and indeed of the United Nations to be able to understand the hopes and aspirations of the black people of South Africa, of the new members of the Commonwealth, of the newer members of the Commonwealth, and of the problems faced by the Government of Great Britain, which has an enormous investment in South Africa. I think we do and can understand both sides. I think we could have impressed upon the Government of the United Kingdom, much more than we ever have, that it had to start taking steps years ago.

Back in 1961, when the late Right Hon. John Diefenbaker challenged South Africa, Great Britain should have begun pulling back on some of its trade and investments. We knew then, and they should have known it too, that apartheid was doomed. I know it would have to be gradual. Perhaps it cannot be done overnight. However, why were they not doing it gradually over the past 25 years instead of reinforcing apartheid? Why were we, the Government of Canada, not impressing upon the Government of the United Kingdom the importance of beginning to take steps so that when the very worst came—and believe me, it has come—it would then be prepared to invoke full economic sanctions?

However, because we did not impress this upon the United Kingdom, and because the United Kingdom itself has not taken appropriate steps over the years, it is no reason that Canada should now say that we will continue taking a few little, small measured steps. It is no reason whatsoever. The Canadian Government has been alert to the evil of apartheid. Certain tiny steps were taken last fall. Why in the world did we say this week: "Well, perhaps another tiny step or two"? It is beyond the stage of tiny steps.

• (1530)

If this debate this afternoon can do anything at all, I hope it will persuade the Minister, the Prime Minister (Mr. Mulroney) and the Government of Canada that we must not wait until August, that we must now, and that means this weekend, take the unilateral action which the Secretary of State for External Affairs promised last September 13, and that is to impose mandatory trade and investment sanctions on South Africa.

I have quoted what the Secretary of State for External Affairs has said twice, but let me again quote what he said on September 13 in this House:

—we will invoke full sanctions unless there is tangible movement away from apartheid.

We, Canadians, the Government of Canada will invoke full sanctions. I expect he meant at that time both economic and diplomatic, but he certainly meant economic.

I agree that it is desirable to bring the Commonwealth together and unite in this effort. I think efforts could be made

this weekend by the PM to persuade the Government of Great Britain, which has been so incredibly lax in facing the reality of apartheid, to face the situation now. I hope the Prime Minister has been talking to Mrs. Thatcher as we have begged and urged him to do. I think it would be valuable also if the Prime Minister had done the same with the Vice-President of the United States here in Ottawa today. None of us wants to see—goodness knows, we would abhor the thought—the break-up of the Commonwealth. We must do everything we can to make sure that that does not happen. Unless we get action now on sanctions against apartheid, it will happen.

All the talk and pressure that we can bring to this urgent problem however, does not absolve us from doing what we said we would do, and that is to impose full sanctions. I cannot yet understand, and I hope the Government when it is replying today will tell us, why the Government did not do what it said it would and impose such sanctions. It would give a real signal to the Government of South Africa—it would have given and will give only if we do it this weekend—a signal to all members of the Commonwealth—and perhaps above all a signal to the United Kingdom. It would show the strength and passion of our conviction because this is a moral issue. We say we know where we stand on this moral issue. If we really do believe in what we say, and I think we do, then we do not wait until August, we do not even wait until next week before we, ourselves, live up to what we believe in.

We can live up to what we believe in, Mr. Speaker, and continue to exercise the kind of influence that I know we have with the other members of the Commonwealth. In fact, I am confident that our influence would be even greater if we stood up now, said and then did what we said we would and so reinforce our beliefs. I think others would say that Canada is not just talking, that Canada understands the situation, because I think we do, and that Canada is taking action on the basis of that understanding.

We in this House are surely mindful of what the Eminent Persons Group told us in its moving introductory words of the report: "None of us was prepared for the full reality of apartheid. As a contrivance of social engineering it is awesome in its cruelty." The group concluded that sanctions may offer the last opportunity to avert what could be the worst blood-bath since the Second World War. The words used are strong, moving, persuasive. But have we listened? Did we look at our television screens just last night—the last we are going to see, I am afraid, because of the repressive crushing of free speech in South Africa under the new state of emergency—to see what is happening in South Africa? We have seen for ourselves what the group told us it discovered, that as a contrivance of social engineering, apartheid is awesome in its cruelty.

Is it possible at all in this debate to continue the leadership role that I believe not only the Canadian Government but Canadians everywhere have undertaken? Several of the provinces and the labour movement in Canada have taken very strong stands against apartheid. Can we as the Parliament of Canada, and can our Government now continue that leadership, respond to the concerns of people all over this country and all over the world? Can we do that this weekend, not later, and send the strongest possible message to reinforce the hopes, desires and dreams of the black people of South Africa and of all the other members of the Commonwealth? We can do that, Mr. Speaker, and we must do that. We can and must.

Some Hon. Members: Hear, hear!

Hon. Barbara McDougall (Minister of State (Finance)): First, I want to thank the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) and the Hon. Member for New Westminster—Coquitlam (Ms. Jewett) for, and I quote one of them: "the urgency and the passion" which they have brought to this debate.

This is obviously an issue that is important to all of us. Important is not a strong enough word. This is an issue that I think in our hearts and our souls we all know is one of the great issues and, at the moment, one of the great sorrows of our time.

My colleague, the Secretary of State for External Affairs (Mr. Clark) is one of the most sensitive people to this issue, and I think the work that the Prime Minister (Mr. Mulroney) has done with his counterparts in the Commonwealth nations has shown the commitment which this Government has in the full knowledge that it reflects the concern on behalf of this House and on behalf of the people of Canada.

[*Translation*]

Canada was the first major western country to take concrete measures when the situation started to deteriorate in South Africa. Later on, France and Australia followed suit. The Common Market only recently announced an embargo on oil shipments.

Canada was the first country to show its disapproval by cancelling its conventions for the avoidance of double taxation. Canada is the only Western country that has taken action on the processing of uranium from Namibia and put an embargo on commercial flights to South Africa.

The range of measures we have taken to help Blacks inside South Africa has not been equalled by any other country. Our per capita aid is probably more substantial than that provided by any other country.

• (1540)

[*English*]

As we watch the situation, we know that further measures cannot be ruled out. We have told this House and the people of Canada that we shall continue to apply mounting pressure. We have said that in concert and consultation with friendly Governments, including our Commonwealth partners. As was thoughtfully pointed out by the Eminent Persons Group, among others, the concerted effort of the Commonwealth is an

instrument of diplomacy, eloquence and peace. There are avenues which are more effective than acting alone.

The Member for Winnipeg—Fort Garry called upon the Government for boldness and heroics. He went on to say that Canada is known not to make false judgments. He is right that there is a time for boldness and heroics. However, we do not believe that this is the time. We look for opportunities to continue to put pressure on South Africa through our own actions and those of other nations.

The Hon. Member for New Westminster—Coquitlam quoted the report of the Eminent Persons Group which said that we must prevent the worst blood-bath since World War II. That is why deliberated action is important. All actions that are taken both from without and within South Africa can have an impact on the balance, can cause blood to run, and can cause the destruction of the very people we want to save.

There is no question that the report of the Eminent Persons Group is an important event for South Africa and the Commonwealth. Never before has a group of such standing examined the problems of apartheid and the possibilities for change. None has spoken to so wide a group of South Africans or taken on so great a challenge, that being to promote real dialogue. None has delved so deeply into the aims and thoughts of political leaders of all communities. The group's experience was unique, its wisdom apparent, its sorrow profound, and its conclusions striking and argued with conviction and logic.

It is, therefore, tragic in every sense that the South African Government rebuffed a group which reached out its hands in a way that no other has done. Through its words and actions that Government missed an opportunity to find a new course with new partners ready to help. The possibility of dialogue, however, was not rejected by the Eminent Persons Group and the opportunity has not irrevocably passed. Our Government continues to work to convince South Africa to think again.

There is no doubt that the South African Government's ban on peaceful gatherings, marking the tenth anniversary of the tragedy of Soweto and its imposition of a country-wide state of emergency, has heightened the risk of widespread violence. The South African Government uses force every day in the townships. Its actions and policies provoke and exacerbate violence, hatred, fear, and tragedy.

This is not only a dangerous path but an immoral one which our Government has been eloquent about. We will proceed with dialogue with our Commonwealth colleagues and other nations in order to bring an end to violence, to reconcile people and to shape a new future. The report of the Eminent Persons Group urges us all to think again. It urges South Africa to do so, as have the words and actions of the Canadian Government, which stand out among the major industrialized nations.

We have acted quickly and on our own. Yesterday we announced five measures on Government procurement, tourism, additional aid to black education, the cancellation of non-resident accreditation and the Canadian Embassy's observance of Soweto and South Africa. I think these measures stand Canada ahead of the crowd. We have taken 21 very deliberate actions over the last two years.

The process of discussion which the Prime Minister has initiated with our Commonwealth colleagues shows an unparalleled commitment in this country to the struggle against apartheid. They are to be added to the measures previously taken. To those who are excluded and disenfranchised in South Africa, these measures say that they are not alone, that we have tried to assist in the past and will not desist from our efforts in the future. These actions tell the South African Government that there must be a change in course in this time of crisis. That Government must realize that the majority of South Africans can no longer accept, not only their exclusion from the life and direction of their own country, but the danger and life-threatening activities which they daily face.

The Canadian Government has conveyed that message to the South African Government in very clear and unmistakable terms together with its deep concern and hope that the South African Government will withdraw its state of emergency and the other measures it has adopted which threaten to provoke and extend violence in the coming days.

Both of the speakers from the other side of the House have criticized these measures and called for more dramatic steps. I remain convinced that the Government's actions are designed, not only to be aggressive but to be effective. That means working with other countries to bring a synergism which we cannot bring alone. Those who care about the Commonwealth and South Africa will agree that the Government's actions are well designed to maintain the effectiveness of the instiution of the Commonwealth that we value, to keep Canada in the forefront of those who oppose apartheid and, most important, to meet the direct objective of helping those who suffer from apartheid and, therefore, need our help. That is where our Governnment will be in the future.

I listened to the words of the Member for New Westminster—Coquitlam. She talked about actions taken today and in the past not being enough. I know the Hon. Member for Winnipeg—Fort Garry was sitting in a seat similar to mine 10 years ago Monday when public action was called for. I know he is sympathetic to the dilemma the Canadian Government is in as it faces another occasion where it tries to bring pressure to bear on a problem not of its making but one in which we have an enormous human stake. Our Government has taken many actions in response to this situation. I know that the Hon. Member, as he spoke today, must have remembered what it was like to be in Government faced with this situation, knowing something must be done.

• (1550)

We in this country were very fortunate recently to have Bishop Tutu with us. He has been an advocate of peaceful change in South Africa. I had the honour of meeting with him while he was here, not at a rally or march but at a communion

service at St. Michael and All Angels Church in Toronto. It was a private service on a bright Sunday. My sister, my mother and I attended with Archbishop Ted Scott whose eloquent and sensitive role is one for which I know Canadians are grateful. Bishop Arthur Brown was there, along with Reverend John Erb, and lessons were read by members of the congregation to Celeste Garnes and Mary McClarity. During the course of the service, one felt the power of this small and delicately-boned man as he smiled at the congregation and as we touched hands at the end of the service and softly sang the songs of resistance and hymns to a God many of us share. To share in that service was, I think, probably the highlight of my time in public office and will be for many years to come.

I want to bring my remarks to a close by saying what we all share in what we all want done. We want our Government to continue to take effective steps which will reflect the outpouring of care and concern from the people of this country toward the people of South Africa who have suffered so much. I know that as we proceed down this road, and we are aware, too, that time is important, we will have the support of Members of this House.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I welcome the opportunity to take part in this debate, in view of the alarming situation that continues to develop in South Africa. News bulletins from that country continue to give us great cause for concern. One thousand political arrests during the last two days, media censorhip, the Government of South Africa prohibiting the use of television cameras or microphones to record sequences of the violence and the events that are taking place in this country. The news indicates that unless some kind of concrete and energetic measures are taken, the people of South Africa will in the days to come be facing the worst situation they have ever experienced. People are talking about a blood bath that might affect some three million people, in other words, a situation that almost parallels the losses suffered during World War II.

Last night, I watched Malcom Fraser, a member of the Eminent Persons Group and former Prime Minister of Australia, when he said that unless Western countries react very energetically, something we were already doing, they would be sending a message to black leaders in South Africa that the only option open to them was violence and revolution, because they will then have to cope with the problems of apartheid on their own. If the world does not help them, we can hardly blame them for thinking that the only way to stand up for their rights and be treated fairly is to take up arms.

Mr. Speaker, last night on the CTV network, the experts claimed that the situation in South Africa could change radically within the next ten days. This is why many of us in this country, particularly here in Parliament, on this side of the House of Commons, are indeed very concerned that certain people, especially on the Government benches, seem to think it will be enough to wait until the month of August, to look around, to try to guess what other countries will be doing before going ahead ourselves and announce strong measures. Unless my figures are badly off, Mr. Speaker, the end of a ten-day period will fall before the month of August and that is what has me concerned. I am concerned that Canada might finally stand up, but only to close the barn door after the horse has fled, and that is what is worrying me. I am worried that this kind of approach might tarnish Canada's reputation as a country which acts responsibly at the international level so as to prevent conflicts.

Allow me to repeat what former Australian Prime Minister Malcom Fraser said yesterday—it is an opinion, but a worthwhile opinion coming from an individual who is quite familiar with the situation in South Africa: If nothing is done in the next 10 or 15 years, South Africa will fall into the Communist clan.

Anyone who can appreciate the geographical location of South Africa, at the southern tip of the African continent, anyone who realizes the strategic position of that country should bring pressure to bear on the Canadian Government so that we will do more than what we are doing now.

Mr. Speaker, this is an unprecedented opportunity to bolster the cause of colored people at the world level. It is right there before us. Will this turn out to be a missed *rendez-vous*? Are we going to let those people fend for themselves in the heart of the African continent? When we talk about South Africa, we are talking about the fortress of discrimination against Black people, about the world symbol of intolerance. This is what we are talking about. That is why all western countries must act now, and I maintain that if we wait until the month of August we will be running the risk of having hundreds of thousands of people give their life to pay for the time we want to buy to reflect further upon the concrete measures we should take as a country which can be heard on the world scene.

Our neighboors to the South, who have had so many problems and whose black people had to fight so long to have their rights recognized, understand perfectly that apartheid has to stop, and as soon as possible.

Why is it that, today, when the American Vice-President, Mr. Bush, is here in Canada and was sitting just before noon in the gallery during the Question Period, we could not succeed in having the Deputy Prime Minister (Mr. Nielsen) admit that this was a good opportunity to ask the American Vice-President to urge his country to take concrete action and to increase substantially its economic sanctions against South Africa?

• (1600)

When I asked the question myself, I was surprised to get an evasive and hesitant answer. This is what we are going to do this afternoon. We have here the ideal person to listen to us and we are going to tell him what we think.

Mr. Speaker, I maintain that tomorrow will be too late and that we have to act now. This is not the time for pretending to take action just to appease Canadian public opinion and to lead Canadians to believe that the Government is doing enough, because I do not think that it is doing all it should.

Mr. Speaker, in my humble opinion, what the Government of Canada has proposed and the latest measures announced yesterday simply say that the Canadian Government wishes to do something, but also that it has decided to wait before taking any concrete action.

Suggesting to put an end to Canadian Government purchases in South Africa is essentially academic. It does not mean much because the Canadian Government spends an insignificant amount on purchases from South Africa. This is just another way of saying: We want to do something, but not much. If we had wanted to do a lot, we would have said: As of midnight today, Canadian private businesses will no longer be able to buy from South Africa. We would have imposed a complete embargo instead of restricting the sanctions to the insignificant amounts spent on Canadian Government purchases from South Africa. We would have told the private sector: All the restrictions which we have asked you to apply voluntarily in the last few months—and I am not going to repeat them, but there are six of them and they are well-known—all these restrictions will become mandatory as of today.

Instead of telling the private sector: "Look at us, this is what we are saying as a Government, and we expect you to understand and join in". Well, the private sector will not really join in, because to this date the Canadian Government has made symbolic gestures rather than take concrete action.

Mr. Speaker, it was proposed yesterday to stop promotion and advertising aimed at attracting tourists to South Africa.

Mr. Speaker and my friends, allow me a few laughs on a matter that is too serious for laughs. Where are the thousands of Canadians who intended to spend their holidays in South Africa, a country that is on the verge of revolution, next summer? Who will have us believe there were millions of Canadians who intended to go basking in the sun in South Africa comes next summer?

What a big laugh!

Very few Canadians had planned to go there for their holidays. Therefore, putting a stop to promotion . . . If at least they had suggested preventing people outright from going there. But even then, this would have been without effect because certainly the Canadians who want to go to South Africa these days are to be counted on the fingers of one hand.

Rearrange, reissue the visas for 4 diplomats. Those are all moves which tend to show they are doing something, while in fact they actually decided to just wait and see.

Besides, that was confirmed a few moments ago when the Minister of State (Finance) suggested: "We do not believe that this is the time for heroics". I do not find that hard to believe, having seen the most recent moves made by their Government. She keeps repeating that the Report from the Wise Men is important. How pleonastic! Everybody appreciates that. Indeed, the Report of the Wise Men has only confirmed what any enlightened observer of the world scene had already understood several months ago.

Mr. Speaker, I draw the attention of the House and of the whole country to two questions I directed around 11:30 this morning to the Government, and which have remained unanswered.

The first question I asked the Deputy Prime Minister (Mr. Nielsen) is this: Is it the position of the Government of Canada that we can wait until mid-August—does the situation in South Africa justify waiting until mid-August? The Deputy Prime Minister offered no clear answer. But I will tell you what I and the Liberal Party of Canada think. The simple answer is no. The situation does not afford us the luxury of waiting until mid-August. A general revolution might break out any day in that country. They are on the brink of civil war. By waiting until the meeting of Commonwealth heads we simply decide to let the situation deteriorate.

The second question I asked, and I referred to it a moment ago, is this: Will the Government take the opportunity of the American Vice-President's visit here to urge him to have his country increase the economic pressure? We all know that the trade relations between South Africa and the United States are much more important than our economic ties with South Africa.

In my judgment, Mr. Speaker, the Government is not taking enough of the kind of concrete measures which would normally flow from its rhetorical statements. And I am not the only one who thinks like that.

[*English*]

I am not the only one to think that the Governemnt does not have the action to match its rhetoric. Let us look at some of the press of this morning. In the Ottawa *Citizen*, Christopher Young said "Canada must end shame of complicity". That certainly is not a message that indicates that Canada is doing enough. Claire Hoy of the Toronto *Sun* reported under the heading: "Blows at apartheid too weak". It is certainly not congratulatory. Let us just look at the beginning of this article:

> Hear the sound of a marshmallow smashing into a sponge-filled mattress; the crescendo of a feather floating down from the CN Tower.
>
> It's not a bird or a plane. It's not even Superman.
>
> It's Canada's "sanctions" against South Africa—

In *The Globe and Mail* Tutu tells Canadians "Apply embargo now". I am not asking the Government of Canada to start believing overnight that the Opposition is always right. I am just asking the Government of Canada to wake up to the fact that we are on the verge of a blood-bath in that country.

• (1610)

More action is needed now if we are to show the way. More action is needed now if Canada is not going to look like Britain, where Sir Anthony Kershaw said last night that he did not expect the Prime Minister of Britain to come out with

concrete measures before August. I will be damned if our country does not implement before August measures that are more forceful than those which have been announced now.

[*Translation*]

Mr. Speaker, the only thing left for the Government to do is to take action. I cannot blame the Canadian Government for what has been said so far. I think that the Government, through the Prime Minister (Mr. Mulroney), through the Secretary of State for External Affairs (Mr. Clark), and even through the Deputy Prime Minister (Mr. Nielsen), has shown us how we can talk about the situation in South Africa. What is missing, however, is a more direct approach, more concrete action to give credibility to the bombastic rhetoric which, if is now followed by concrete measures, might amount to little more than speeches whose sole purpose is to enhance the image of the speakers.

[*English*]

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, at the outset, I want to say, hopefully without causing a problem, that one of my regrets is that the Secretary of State for External Affairs (Mr. Clark), through no fault of his own, is not here. It is unfortunate and I recognize that he left before he could have known that this debate was going to take place. However, I think it might have been very helpful for him and us to have given him the opportunity today to also take part in this debate.

This debate concerns the kind of global society in which we will live. It is not a debate about something that is happening thousands of miles away, it is a debate about the concerns of the majority of Canadians for the way society is developing within South Africa.

I want to begin by quoting Bishop Desmond Tutu. He has been quoted often by many, because I doubt there is a world figure who not only is so closely identified but has such a deep and personal knowledge of the situation. He said:

> We must recognize that apartheid is the primary violence in South Africa. It's the violence of the migratory labour system, the violence of detention without trial, the violence that forces children to starve, the violence that stunts intellectual and spriritual growth—apartheid is an evil and immoral system which must be destroyed.

I suggest to the House and everyone in the country that those who hear the words of Desmond Tutu must take it upon themselves to move with whatever force they have to ensure that this earnest and heartfelt plea is not ignored. For that, I want to commend the Hon. Member who sought the emergency debate today. When that debate was asked for today, I felt such pride in the fact that the House of Commons was at last going to have an opportunity to speak about this issue. I thank the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) for having filed for this debate today.

It is good that the Government of Canada has taken a lead in seeking solutions to the problem of apartheid. Having said that, however, I do not want to leave the impression that I or anyone in my Party believes that the steps which have been taken are in any way sufficient to meet the problem. In our judgment, the steps which have been taken are of a temporary and almost inconsequential nature. They do not reflect the commitment that I understand has been made by our Prime Minister (Mr. Mulroney), or adequately reflect what I understand to be the strongly held views of our Secretary of State for External Affairs. I feel confident in saying that they do not reflect the desires of the overwhelming majority of Members of the House of Commons and certainly do not reflect in any way what the Opposition believes ought to be done now.

I believe that nothing short of our very best effort will be satisfactory. When Desmond Tutu speaks of South Africa, he speaks of it with an unparalleled passion and knowledge.

I read an interview with Bishop Tutu. The headline was: "Bishop's vision: A nation free of hate". Bishop Tutu said that South Africa can become the launching pad for the African Continent. I want to read some of that article into the record so that people who are listening to the debate or will read it later will understand what he is talking about, bearing in mind how he defined apartheid. He said:

> Can you imagine what South Africa will be like when we don't have to invest so much time, money and energy either defending or opposing it (apartheid), when we will be investing all of those energies for the good of this country? We will not have treason trials. We won't be having these many political prisoners. We will not have to spend so much money on defence.
>
> And just imagine the general sense of relief, when you know, for instance, that you can send your child to any school, if you can afford it. You can live anywhere, if you can afford it. You will have access to the decision-making process because you are a citizen.

I ask Canadians to stop and consider whether they would live in a country where those kinds of freedoms were denied. Would they accept an attempt by the Government of Canada, as it did in 1948, to segregate this country along racial lines? If the Government of this country decided to deny its people the very things that Bishop Tutu dreams of, we would have a revolution on our hands.

We must show an understanding of the nature of the problem and the frustrations being felt by the people of the black community in South Africa. Apartheid is wrong, it is evil, and it must stop. If that means a small sacrifice on the part of Canadians, then that sacrifice must be undertaken. If it means that somehow we will have to cut back a little bit, then cut-backs must be made now.

We cannot afford to wait until further riots in the streets, civil disobedience and eventual full-scale revolution in South Africa brings us to realize that we have an obligation to those people, to stand up for them and use whatever measures are available to us. That is what we are talking about today. That is what the Member for Winnipeg—Fort Garry and my colleague, the Hon. Member for New Westminster—Coquitlam (Ms. Jewett) are talking about, and, I suspect, with a somewhat different emphasis, what the Minister of State for Finance (Mrs. McDougall) is talking about.

S.O. 29

• (1620)

I must say, I feel a deep disappointment when I and my colleagues ask, as we have, that we move forward now, to hear the Government respond that it is as concerned as we are, and I do not deny it, but that it wants to do this together with others. Of course, we want to do this together with others, but if the others are unwilling or unable to move, we certainly cannot justify standing still. Damn it, if one is in the streets and needs help, we do not say: "Well, if no one else will give a hand, I am not going to do it". If we see someone in distress, someone drowning, we do not stand on the shore and look around hoping that others will join with us in rescuing that person before we take action. That in a nutshell is the attitude the Government is displaying, unwittingly I suspect, during the course of Question Periods. I find it upsetting and frustrating when we know that Canadian enterprise continues to subsidize that regime and the Government takes the easy way out at every turn.

One does not need a first-hand knowledge of the system to appreciate the evilness which lurks within it. What would lead anyone to believe they should have laws which limit certain people to certain parts of their own country? What would lead anyone to believe that one needs to have controls on the movement of people from one part of a country to another simply because of their colour? What would lead anyone to believe there should be black migrant labour laws which inflict upon those people the worst possible circumstance without any recourse of any kind? Why should there be group area acts or, the most recent of all, the Government declaring what is tantamount to martial law?

Martial law means one can be imprisoned for six months without charge. Someone can be picked up off the street, thrown into jail and no one has to tell them where they are or what they have done. There is no court for them. They can be taken away and forgotten. We would not tolerate that here and we ought not to tolerate it anywhere else. I have heard colleagues on the Conservative side speak about regimes in the eastern part of Europe and decry certain aspects of a particular political system. I would ask them to join in decrying these aspects of this political system.

What have we seen as Canada's response? To begin with, I must say in fairness, a strongly worded statement. There were good statements from both the Prime Minister and the Secretary of State for External Affairs. They indicated a heartfelt desire to see an end to apartheid. I do not for one moment depreciate the efforts of the Prime Minister in Nassau. I think he worked hard and no doubt played an important part in getting the kind of preliminary work done to set the stage. But what followed? Canada, when faced with choices, has taken the mildest possible choice. We continue to make strong statements but every time we are faced with making a choice, we opt out.

In the case of the Nassau statement, which of the options did we choose when it came time to impose sanctions? We chose to put a ban on flights to and from South Africa, but there were no flights to ban. We banned the flights however, and that was our first step. We took away the credentials of four diplomats, two of whom live in New York, one who lives in Los Angeles and another who lives in Washington, D.C. That was strength. It was movement. It was living up to the commitment of Nassau and to the strong statements made about the evils of apartheid.

We continue, however, to export $151 million worth of goods to South Africa for the benefit of that regime. We continue to import into Canada $228 million worth of goods from South Africa which helps to support that evil regime. We continue to have $1.1 billion of capital investment in South Africa which assists the maintenance of that evil regime. I say through you, Mr. Speaker, that if we had really meant it, if we had intended to take the lead, if we had intended to live up to these statements, we could have begun by cutting all the imports of agricultural products into Canada. That would account for about half of everything we import from South Africa, including canned and fresh fruit and sugar. I put it to you, Sir, that we could easily find an alternative source. There are lots of other places which would be willing to sell us those products.

We could look at immediately reducing exports such as sulphur, which was raised earlier by my colleague, the Hon. Member for Vancouver—Kingsway (Mr. Waddell). Our exports amounted to $71.4 million last year and $18.1 million this year to this point in time. Some people might say it has been shown that if we did this it might cost us jobs. I am going to admit quite bluntly that it would cost us jobs and for that I would be sorry. However, when we remember the television pictures of the people on the streets and what we heard from Bishop Tutu about the hardship these people face, the 380 jobs it would cost Canada to take economic sanctions which could be taken are a very little sacrifice indeed measured against the potential good which could result from such a measure.

The sanctions we proposed through my colleague, the Hon. Member for New Westminster—Coquitlam (Ms. Jewett), and supported, I think, by the Hon. Member for Winnipeg—Fort Garry, are also supported by countless people around the world. One need only turn to the news media to find that 77 per cent of the black people in South Africa who would be most affected support sanctions now, now while there is still something to say, now while lives are still intact. There are 4.8 million white people and 24 million black people, more or less, in South Africa and 77 per cent of the 24 million support sanctions now. If they, who are faced with the day-to-day atrocities, are willing to make a further sacrifice and are asking us through their leader to take the economic measures available to us now, who are we to say no? What right have we to say to them: "No, our profits are more important. Our 380 jobs matter more". I say to the Government that although I support its statements, I find its actions fall short of its rhetoric.

• (1630)

I am asking them earnestly, those who would listen, to move now to satisfy what has been requested by the people who face the problem head-on. Amnesty International is in the field battling to ensure that people do not disappear off the face of the earth without the opportunity for representation. And, as I said earlier, we continue to chatter.

In closing I wish to say to you, Mr. Speaker, and I was not sure that I wanted to do this or not, that I want to put on the record who it is I am asking to stop. I am asking the Government to tell them to stop now. Alcan did take some steps to disinvest, and I recognize that. But Falconbridge must do it, as must QIT-Fer, Bata, Massey-Ferguson, Bayer Foreign Investments and Cominco. Dominion Textiles and CIL must do it. The Ford Motor Company, the Moore Corporation, Delcanda International, AMCA International, International Thomson, Sternson Limited, Champion Road Machinery, Joseph E. Seagram, Cobra Emerald Mines, Eldorado and Jarvis Clark must do it. I am saying to the Government: Call them in and tell them now "Get out of South Africa". Let us stop it now. Let us make it clear that we are willing to sacrifice together. If we have to work out some way to assist them, then let us work it out. However, we can no longer afford to allow our complacency or reluctance to be the reason why one more black person should die at the hands of this evil and totally unacceptable political regime.

Some Hon. Members: Hear, hear!

Mr. Benno Friesen (Surrey—White Rock—North Delta): Mr. Speaker, I want to begin my remarks by putting on the record the fact that the Secretary of State for External Affairs (Mr. Clark), who has a strong commitment to be in Vancouver to deal with the issue of trade, would otherwise have been here today, as Hon. Members have acknowledged. I think Hon. Members who have spoken will understand that. They will agree that the Secretary of State for External Affairs has had a long-standing concern for many years in this area. He would have participated in this debate with vigour had he been able to be here.

I have appreciated the non-partisan nature of the debate this afternoon. It has had an elevated tone. Members have spoken from their hearts. It has really not been a political debate.

I wish to begin my remarks by picking up from a comment made by the Hon. Member for Hamilton Mountain (Mr. Deans). I think it was a fair comment, a fair observation, which I have long regarded as one of the failures of this institutiuon; that is, we tend to have blind spots as to what the areas of our attention are and ought to be. One group focuses its attention on Nicaragua, Chile, the Middle East or the East Bloc, as the Hon. Member for Hamilton Mountain pointed out. It is true. We tend to have these fixations on where the aggression is, or where the oppression is, and leave out whole areas of the world where there is incredible oppression going on. In effect, we pretend it is not going on. I hope that we will use other occasions such as this to debate issues such as the oppression in Angola where there has yet to be free elections, even though they were called for when the dictatorship of Portugual left that area. We need to discuss other areas of oppression.

I say again that the Hon. Member for Hamilton Mountain is right. We do have these blind spots. We do focus in a singular way on certain areas of the world while overlooking others. We must take the opportunity while debating the issue of oppression in South Africa and the humiliation of millions of people there to recognize the degradation that the black people face in South Africa as listed by Bishop Tutu. I recall that the Hon. Member for Hamilton Mountain listed the levels of degradation. It sounded to me as if those levels of degradation and oppression were exactly parallel to other areas of degradation and oppression in the world. It really does not matter whether the jackboot is a South African Boer, or if it is a jackboot in Eastern Europe, Chile or Nicaragua. Wherever it is it hurts God's creation just as much. What I find offensive about the institution of apartheid is not simply that racism has been institutionalized in the constitution but the fact that it has been justified in the wildest distortion of the scriptures. The justification for the so-called paternalism in certain areas of that society staggers the imagination.

I recall hearing my colleague, the Minister of National Health and Welfare (Mr. Epp), saying that the people in South Africa do not need a keeper, they need a brother. That is the message we need to send to South Africa. All of us who watched Prime Minister Botha speak on television last fall, and I believe it was in September from Durban, heard him say with jabbing finger: "Don't push us too far". None of us who have any interest or concern for those people in South Africa will forget that.

The obstinance of that Government has succeeded in making reasonable and conciliatory people, such as Chief Buthelezi, look weak. As Andrew Young of the United States pointed out last fall, that Government has succeeded in making the violent in South Africa look like the real leaders. The tragedy of South Africa is that when reconciliation and transition could take place in a peaceful and orderly way to give the entire population of that republic their just desserts, it has come through by way of bloodshed and violence.

I recall meeting a delegation from South Africa here several years ago. I told them that the first thing that their Government has to do is to give citizenship to the black people of South Africa. I said that their Government can practise racism and apartheid all along, but until they have citizenship, those people have no weapons except violence with which to fight that racism. How can it be that children and grandchildren born in the townships of that country cannot be considered citizens? Where else in the world would one find that type of incongruity, distortion and cruelty?

I wish to pay attention to the call, particularly asked for by members of the New Democratic Party today, that there be complete economic sanctions. It seems to me that the debate today has not centred on what we ought to do but how quickly

and how to do it. The goal is the same for all Members of the House. The goal is to provide dignity for all of the people of South Africa. However, we are being called upon to act quickly and several Hon. Members have said that we have 10 days to decide, August is too late. I would like to deal briefly with the reality that every country faces when it wants to talk about economic sanctions on South Africa.

• (1640)

I am indebted to the Hon. Member for Spadina (Mr. Heap) for the information that helped me to understand this particular issue. Setting aside the fact that that coastline is 1,500 miles long and is a sieve when it comes to providing aid and trade to that country, I recall that about a year ago the External Affairs Committee met *in camera* with a representative of the Soviet Government. I believe it was the Foreign Minister. The Hon. Member for Spadina was with us at that meeting, which lasted about an hour because that was one of the terms under which the Soviets agreed to meet. The Hon. Member for Spadina was not able to ask a question of the Soviet official, so I asked him after the meeting what it was that he wanted to ask that Soviet official. He said that he had just returned from New York where he had met with the anti-apartheid people. While he was there, he found out that the Soviet Union is selling oil to South Africa. That is the nature of the problem.

An old professor of mine used to say that King Commerce rules the world. It so happens that South Africa is the most economically independent country in the world outside of the United States, with the exception of its need for oil. A concrete wall could be put around that republic and it could survive economically quite well. With the technology of converting coal to gas, it can be quite independent economically. Yet the country is shrewd enough to bargain wherever it can.

The Soviet Union, in its hypocritical philosophy, will criticize the heinous regime of apartheid around the world at the same time as it sells oil to South Africa and supplies arms to the National African Congress so that its members may kill each other and fight the racist regime in South Africa which is receiving the oil so that it can fight the National African Congress.

I wonder if Hon. Members have any appreciation of how difficult it is to make sanctions work. Hon. Members say that we have to do something. I would simply underscore to them that thankfully, Canada has had a long, proud and honourable record in dealing with what we fairly glibly call moral issues. Where the dignity of humanity is at stake, Canada has a good record. The reason Canada has as much influence as it does is because it does not sell that credibility easily or cheaply. Therefore, we have to use that credibility that we have stored up over the years to work with others who share that credibility in order to bring together concerted action to bring an end to that regime.

I ask Hon. Members to consider the nature of the problem and not to ask the Government to move so quickly that the very speed of its action would destroy and subvert our goal and not to ask for the kind of action that would fly in the face of reasonable success. I think we have had a good debate on this subject. I would hope that we have other debates that deal with the subject of oppression wherever it occurs in the world and that we encourage each other not to have selective vision when looking for that oppression.

I visited South Africa, not under the auspices of any Government but to work on reconciliation. I asked an Asian girl in Durban what course she was taking and she said with tears in her eyes that she was going to be a pharmacist but that when she graduated, she would get half the salary she would get if she were white. How can we accept that?

While I was in South Africa, I spoke to a black man who was the president of a bank. His brother was a medical doctor. He told us that his brother witnessed a car accident in which a white woman was hurt. The black physician went to help the white woman but a white man drove up and said: "Don't you touch her". After hearing that, I began to realize something of the evil of apartheid.

Two weeks ago, I was in East Berlin working on a human rights case. I read a document published several years ago which documents the frustrations of the Helsinki watch group behind the Iron Curtain. I read of the penalties those people face when all they want is to be free just as the black South Africans want to be free. I read of the frustrations that they face from the oppressive regime in the Soviet Union. As I said before, it does not matter whether the jackboot is in South Africa or the Soviet Union. It hurts just as much wherever it is. I would hope that Hon. Members would begin to develop a broader horizon of appreciation for the need to deal with oppression wherever it is and lay aside our partisan differences.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, let my first words be words of appreciation to all Hon. Members who have spoken during the course of this debate this afternoon as well as words of appreciation for the caution that has been issued to us by the Hon. Member for Surrey—White Rock—North Delta (Mr. Friesen). I think that Hon. Member has earned and established in the House a reputation for fair-mindedness and careful analysis on these kinds of matters. He is one who sees beyond today's headline and who has truly paid his dues before rising to speak in the House.

I agree with the Hon. Member that we cannot be too selective in our vision. We cannot be selective in identifying and opposing oppression no matter where it exists in the world. I agree with him that we cannot put aside nor fail to see the hypocrisy of a Soviet system which would condemn an evil regime and then provide it with the fuel to drive the engine which sustains that evil regime.

• (1650)

As much as I agree with all of that, I say to myself that acknowledging the Soviet Union or other countries may on the

one hand condemn an evil regime and on the other hand provide the fuel to drive its economy, I cannot accept that we are no better or no worse than the Soviet Union. We cannot simply say to ourselves that because the Soviets and others of whatever political philosophy have been hypocritical on this question, we are no better. Whenever that kind of thinking—and I do not suggest the Hon. Member opposite suggested it—is allowed to move us into inaction, whenever it is allowed to bog us down in a comprehensive debate about oppression all over the world or about all the jackboots in all countries, it leads to paralysis.

I should like to refer to what is going on in South Africa today and what has gone on there for years. More important, what has happened in the last year or two has become a symbol for oppressed people everywhere in the world. It is not only a symbol of the evil of apartheid or a symbol of the inhuman nature of that kind of regime. What is going on in South Africa has also become a symbol of the inaction or paralysis of societies which profess differently tangible and meaningful ways to act against that kind of regime.

I am one of those persons who becomes concerned in the face of what is going on in South Africa. On the one hand I become concerned when I hear in this Parliament, or in any Parliament of the Commonwealth, an expression of the revulsion all of us should feel about what occurs in South Africa and, on the other hand and almost in the next breath, an expression of concern about saving the Commonwealth. I would not want history to say, in the name of the Commonwealth, of waiting to act until we could all act together, and of ensuring the stresses and strains that might be placed upon the Commonwealth are avoided at all cost, that we as one member of the Commonwealth were struck into a paralytic position of inaction. When I hear the cry "let Canada not be rushed until we move with our Commonwealth partners" or "let Canada not be hasty until we have consulted a month from now, as the blood spills on the streets of South Africa", I say a Commonwealth which cannot respond to what is happening today in South Africa is a Commonwealth not worth saving. I mean that; I believe that.

We have seen laid before us in the living-rooms of the nation the blood which has been spilt and the Government sanctions and manipulated genocide which is going on in the Crossroads settlement. If we cannot respond now in a meaningful and effective way, in the name of Commonwealth solidarity, then that Commonwealth is not worth saving.

It is not the Commonwealth we should be preoccupied with saving. It is not only the people on the streets today that we should be ultimately preoccupied with saving. If we cannot respond to this world regressing to another day decades ago when crystal could be shattered in the night and a whole group of people because of religion or race could be gathered up, put on trains, and carried away never to be seen again, then we should ask ourselves whether we have the ability to save ourselves. If all of us in this Parliament or any other Parliament continue to stand, as well intentioned as we might be, to abhor and give expression to the revulsion we feel, it is not good enough.

In the case of South Africa, it is a nation which has become the symbol of not only the evil of apartheid, but a symbol of the impotence of the West and of those who profess in a different way to put meaning behind their words. If we stand and do not act in a meaningful way, we will have lost more than a generation of men, women, and children in South Africa. We will have also lost ourselves and have been caught up in returning to a period of history which we promised would never happen again.

That is what happened 45 years or 50 years ago. That is what happened when a political system evolved which said that some human beings were less than human. That is what happened 45 years or 50 years ago when a political system evolved which said that some people were disposable or expendable. That is what happened five decades ago when a system systematically removed what was perceived to be a problem contained within the definition of one race of people by destroying that race of people.

That is what is happening today in South Africa. We see on our television sets black against black, killing each other in the streets, in the townships, and in settlements like Crossroads. We see the metal, brute force of a police vehicle, with weapons being distributed, assisting and provoking a slaughter. When we see those things, we see a replay of the crystal night in the streets of Germany 45 years ago.

Canada has a $1.1 billion investment in South Africa. Canada is the recipient of substantial exports of South African agricultural products. In demanding today that Canada play a leadership role in imposing total sanctions, Bishop Tutu, the groups of white citizens of South Africa who stand in the streets with their black brothers and sisters, and I, do not profess the eternal destruction of the economy of South Africa. However, what we do profess is that the means of production be removed, to the extent that we can contribute, from those in power in that country until that means of production is allowed to benefit all those who live in South Africa, black and white.

• (1700)

There must be an entire generation of young people on the continent of Africa, not only in South Africa, who are looking, awaiting to see how the West will respond. They must be tempted to see what is going on in South Africa as a black versus white issue. They must be tempted to believe that the reason for their regime and the reason for our frail response to what happens, the reason for our inaction, is white solidarity with white solidarity and an inability to act because the oppressed people are black. Nothing could be further from the truth, Mr. Speaker.

What is happening in South Africa has absolutely nothing to do with black versus white. It has absolutely nothing to do with the colour of one's skin. It has to do with a philosophy, an evil system, that has been allowed to escape the evolution of a

modern and civilized society. If we fail to act and to act immediately in ways that are substantial, tangible and measurable, not only to a generation of young blacks in South Africa but to a generation of young blacks throughout the continent of Africa, then we say to them, as untrue as it might be, that, indeed, the simple answer they perceive for the lack of our action, the obvious answer they perceive for our inability to take tangible measures, in their minds, is the right one.

Let us not in the case of South Africa, as we have so often in the world, stand and worry about whether the people who are in the streets fighting to be human beings, fighting for the basic integrity that any human being on this planet deserves, adhere to the Communist Manifesto or to the tenets of capitalism. If that is the basis on which we decide whether we are going to act, then as surely as I stand here we will drive them into the arms of a philosophy that we do not embrace. We will drive them into the streets with guns in their hands, because if any of us were in that situation and found ourselves abandoned by people who could make a difference, the western world, then I have no doubt in saying that I would embrace whatever manifesto would put a gun in my hand, I would embrace whatever philosophy would give me at least the dignity of standing on my own two feet, and I would embrace whatever individual would allow me at least the dignity of expressing myself, I am afraid, by whatever means.

It seems to me as I look at what has happened in Nicaragua, it seems to me as I look at what has happened even in Cuba, not in the last 10 years, not in the last 15 years but in the early days, not with Fidel Castro, but when the people of Cuba were crying out for change, they realized no assistance could be found in the West. I see a replay of that paralysis with respect to South Africa. Failure to act now for the right reasons, for reasons of human for reasons of respect of the basic rights of an individual, failure to act now for those reasons and no others, not geopolitical reasons, not financial reasons but for reasons of humanity, will surely send South Africa ultimately into the Soviet orbit. If the concern of some is that we hesitate now because we are not sure where they are going, then that hesitation will send South Africa in a direction and into a philosophy that we cannot support.

I say to the Government of Canada that I appreciate and support the efforts that have been made to date. I support the measures enacted to date, but I say that we have the ability to be a world leader. We have the ability to send a signal to the majority of the members of the Commonwealth that if the Commonwealth cannot respond, and respond effectively to what is happening to our fellow human beings in South Africa, then it is a Commonwealth that is not worth saving. Let the Prime Minister of Britain decide now whether on principles of humanity the Commonwealth is worth saving. Let us make our decision and announce total sanctions immediately.

Mr. Fred McCain (Carleton—Charlotte): Mr. Speaker, I do not profess that I speak for my Party on this subject matter. I have never in any meaningful way participated in the process of policy in that sphere. Mine has been more in the sphere of the primary industries of fisheries, forestry, and agriculture.

I do not think I have ever been one who was accused of not having compassion and understanding and a desire for a democratic system in this world. I do not think we can deny the fact that democracy is an evolutionary process and that its demise is in an equal sense an evolutionary process.

I suppose there was nothing intended to be more democratic than the forums in Greece, in the Senate of Rome, and public participation in debate. But yet as those forums took place, step by step Greece, followed by Rome in its democratic structure, declined because of the weakness of leadership and the will of the people, to the point that Greece and Rome were overrun in turn by hordes of outside forces.

I think we have to be very careful just what route we take as we are looking at a country in which there must be evolution. Let us pray to God that it does not have to be revolution. There must be change.

Let us recall that it was a long way from 1215 and the signing of the Magna Carta to the arrival at a constitutional monarchy in the United Kingdon which was at that point in time a very democratic Government. It takes strength, it takes understanding, and it takes desire to preserve or to create a democracy. Unfortunately, it is imperfect as a system of Government. Unfortunately we have weaknesses in our country.

We have to take a look at the evolutionary process that has taken place here. We were a nation for a long while before this country granted universal suffrage. Should we then be totally critical of another country which has not generated universal suffrage within its boundaries? That, of course, is the particular difficulty we have.

• (1710)

If we say, as the Member for Humber—Port au Port—St. Barbe (Mr. Tobin) has, that because we have a disagreement within the Commonwealth it might just as well be abandoned and destroyed, we are totally ignoring the disagreement which is fostered within democratic discussion that takes place within the leadership of the Commonwealth of Nations. We should not necessarily throw stones at individuals or the beliefs of other Parties within this House, because there is a variance of opinion as to what is the best thing to do.

In the face of reality, what can we do? We have abhorred a great many things which have happened in the world, such as the submission to force of Czechoslovakia, Hungary, and Poland. What could we do about it? I wish to point out to the Member for Winnipeg—Fort Garry (Mr. Axworthy) that at no time has there been a move by any Party in Canada to cut off wheat to Russia as an embargo because it invaded Afghanistan. We are not being consistent in our presentation of this subject matter. At no time was the embargo which was imposed by a multitude of nations as effective as it was

perceived it would be on that country which was then Northern Rhodesia. There were ways around the embargo which allowed it to continue, albeit at some inconvenience. We did not, however, create a major economic climax for a good many years.

We must consider what the real effect would be of total embargoes by Canada upon South Arica. Their gold and diamonds would sell and their cash would flow. What would be the long-term result? I ask in all seriousness what would be the result of cutting off the economic tap. Let us suppose that the objective which has been so philosophically espoused in this House were to be achieved. How will we restore the economy to which we have contributed a very destructive force in the form of embargoes if we achieve what we assume we would achieve? Whom are we hurting the most in the long run? Are we hurting the Government of today, or would the long-run impact of a total embargo on South Africa be upon those who get their way and then become the Government?

The Member for Hamilton Mountain (Mr. Deans) asked for the removal of corporations from the markets of South Africa. They will be looking for those corporations because they are going to need jobs and they are going to need to generate money. How effective have we been in the case of Afghanistan and how effective can we be, other than in a persuasive way of trying to resolve and philosophize, as matters rebate to South Africa? This is being done to the best of the abilities of the groups which have been formed to make representations to the Botha Government. I do not approve of what is going on.

Let us draw a few comparisons with what has happened in circumstances comparable to the one we find in South Africa today. In 1959 I had the privilege of attending a Parliamentary Commonwealth Association. Nigeria, a free country, was represented at that conference. There was no freedom of vote in that country. There was no freedom of expression as early as 1959. There had been an election and they had elected a Government. There were government and opposition Members there, but the opposition Members never opened their mouths in discussion in the presence of anyone from the Government of that day. It was not clear whether any of the opposition, other than those present at the conference, were in or out of jail because they had expressed their democratic liberty of free speech in opposition to the Government of the day.

I do not want Canada to promote a catastrophe such as the racial structures which have fought one another when they were totally free to do so, and a Government which could not control. Are we trying to impose our own spirit upon all the people of the world? If we are so concerned, why have we not been able to stop the Iran-Iraq war? Why we have not been able to bring peace to Lebanon? Initially it looked as though we had a Christian-Muhammadan difficulty. Now we have them dying in the streets as Muhammadan fights Muhammadan from the different sects.

Man cannot be regulated or persuaded, in the short run, to do the things we wish he would do which seem to be humane, just, and proper for his fellow man. I only wish we had that which it is purported we have in this debate as members of the opposition Parties speak. We can persuade and coax, but we cannot create in the mind of man, black, white, or coloured in South Africa, the mood which we would like to create.

Let us remember that democracy has never been successful in any country in the world where there is an illiteracy rate of 25 per cent as a benchmark. Basically the great difficulties which have been experienced in Central and South America have been mainly experienced in communities in which illiteracy was 50 per cent or higher. It is extremely difficult for the illiterate and uninformed to know which way to cast their votes.

Let us use Cuba as an example, as was suggested by the Member for Humber—Port au Port—St. Barbe. Contrary to what the Member said, Castro received a great deal of support from the rest of the democratic world outside Cuba. He was perceived at that time to be a democrat rather than a Communist. He was so capable of deception that even his family, who were the owners of a big, prosperous and well-managed farm, assumed that as they supported him they would certainly retain ownership and operation of their farm. When he became the Communist dictator of Cuba even his own family were displaced from their farm after having supported him loyally and totally in the revolutionary process which was supposed to bring democracy rather than Communist dictatorship to Cuba.

These are the things which we must assess very carefully. I do share the opinion that there is a possibility of Communist background in the forces in South Africa. If there is, we will have done them no favour to create a Communist country in which they will not have a voice. Ask the Jews who would like to leave Russia. Ask the people who for so many years wanted to leave Cuba. Ask the Angolans who are only kept in order by virtue of the presence of a force from Cuba supported, led and trained by a force which is not favourable to this world.

No one in this House, including myself, desires to see a blood bath. However, let us return to a commmon point and try to get the evolutionary process in place in South Africa. Let us try to persuade the creation of a long-term stable government in that country. That is what we must do. I do not want to see race fighting race as they are in Africa today. As was mentioned earlier in the debate, blacks are fighting blacks, blacks are fighting whites, and whites are fighting whites. It is a very serious and inhumane performance by mankind. Extremism will not work. We are certainly limited in what we can do.

• (1720)

As I listened to some of the speakers in this debate, and I am not throwing brickbats, it seemed that it matters more whose ox is going to be gored rather than the fostering of democracy around the world. I have never heard a western Member from any Party in this House threaten sanctions against Russia, whether it be with respect to human rights, the treatment of Jews, Afghanistan, or anything else. On that basis we had better stop and consider whose ox is being gored.

Having seen sanctions applied in a multitude of cases, against Italy when it invaded Ethiopia, and so on, they did not have the impact intended. If we obtained complete sanctions against South Africa by all the nations of the world, including Russia, there would be nothing but a poverty-stricken mess left. The basis for reconstruction would have been demolished. I plead with this House, with the world, to find common ground on which we can create the evolutionary process through which every democracy in the world today was created.

No country is more steeped in the basic desire for democracy than Canada. It was from undemocratic lands that our ancestors came to this country looking for freedom of opportunity, freedom of speech, and the freedom to vote. Let us then do what we can to guide the evolution and prevent the blood-bath of revolution. That I think is our role. We will have differences of opinion in Canada, in the Commonwealth, around the world.

I am not speaking out of a sense of greed for the economic benefits to Canada from its economic participation in South Africa. I am sincerely speaking in the long-term best interests of a country we would like to help and to whose internal disputes we would like to find a solution. No one in this House is more determined that that should be done than I. Therefore, we should not be involved in a political hassle over this. We should not be throwing brickbats at one another. We should not be divided among ourselves. That division was illustrated today. There seems to be no compromise on the position the Government should take. We should move step by step.

I am not supporting or opposing what the Conservative Party has done. I am speaking in what I believe to be a manner which relates to the evolutionary process of democratic government. Let us try to seek that evolution, because revolution leading to democratic government has failed in Angola, the Congo, Nigeria, or any other country I could name. A blood-bath took place behind a security curtain which we could not penetrate. We did not see the battlefields and the thousands that were slaughtered as one tribe fought another over control. It could be that we find ourselves in the position down the road, not too far, of having generated the same situation, given the disagreements among the various peoples who make up the African population.

Let us try persuasion, not sanctions. Let us not imply that we can exert force. If we sent the Canadian Army to the last man to that continent they would probably be gobbled up. We are helpless when it comes to exerting any effort by force.

This has been a good debate and I compliment those who participated. I wish we could get rid of the partisan aspects of this debate because our goals are the same. We should not be throwing brickbats at one another or the Commonwealth. We will find disagreement among leaders in the Commonwealth just as you find it among leaders here. That does not mean we should destroy Canada. Dissension and disagreement will always be with us because of differences of opinion. I particularly deplore the remark about the incompetence of the Commonwealth and the slurs concerning different leaders of the Commonwealth. That does not contribute to the betterment of South Africa, the Commonwealth, or democracy.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, it is a privilege to be able to take part in a debate such as this in our elected Parliament, something which is not possible for many people in many countries of the world, not just South Africa. I want to start out with some memories, if you like, of Africa itself, to try to convey to the House why this particular cancer on the continent of Africa deserves so much attention from the rest of the world. I visited South Africa in 1969 as a representative of the Canadian Union of Students to meet with representatives of the National Union of South African Students. I want to talk briefly about the realities of South Africa at that time. It was possible to see those realities thanks to some courageous students who took me outside the normal white areas of Johannesburg and into the black township of Soweto to get a sense of the reality black people were living with at that time.

That reality included the most degrading poverty that anyone in this country could imagine. People lived in small tool-shed sized houses. Often there were eight or nine people in a dwelling the size of which we would use as a garden shed, all of this within sight of the most fabulously wealthy, most modern and up-to-date metropolis of Johannesburg. It has paved streets, magnificent buildings, and suburbs full of swimming pools. It is in a sense the ultimate in affluence. To fly into Johannesburg over the white suburbs is to be convinced that every single house has a large swimming pool and patio. There is a sense of tremendous wealth and affuence which contrasts so grimly with the life lived by the black people of Soweto. It is the difference between night and day.

• (1730)

I have to talk not just about the surface features, but about the chance that I had to visit a black school in Soweto and to hear from the principal of that school the incredible discrimination in economic matters which was being practised between his high school in Soweto and other schools of white children in other parts of the country. The inequality was so stark, as again to be night and day, as he put it to me.

Or I can tell you about the hospital which we visited in Soweto. It was so over crowded that even at that time, which was not a time of violence of a kind that we now see in South Africa, that people could simply not get into the hospital with serious ailments, with the most basic kinds of ailments which we take for granted that we can have treated in our hospitals here in this country.

I ask myself where are those young people now whom I met in 1969. I have to be sure that for many of them the frustrations, the night and day contrast between their life and the life of their white counterparts in their very same country, have put them behind the barricades that we see so dramatically illustrated on the news broadcast from South Africa these days.

They they have felt completely closed out of their society, completely excluded by a system that is so comprehensive, so systematic, so buttressed by every form of law, that it deserves the special attention that we give it, because no other place in the world has so vicious a division of people which has been systematically enforced on the basis of race, no place else in the world, and I have seen a lot of other parts of the world, places where viciousness does exist. No place else has such systematic viciousness enforced on the basis of race.

It deserves our attention because that racism ultimately could destroy our entire societies if it itself is permitted to continue, if we practise tolerance rather than the kind of urgent opposition of which those of us on this side of the House have talked today.

I thought Soweto was bad, but then in 1983 I had a chance to go from Johannesburg to Maseru in Lesotho across country in South Africa. It was part of a trip which I was making for the IDRC, a Canadian supported organization to help eventually establish some projects in Lesotho itself. We drove across South Africa and we saw something of rural South Africa and how the black person is treated in rural South Africa. It makes Soweto, frankly, look like something posh.

The rural parts of South Africa, the huge white farms, farms that stagger even the imagination of people from our west where farms are large, included generally in some small remote corner a set of grass thatched huts where, in the most abject poverty that you can possibly imagine, the black people who work those farms were living out their lives. That kind of inequality, that kind of economic exploitation is something that I think is unimaginable to us in this country.

We in this Party often talk of economic exploitation in Canada. I have never in my life seen contrasts of this kind that existed, contrasts between the most superb, well appointed, affluent farms, and the viciousness, the meanness, the closeness, the degradation of life for black people who work those farms.

Then I think, because one might get the impression from these vignettes that there can be no hope for a society that has lived like this for some generations, I think of a symposium, which again was organized by IDRC in Botswana, yet another of the countries which South Africa has attacked in recent months.

There in Botswana we saw brought together at that symposium both black and white South Africans, young South Africans of 16, 17, 18, up to 22, to talk together about education and to find suddenly in microcosm something that they had never experienced before, a multi-racial experience in which everybody was equal.

Instead of apprehension they felt a sense of true human liberation which is the only way to describe it, a true human liberation which, frankly, I felt tremendously privileged to be able to see in action.

Or I think of times I spent myself in the Lusakas and the Harares and the Maserus, and the Maputos of Africa, the places that have tried to develop, despite their poverty, which persists despite African independence in these countries, because we are talking of countries that for years endured the most difficult forms of colonialism. Yet they have tried to build societies for themselves, and have had some success. Despite the poverty that persists, they have become the targets of direct brutal attack by South African airplanes, South African soldiers and South African high technology. These attacks have, in many ways, devastated those cities. It is a tragedy when one considers their slow and difficult efforts to build themselves up from a tough past.

● (1740)

I believe the situation in South Africa today is a human tragedy that is sad and dramatic because it is so systematic, so structured and so organized. That is the difference that makes the sadness and tragedy so particularly powerful to one's feelings as a human being when one visits that society to try to interact with non-whites who live there.

That is why I believe we must move so urgently. That is the call from the Eminent Persons Report. That is a report which, surprisingly and incredibly, is full of hope. Believe it or not, the foreward by the Commonwealth Secretary-General begins the report by saying:

—both change and peace are within the grasp of its people. For a brief moment, the world—and pre-eminently South Africans of all races—glimpsed a path of negotiation to a more worthy future.

Even more remarkably, the report goes on to say that:

—those so long oppressed in South Africa, the victims of apartheid, are ready even now to join in a peaceful process of building a new South Africa in which all its people, black and white, coloured and Indian, will share in fairness and with dignity.

That is incredible hope after generations of oppression.

Yet, at the same time this report expresses better than any of us can, that urgency is absolutely crucial to achieve change while that hope still exists. As the report says, the concerns in South Africa are about the black people. The concerns of the Commonwealth:

—are about the inhumanities of the apartheid system and the even more terrible human suffering that lies not far ahead if a way is not found urgently to compel the dismantling of apartheid and the establishment of a non-racial representative Government in South Africa.

That is the challenge that I fear Canada has not taken up in the past but which we must take up now, in 1986. That is why we are having to express not just a hope for the future for South Africa but an anger about the inadequacy and lack of urgency which our Government has expressed in the face of these incredible indignities. That is what forces us to ask these tough questions and what forces us to call for an emergency debate, so that we can somehow convey to the Government the sense of urgency that I felt in Soweto in 1969, even more so in 1983 in rural South Africa, and which I feel even more today as I listen to the Minister of State for Finance (Mrs. McDougall) say that it is not a time for boldness and heroics.

For the blacks of South Africa, it is indeed a time for heroics. I say to Canadians, in this country so far away and so protected, that it is time for boldness on our part. It is time to apply sanctions across the board that will somehow meet—belatedly but finally—the challenges which that black degradation has posed to us for so many years.

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, I am pleased to rise on behalf of my constituents of Nepean—Carleton and share with them and you some of my thoughts about the debate this afternoon. I want to congratulate my colleagues in the House of Commons for making this debate a priority. I want to commend my colleagues for the enormous thoughtfulness of the debate and the sincerity with which they have addressed the House and, through it, our constituents across the country.

Today we are debating the urgent situation in South Africa, on the eve of the tenth anniversary of the Soweto massacre. We are doing this against the unprecedented backdrop of a total and Draconian state of emergency in South Africa, which I believe highlights the enormous responsibility facing western Governments today over the vital issues that centre in South Africa.

In the past hours I have had the privilege to read the report of the Commonwealth Group of Eminent Persons. I was struck by many things in their report, but nothing struck me more than the second to last recommendation in their conclusion. It states:

> The question in front of heads of Governments in our view is clear. It is not whether such measures will compel change, it is already the case that their absence in Pretoria's belief that they need not be feared, defers change. Is the Commonwealth to stand by and allow the cycle of violence to spiral or will it take concerted action of an effective kind? Such action may offer the last opportunity to avert what could be the worst blood-bath since the Second World War.

• (1750)

Each of us will have different attitudes about South Africa. Some of those attitudes were cultivated against quite different backgrounds. Like some of my colleagues in the House, I had the privilege in the early part of this decade to spend several months in South Africa as a visiting professor. I was there in large part to investigate certain economic developments within the mining industry. Throughout most of my period there, if I had a headquarters, it was within the University of Witwatersrand. Perhaps my experiences there were different from those of some of my colleagues, but I am confident the conclusions of that experience are the same for all of us.

I recall in my, I suppose, unwitting approach to life, my first morning in Johannesburg taking the bus to go downtown and unwittingly getting on a black person's bus. Perhaps that was to set the tone for my whole visit. Few white persons ever ride those buses.

I recall many conversations with a third year black student at the University of Witwatersrand, the first black student in the history of that institution to study geological engineering. I had many discussions with him as to why he would choose perhaps the most terrible profession for a black student, knowing how the mining community operated in that country. I recall being out in the field with him and others, and arriving in a mining community on an evening after our work was over. All of us stayed together in what was referred to as the "club" and early in the evening we met with the manager of the club as we made plans for our evening meal and other activities. The manager pointed out to us that the regulations of the club forbade that black student, that black person, to eat with us or to stay with us.

I think it is worth noting, as we think about this stituation, that the manager said to the leader of our party: "Forget about the rules and allow the student to eat and live with you". When we arrived for the evening meal, the others in the party noted the absence of this black student and asked where he was. The leader of my party said: "He is not allowed to be with us". That white person, that great professor, that great engineer, lied to everyone who was present. When the rest of the party learned in the following few minutes exactly what the situation was, they left the club, sought out their black companion and had supper elsewhere.

In other days I had the privilege of visiting Soweto, seeing the poverty, visiting schools, hospitals, homes and hovels, and I travelled widely to other black townships. I also spent many hours underground in South African mines at depths greater than 10,000 feet. The rock temperatures were of the order of 110 degrees, 120 degrees and 130 degrees fahrenheit. The air temperatures were cooled perhaps to 100 degrees. For a person such as myself who had been in other mining situations earlier, the struggle was just to exist and to be able to move about. And it is in that environment, of course, that thousands upon thousands upon thousands of black miners are forced to work daily.

I want to share something with Hon. Members in the House. I visited a mining complex one day at which 36,000 migrant workers worked—36,000—and that evening I visited the compounds in which they lived, compound after compound which had thousands after thousands after thousands of men living in them. I want you to try to imagine, Mr. Speaker, fitting into that sort of situation. These men were living and working for a wage which was probably only about one tenth of what the typical white miner received.

Like my colleague, the Hon. Member for Essex—Windsor (Mr. Langdon), because of my interest in agriculture I had the opportunity of visiting several of what we would call farming and ranching operations. While my experiences there might have been slightly different from his, nevertheless the tremendous dichotomy between the white and black population in the rural community is there, and cannot be underestimated. We look at South Africa, at its industry, its universities and its churches, and we look at the Government and try to rationalize in our minds where these great institutions stand.

I came away from that experience with the feeling that if there was leadership in South Africa, a liberal style of leadership, it lay in the industrial world. The businessmen I

met there realized that in the long run, if South Africa was to prosper economically, they would all have to work together to develop the country's wealth and to find a means of sharing it. On the other side of the spectrum there was a Government which could not be more conservative in its views. It is racist to the core with regulations, legislation, a police force, and a military force which, even when one is there, it is hard to believe its might. Situated between these two extremes, between industry and business on the one hand, and the Government on the other, sit the universities and churches. Those two institutions I found to be highly divided in their approach to a solution in South Africa.

One could go to the University of Witwatersrand, as I did, and be part of a very liberal university, and one could go three, four or five miles to the north and be at one of the African universities and witness a group of young people with a much different philosophy and style of background who were very happy and content with their way of life, and envisage a future for South Africa which would leave us all, I think, restless and deeply concerned.

And if you look at the church community in South Africa, Mr. Speaker, it shakes you, it really does. We see some of the Christian churches reaching out in such a human and positive way to help find a solution to one of the great problems of the world. We see other arms of the Christian family which have philosophical approaches to life and to Government which see the whites as being supreme. They are willing to use other people to develop wealth and to encourage and sponsor their way of life.

• (1800)

I have been in white homes in South Africa in which members of the family have been banned. In fact, I have had the opportunity to speak to some of these banned people. It shakes one when one tries to understand the small incidents in their lives and their contributions to the community that brought about their banning. In some of those white homes I have witnessed young men from 18 to 20 years of age who were faced with what we can simply call conscription. They are faced with spending two years in the armed forces knowing that within months they will be at the Angolan front, or somewhere just as difficult. I have talked to other whites who have worked in the South African police force and through them I have learned something about the enormously tragic environment of the prison system in South Africa and the harshness of the treatment to which many prisoners, both black and white, are subjected.

It is a country of tremendous dichotomy. I came away from that South African experience realizing that if South Africa was to work its way out of the dilemma of a few years ago it would probably be the trade union movement that would lead the country to its possible salvation. In those days South Africans were in their infancy in terms of liberating the trade union movement and in terms of allowing labour unions to be created and to become active. I saw through that the possibility of them working with some of the progressive business leaders in the country to find a solution to the economic problems of South Africans and everything associated with them. I came to the conclusion that if that movement did not lead to what I might call a successful conclusion, then the alternative would be a bloodbath. I have been concerned about that ever since.

I think the developments of the recent weeks and months bring that possibility ever closer. We have witnessed night after night, in only a very peekaboo type of way through television newscasts out of South Africa, the violence, the hatred and the bloodshed, much of which up until now has been between blacks, but in a growing way is now between them all. It leaves one uncomfortable and depressed. It causes one to reach into one's inner self and to ask how this matter can be brought to a Christian conclusion.

I want to say to my colleagues that there is no simple answer. Collectively, whether as part of the Government or as part of the Opposition, we have to work together as human beings, recognizing that one of the great cancers and one of the great blemishes on earth at the moment is in southern Africa. We have to be able to find a solution in which the blacks, the coloureds, the Asians and the whites in South Africa can live together, go to school together, worship together, govern together and bring up their children together. In this way they can enjoy the wealth and the paradise that South Africa is in its natural form.

I wish to join with other Hon. Members in this debate to share my concern and to indicate to my colleagues that I would like to work with them in a human and positive way to find a solution for brothers and sisters who are so important and valuable to us.

Some Hon. Members: Hear, hear!

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I rise to join in this emergency debate on South Africa. We have to look at the context of the debate of today in terms of the emergency measures which were imposed in South Africa on Wednesday of this week. They were imposed using the excuse of the tenth anniversary of the Soweto riots.

Flagrant violations of human rights took place and over 1,000 citizens have already been arrested and jailed. A second human rights violation has taken place, that is, an infringement on the freedom of the press. We are no longer able to obtain reports on the military or police activites of the Government there. The emergency measures which have been imposed are just one in a long list of assaults on human rights and human dignities.

I listened with a great deal of interest to many of my colleagues, particularly to the Hon. Member for Nepean—Carleton (Mr. Tupper), who went to that country as a parliamentarian and as a witness. He came back here to testify to what he saw. What he has seen corroborates some of the

facts we have been watching on the square little TV box. In a very vivid way he has brought home the hurt, the dilemma and anguish of mothers, fathers and children who are being battered, bruised and damaged in their person and in their inner egos because they are black. Their white brothers and sisters who support them are being damaged as well.

The Hon. Member talked about the fact that he looked to the day when children can go to school together, and I assume when husbands and wives can live together, when people can govern together and when they can earn and work together on a fair and equal footing. That is the direction in which we should work if we want to see an end to what is going on in this very ugly and unacceptable regime called apartheid.

I did not have the opportunity to witness this firsthand as many others in this House did, but I recall speaking the other day in response to allegations against the election of Kurt Waldheim as leader of the Austrian people. I called for an independent international investigation of the serious allegations against him. I hold the very fundamental point of view that we are and we act, based only on fact and on knowledge, and that we are innocent until we have been proven guilty. I do not believe that a nation has the right to act precipitously. I do not think that we have the right to criticize unless we know and have proven the facts. Irrespective of the fact that I personally was affronted, and I feel most of us were, the rule of law, morality, is the first rule for me.

We have heard the testimony of my colleagues who have been there and who have witnessed firsthand. We have also heard the testimony of an eminent member of the South African community, that moving force who was in our midst just a week ago, Bishop Tutu. He himself personifies peace, man's goodwill toward man and the right to live in harmony with one's neighbours. He called on level heads to act sensibly together to bring an end to this evil regime called apartheid. He counselled careful action, but the use of a loud voice against the regime South Africa has elected for itself. He advocated co-operation and partnership and called for a sense of fairness and equality. At one point he did not agree that sanctions should be imposed but he has come to the conclusion that the time is now and that sanctions seem to be the only and perhaps the last course of action before we are witness to incredible bloodshed brought on South Africa by the evil of apartheid.

• (1810)

As we listened to what Bishop Tutu was saying on t.v., we received as well the report of the Eminent Persons Group which came to corroborate all that which we had seen through the media. The Eminent Persons talked about their moving personal experiences and about the carnage they witnessed in Alexandra when they arrived. They talked about the day of their departure from Cape Town when Crossroads was on fire and a pall of smoke hung over the sky. They talked about a country that was in upheaval and they witnessed great human suffering. Even as they were writing, killings were continuing.

As we watched television, I wonder how many of us identified with those men, women and children who were being beaten. Did we see ourselves and our own families in that situation? Did we understand the hurt, misery and unhappiness that brought about the reaction of unarmed people trying every measure possible designed to bring common sense to the leadership of South Africa and to bring their concern for equality rights to that Government's attention?

The Eminent Persons Group said the following:

> The question in front of Heads of Government is in our view clear. It is not whether such measures will compel change; it is already the case that their absence and Pretoria's belief that they need not be feared, defers change. Is the Commonwealth to stand by and allow the cycle of violence to spiral? Or will it take concerted action of an effective kind?
>
> Such action may offer the last opportunity to avert what could be the worst bloodbath since the Second World War.

They went on to say:

> This is the reason why countries whose economies are intertwined with that of South Africa, and who inevitably remain vulnerable, nonetheless regard the imposition of economic sanctions on South Africa as the sole remaining instrument for effective change in the absence of serious negotiations by the South African Government with genuine black leaders.

I have a long memory and I think many of us in this room can recall Crystalnacht in Berlin, Germany. We can recall that the world saw and that the world chose to close its eyes. The world could hear if it had cared the cries of millions of people. It could hear and feel the suffering of six million people during the Holocaust. Although race and religion were certainly involved, many people were caught in the horror of a world gone mad. Man's inhumanity toward man was evident at that time. If we care to learn any of the lessons of history, this should be the time to recall the Holocaust. For what the world saw, the world then said "Never Again".

I would suspect that of all the issues that engulf the Jewish condition, the one that perhaps hurts and pains the most, the one that resonates in the hearts and minds of each and every one of us, the one that represents an assault on the memory and dignity of every one of us, is the ugly spectre of the Holocaust denial. One compelling truth is clear and that is Auschwitz. I believe the Holocaust is beyond vocabulary, and language mocks reality. There are things in my Jewish history that are too terrible to be believed but not too terrible to have happened. However, there is a lesson to be learned from it. I think we must learn that lesson. We must stand tall and firm as Canadians in active remembrance, with fidelity to memory and fidelty to truth. The Holocaust must stand for more. It must be a lesson to all of mankind. If ever there was a lesson to be learned, it is that one. When racism rears its ugly head, it is time to stand up and be counted.

It is not because the members of the Commonwealth of Nations cannot find common ground that we as Canadians do not find our place or time to speak out. When we assault and live with assaults on human rights and allow ourselves to continue in deafening silence, we are the lesser for it. I think we must remember and act. A world which is not safe for democracy is not safe for Jews and is not safe for blacks. It is

not safe for anyone. A world that is not safe for Jews and blacks is not safe for democracy.

I would beg all Hon. Members to listen in a reasoned way and to watch, think and act. Those are children out there. They represent the future of the blacks and whites who want and should be able to live together. The incredible indignities are hard to conceive of, but they are happening again. Let us not let them stand alone. Let us all stand and be counted when human rights and dignities are being assaulted.

When the world vowed "Never Again", all the nations stood to be counted and the Nuremburg trials took place. We said that we would be counted. Unfortunately, human history is replete with examples of man's inhumanity to man and the brutality in human behaviour which results if bigotry, fear and hatred are allowed to guide Governments and individual actions. That may be how the Government in Pretoria sees things, but that is not the way Canada accepts things.

Our voice must be heard through a concrete measure. I would not have advocated the concrete measure of sanctions if it had not been brought to our attention by so many different sources. It seems that that is the way we might be able to bring our message home. A coin has two sides. If one looks at a coin and uses the correlation between human rights and economic measures, where human rights are being destroyed, ignored, or violated, one must turn to the obverse side of the coin and use economic measures, because one goes with the other. It is a message of power and property versus people's rights.

• (1820)

We must say that never again shall a society allow citizens to become separated, husbands and wives. We are not the property of another. Never again should a society allow human beings to be deposed in a calculated way in a form of genocide, because that is what is taking place. Never again, in the face of the 1,000 who were harassed the other day and the others who are being hurt, yes, killed on a daily basis, shall we be found wanting because we do not speak out. We must learn the lesson of history.

If any country is in a privileged position to have learned, it is this country. We are a country which is multicultural. We are a country which has all the beautiful shades of the earth that make up our human tapestry. We must speak out and we must speak out strongly with revulsion against apartheid, this organization of the South African state. There is no sense in saving the life of an institution if that institution does not serve the will of the people.

I end up by saying that we must act, stand up and be counted. We are our brother's keeper and we are our brother's conscience. As the sage Hillel said, "If I am not for myself, then who am I? But if I am but for myself, then what am I?".

Some Hon. Members: Hear, hear!

Mr. Bob Brisco (Kootenay West): Mr. Speaker, those of us who have had the opportunity to sit here this afternoon and listen to the debate would like to see the same tone of debate continue for evermore in the House. Of course we know that is not to be, but how refreshingly different. At the outset I should like to concur with the calibre and quality of the contributions of Hon. Members as well as the thoughtfulness of their suggestions. I particularly appreciated the contribution of the Hon. Member for Surrey—White Rock—North Delta (Mr. Friesen). As was pointed out earlier today by the Minister of State for Finance (Mrs. McDougall), Canada has taken 21 deliberate actions with reference specifically to South Africa over a period of two years.

Let us look at recent history, at the role which Canada has played, and at the will and leadership of Canadians to help to resolve—and we are not there yet—starvation in Ethiopia and starvation in other parts of Africa. Concerns have been expressed today. There is a unanimity of feeling that the problem is there and must be addressed on an urgent basis. Surely, if we can demonstrate it that well, as we did and will continue to demonstrate it for the starving millions, be they in Ethiopia or anywhere else on the globe, we can address ourselves toward assisting with a solution in terms of the serious and horrendous problems of South Africa.

When I reflect upon the actions we have seen, I am reminded of the student uprisings in the sixties both in the United States and in Canada. I think it was at Kent State University that a couple of students were shot and killed. There was police action. There was jail. There may even have been some billy-sticks. The point ultimately was proved. I compare that with what I witnessed the other night. There was a group of young people sitting on a street somewhere in South Africa. I do not know whether it was in Pretoria, Johannesburg, or Cape Town. The police moved in with whips. I sat there and I winced with those whites and blacks because it was a savage attack. If police action is necessary in this circumstance, if they are blocking some commercial traffic, surely one picks them up by their arms and moves them to the paddy wagon, if necessary. One has to think what mind induced the savagery behind the action of the police using those whips. It really bothered me, as of course have other things.

I recall asking someone from South Africa about a labour leader. Regretfully I cannot remember his name, but he died in prison. It was said that he had met with an accident. He way lying in his open coffin. His forehead was obviously bruised and swollen. It left no doubt, in my mind at least, how he had suffered and how he had met his death. We must ask ourselves: Is that the correct approach to resolving an horrendous problem?

There are those who can speak with much greater depth of experience than I can. I respect their knowledge and experiernce, but I cannot help think that if we left the solution to the children of the world we probably would not have a problem, because they do not identify according to colour. They do not identify according to language. They identify according to being children. I do not know what happens when people reach adulthood or that period in which they become

distorted at times in their thinking and develop prejudices and perhaps even hatreds. It is very difficult to understand why that process develops, unless of course there is a total environment in which it can foster.

What is the solution? I have to reflect upon our own beginnings. I have to reflect upon Newfoundland and a tribe of native people who were hunted like deer, moose, or bear by early settlers. They were totally wiped out, except for one.

Mr. Prud'homme: Not many Canadians know that.

Mr. Brisco: That is right. Very few Canadians know that we wiped out an entire tribe in Newfoundland. One person survived and died a natural death. The rest were hunted down like animals, like deer.

I also have to reflect upon the Inuit who starved to death by the hundreds. Certainly we had no means of transportation. Our land is different than the land in South Africa. They starve to death. The Indians of Canada, our native people, not only starved, but they suffered the diseases that we brought with us.

• (1830)

We talk about Soweto and the poverty of Soweto, but we choose to ignore the poverty that is still with us in Canada. We choose to ignore the tar-papered shacks on the reserves. We choose to ignore the plywood houses in the North that were built with a total absence of engineering. The only means of providing heat and obtaining hot water is with the kettle on the stove in which you put a block of ice so that it steams up the house—if you can call it a house, the shelter—and the doors will not open or close, the windows will not open or close and the floor rots and drops out. In the recent past that has been the kind of accommodation that we in our wisdom and generosity have provided.

The period of the Iroquois and the Cree and all the other tribes of Canada warring against one another is long since over. Our beginnings are very much in the same period, perhaps a little later, yet those same tribal wars and customs exist today not just in South Africa but throughout all of Africa south of the Sahara, with the Zulus, the Xhosas, the Shangaans, the Vendas, the Ndebele and Swazi and so on. It is the warrior and the slave syndrome.

What has happened since African countries to the north of South Africa have gained their independence? How many of them since the 1960s, when the colonial peoples left, have been able to survive in peace and how many of them have failed to survive the blood-shed of the Idi Amins of this world? Idi Amin is not the only one. History is ripe with the skulls that have been broken by black attacking black, tribe against tribe and nothing has changed that. What will change it, Mr. Speaker? I do not know. Will time change it? Will the economies change it? Uganda, Nigeria, Lesotha, the Central African Republic, what is going to change attitudes there?

Not too long ago I had the opportunity to talk with a gentleman who had spent quite a bit of time doing a lot of work for CIDA. He was in an African country. I will not identify the country simply because I want to protect the gentleman. I know he wants to continue his good work with CIDA. I will not let anyone know who he is. Having said that, he said to me recently: "Where is the press? Where are the television cameras in the country in which I am working where my students are gone tomorrow, or their parents went last week, because of the bloody violence of the ANC which would bring its communist philosophy, translated only by guns, knives and hand-grenades, into that country to force its will on the people?" He said "I saw a Democratic leader come to speak to a student rally and be shouted down by the ANC, and any student who opposed that group was disposed of. That is not South Africa."

What kind of a monster have we created? Is it just in South Africa? Those battles are centuries old. It is my view that those battles will continue as they do today in South America and in New Guinea, tribe against tribe. It is so easy to forget Katanga, Biafra and other places of racial holocaust. We learned today that millions upon millions of South Africans have been killed. I think the statement was made that it is the greatest act of genocide that ever existed, without any reference to the Jewish genocide.

If we look at the departure of the raj and the departure of the colonials from India and what occurred thereafter, yes, there was violence. Yes, there was killing, but there is a nation that for the large part stabilized. The tribal warfare that is with us today in India is on a religious basis, just as heinous, just as brutal, mindless and senseless, but it is there. I am hopeful a solution will be reached in that country.

The tribal warfare in Africa, however, has existed from the day the colonials left and it has not for the most part changed. How can we help? What can we as Canadians do? What can the Eminent Persons Group do? How are we going to solve the problem? How are we going to contribute to solving the problem? My colleague, the Hon. Member for Nepean—Carleton (Mr. Tupper), offered some very useful suggestions. He said that the leaders are there for industry, the church, the labour movement, thoughtful Canadians, for people of other Commonwealth countries and other countries to provide thought and action.

I would like to quote from a statement by a British comentator and author, Paul Johnson. He wrote the following:

> In 1960, when the colonial powers began to pull out fast, the total population was 210 million. Today it is at least 385 million and it is growing at a rate of 3.2 per cent a year, by far the highest in the world, so in less than 20 years time the population will have doubled again.
>
> At the same time, everyone wants to pour out of the countryside into the towns, so creating appalling problems of congestion and violence in unplanned cities while diminishing the locally grown food supplies.
>
> A tiny handful of countries—Kenya, Ivory Coast, Malawi and South Africa—actually grow more food than a generation ago. The rest produce less, in some cases very much less.

Africa has had to increase its grain imports by 700 per cent since independence, but despite this, the World Bank estimates that about 60 per cent of the people have a daily calorie intake which is below the official malnutrition figure.

Twenty-four African countries face what the FAP term "catastrophic food shortages".

● (1840)

When we look at the map of Africa we do not see many more than 24 countries. He concluded:

If its economy collapses, the one engine of growth—even survival—in the continent will be put out of action, and its fall will drag down all the countries of Southern Africa, indeed perhaps, all sub-Saharan Africa. Then we will count the dead from starvation in tens of millions.

When Buthelezi was in Toronto recently, he said:

Blacks simply do not accept disinvestment as a strategy of their choice. The masses of black South Africans tell me so.

Yet, Buthelezi, Chief of the Zulus, is one of the most outspoken opponents to the apartheid process, and rightfully so. However, at the same time, he does not share the view that sanctions are the route to go and nor do I believe that economic sanctions are the route to go. Rather, the process for peace is by way of reason, relievers of the economy used in forms other than sanctions, direct approach to the business community and the labour movement, and by perhaps bypassing a very rigid, authoritarian Government.

Mr. Dan Heap (Spadina): Mr. Speaker, I am glad to have this opportunity to take part in this discussion on South Africa. Sanctions is the general subject of this discussion and there is fairly broad agreement, although not unanimous, on sanctions. The last speaker expressed his disagreement, but I think most other speakers have expressed agreement. At any rate, there is no specific motion on the matter so this is a discussion rather than a debate with two clearly defined sides. It has been a search for some clarity on the way we should go.

This has been a very good debate. I was particularly pleased with the comments of the Member for Nepean—Carleton (Mr. Tupper). Others have already referred to what he said. I found his account of his experience in South Africa very moving. It was particularly moving because of his restrained and gentle yet blunt and honest way of speaking.

Like many others, I am also very moved by what I have heard or read of the words of Bishop Tutu. He is quoted today in *The Globe and Mail* as saying:

Only intervention by the outside world can avoid Armageddon. What is the world waiting for?

We know what kind of intervention Bishop Tutu is asking for. He is asking for sanctions. While that is not the unanimous view of the black people of South Africa, there is every reason to believe and every evidence to support the proposition that it is the great and growing view of the majority of people of South Africa, that is to say the black people.

Bishop Tutu asks for interventions but we should not get hung up on the word "intervention" which more often means a military, violent or aggressive intervention. He is asking for intervention, which is much like the action of a labour union when it withdraws its labour from an employer because negotiations have broken down.

Previous speakers spoke about the need for negotiations and reasoning with business and labour. I would go on from that to say that sanctions are in fact an ultimate form of negotiation. They are not a war-like form of intervention because they leave people still able to talk, think, change their minds and reach agreement. In effect, Bishop Tutu is not asking that we should intervene in the conventional sense, but almost that we should stop intervening. The western powers have been intervening in South Africa for years and years by profiting from apartheid.

We have been profiting from the cheap labour which produces such nice, cheap agricultural products and such nice, cheap and rare minerals. It is not the only place in the world where we can get them, but they are cheap. We have been intervening in South Africa and supporting the violence of the apartheid state by profiting from the minerals and other products which we can get from South Africa. Bishop Tutu is really asking us to stop intervening in support of violence in South Africa. We should, instead, intervene through sanctions.

There were a few comments earlier today which indicated a desire to change the subject by burying it in Soviet bashing or Communist bashing, by complaining about this, that or the other Communist-led country, or what some people imagine to be Communist-led countries. I will not bother answering those because they are merely a diversion from the subject. The fact is that Canada and its allies are engaged in South Africa. We have been engaged on the side of the oppressor. It is no use changing the subject by talking about someone else's violence. We are on the side of the oppressors by virtue of our trading relations with South Africa. Until we withdraw much more than we have already from those trade relations, we are still on the side of the oppressor.

I think it would be a good thing to cut out agricultural imports. There is already a move to reduce the sale of South African wines in Canada. That is something which practically every ordinary consumer can address himself to, whether it be wines, fruits, preserves, or any other agricultural product. Since most people cannot get into the more high-powered stuff, that is worth doing. However, it is also important, and in one sense more critical, for our country to stop the trade in minerals in South Africa. It is shameful that we are refining uranium which is stolen by South Africa from its neighbour, Namibia, at the cost of the murder of Namibian people. Some of it is shipped to Ontario for refining. Of course, some Canadians make a buck out of stolen goods which are the product of murder. That is one thing we should stop.

There has been a story spread by some extremists, such as President Reagan, that we are strategically dependent on the minerals of South Africa. I will take a few minutes to put that story on the record with the aid of some documentation provided by the South African Committee for Trade Union Solidarity. There are, of course, a good deal of minerals being

mined in South Africa. It is being mined efficiently by certain standards. There is a good transportation network.

● (1850)

There is a well-established set of mines and no controls over the rate of mineral extraction. There are no health and safety regulations to speak of. What is really important is there is a really cheap labour force. The Hon. Member for Nepean—Carleton estimated that the black miners are probably paid one-tenth of what white miners are paid. The mining companies in Africa and other countries, including Canada, have found it in their joint interest to create a kind of artificial dependency on South Africa for certain minerals. These minerals are supposedly scarcely available except, of course, in the Soviet Union. The minerals platinum, vanadium, manganese and chrome are the big four. In fact, it is an artificial dependancy. There has been a very consistent effort, particularly by some quarters in the U.S., to distort that picture. I want to quote a few sentences from the book *Trafficking in Apartheid*:

Out of the necessity to defend this systematic exploitation of black miners against the growing international pressure for economic sanctions against South Africa, one argument that has been established with 'smoke and mirrors' goes like this:

'However much we may dislike South African policies, we cannot afford to cut or reduce the economic ties that support the regime because we need those minerals.'.

Of course, we heard the same note when President Carter, referring to Iran, insisted that "We Americans are going to defend our oil". Any oil or minerals in the world appear to belong to the U.S. in the opinion of some American leaders. To continue the quotation:

The argument has been further refined by suggesting that if we did not have access to these minerals and ores from South Africa, we would be dependent upon the Soviet Union.

That has been put in much more hysterical terms:

"Roughly a decade ago we received a jolt. Shifting political patterns, coupled with rising Third World nationalism sharply tempered our expectations . . . Others well away from our borders can now place their hands on our economic throttles and on our economic throats . . . We could lose access to the minerals chromite, cobalt, tantalum and others . . . It would mean massive shocks to our economic system and current lifestyles.

Without these minerals, we cannot make TV sets or computers or heart lung machines or produce high grade stainless steel for a thousand uses—no supersonic jets and no sophisticated submarines."

That was said by no less a personage than William Casey, Ronald Reagan's CIA Director. He was spreading that smoke-screen. That is the sort of job the CIA does when they are not busy mining harbours in Managua. In fact the lie was given to that statement by the Congressional Research Service which in 1980 tabled a report on imports of minerals from South Africa by the U.S.A. and other OECD countries which had been requested by the Senate Foreign Relations Committee. I quote:

The key conclusion of this report, contrary to conventional wisdom, is that South African minerals are of significant but not critical importance to the west. It is fortunate that in the case of each of the critical minerals imported from South Africa, means are available for dealing with an interruption without depending on the Soviet Union as an alternative supplier. These means may be costly—

I said before that the big attraction of South African minerals results from low cost slave labour. It continues:

—and they cannot in all cases be implemented without disruption. But, in general, the disruptions can be minimized if preparations for a possible cut-off in South African supplies are made in advance.

I think that is a fairly good statement of the truth about the minerals we get from South Africa. We would like them but we do not absolutely depend on them.

The hysterical talk strategy, the invoking of the fear of the Soviet bogey, is the sort of thing that gives the key to the policies of certain Governments in supporting the South African apartheid regime. The fact is that South Africa is becoming part of a network of fortress countries along with Chile, Honduras, South Korea, the Philippines and Indonesia. Of course, at the hub of that network, not in a geometric sense but in a fundamental sense, is the Pentagon. The Pentagon and American military corporations have extensive relationships with all these countries.

A characteristic of these countries, along with the Pentagon, is that they all get high on the export trade. They all despise their own population as consumers. They do not need them. They are going to sell to someone else who has more money. They do not even need to pay subsistence wages to their own population. These countries are all armed, arming, and all trading in arms. Most of them produce arms for trade. They all from time to time make war on their populations or their neighbours. They all, in conjunction with a number of big corporations, use anti-Communism as the smoke-screen for their aggression.

It is not just some mysterious feeling of black against white or white against black. It is not some mysterious ancient tribalism. It is an expression of highly-developed corporate greed focused not primarily in Africa, because Africa has been the victim of western corporate greed for hundreds of years as has South America and Central America; the centre of this corporate greed is in our NATO countries, in fact in North America and western Europe, including notably Great Britain. Of course, when they are challenged on this we are told our jobs depend on it. The jobs of the British depend on trade with South Africa. Jobs here, we are told, depend on trade with South Africa. On the question of jobs we should ask those who are very directly concerned with jobs, the leaders elected by the workers through the labour movement.

Yesterday, at a convention in Montreal of the International Association of Machinists, there were some South African union leaders present as guests. They decided not to return to South Africa for a few days because events there made it seem quite unsafe to go home after attending a union conference here. Instead they went to visit London and Geneva for a little while and then decide whether it is safe to go to their home country. The convention adopted a resolution saying in effect that the Canadian Government sanctions are not strong

enough and that Canadians in fact favour disinvestment in South Africa.

I return to one of the comments of the Hon. Member for Nepean—Carleton. He suggested, on the basis of his observations in South Africa, that it might be the unions, or the unions in conjunction with the more Liberal minded corporations, which would lead the way to a more peaceful South Africa. He said there are many people in the churches trying, but they are divided. Many people in the universities are trying, but they are divided. He feels that the unions seem to be establishing a better unity. I know that the leading activities of union federations such as COSATU is to establish non-racial unions, and so at the basic level of earning a living blacks and whites are not only willing to work together, they are willing to defend the right to work together and risk punishment for working together.

• (1900)

I believe it is probably a fact that the unions are, if not the leading group in the changes towards peaceful living together in South Africa, at least one of the leading groups. In Canada we have the actions of the Canadian Labour Congress and other labour groups who are supporting the call for sanctions against South Africa. We have the research work of SACTU, the South African Congress of Trade Unions, to which I referred, which documents in great details the ways in which Canada participates in apartheid through trade with Africa. As Bishop Tutu has pointed out, there is not time for the long, slow process which leaves us all our comforts. What we have to do now is to stand against apartheid, with the blacks and the whites who oppose apartheid in South Africa, and with the blacks and the whites who oppose apartheid in Canada.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I want to thank my colleagues and yourself for the opportunity I have today of addressing this Chamber on the very important issue of apartheid. I want to give a special word of congratulations to two Members, first the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) for having brought this initiative to the floor of the House today in order that we have this very important debate. Second, if I had to underline a contribution today of a second Member it would have to be the Hon. Member for Nepean—Carleton (Mr. Tupper). I listened very attentively to his remarks and I noticed that others have as well because, of course, he has been widely quoted since he made his contribution approximately one hour ago.

Many times in this House we make speeches which are viewed as being partisan, and I suppose I do my share of those, but this issue goes far beyond any partisan feeling we may have. I think even today in the speeches it was obvious that the three political Parties have different views on the solution to the problem we are discussing, but we all felt the same way about the fact that not only is that problem there, but that aparatheid is reprehensible.

Others have stated today that they had the opportunity of visiting South Africa. No doubt it would be an opportunity to have the privilege of visiting that country and to see its vast riches and resources which have been described to us by the Hon. Member for Essex—Windsor (Mr. Langdon), I believe, and others.

Perhaps the Ambassador of South Africa to this country and others, who are maybe watching their television right now and may have a different view than you and I have, might be saying, "What is he doing talking about when he has never seen South Africa?" The Ambassador and others, the same group of people who send us mountains of propaganda that all Hon. Members of this House get from time to time, are aware of the fact that we have not had the opportunity of seeing that land, but many people long before us have spoken on the evil of apartheid. Many people have written about it.

[*Translation*]

Earlier today, I had time to visit our Parliamentary Library, Mr. Speaker, to get some research material on apartheid in South Africa, and I saw shelf after shelf of documents and books on the subject. I even leafed through a book where I saw that at the United Nations, over the years a number of resolutions had been passed. Mr. Speaker, there was a full page of titles and dates of resolutions against apartheid.

[*English*]

There is no doubt that South Africa does not have a monopoly on evil. I do not think anyone suggets that it does. We have a record in our own country's history of occasions that are not that nice either. Need we remind ourselves of the deportation of the Acadians; of the way this country decided to do what it did to Louis Riel; of the way we denied the population of the Province of Ontario even an education in their own language through a long period of our history; of what we did to our Japanese-Canadian citizens; and even more so, of course, the way we slaughtered the innocent people, the natives of Newfoundland and many others to such a point, as has been pointed out today, that a whole tribe of people were hunted down and disappeared?

If there was an excuse, which I am not ready to accept that there was, it is perhaps that we did not know any better. If that excuse has any value at all, I am just wondering how the South African regime, in any way, shape or form, could rationalize what it is doing to its people.

Bishop Desmond Tutu came to Toronto only a few days ago and spoke to our colleagues in the Ontario Legislature and told them of how 73 per cent of the people of South Africa have no democratic rights. Until recently they even had to use the equivalent of a passport in order to get from one town to the other in their own country.

[*Translation*]

And Mr. Speaker, when we in this country, with all our freedoms, when we as legislators can come to Ottawa and go to our ridings, without fear, always enjoying those freedoms,

when we can address our constituents and we know that we are here with their consent and their support, Mr. Speaker, it may be difficult for many of us to imagine what apartheid is like.

• (1910)

[*English*]

I have an article written by Frederick van Zyl Slabbert. He is a former Leader of the Progressive Federal Party of South Africa. It is my understanding that the Progessive Federal party of South Africa consisted only of Members of Parliament who were white, because only whites were allowed of course. It advocates and desires equal rights for black people. The former Leader of that party recently resigned because he felt totally frustrated at not being able to gain for the majority of people of that country what they deserve. In an article in *The Gazette* on May 13, 1986, referring to the pass laws, he said:

> The South African government recently announced the abolition of the hated pass laws, the network of statutes and regulations that controlled the lives of millions of black South Africans.
>
> Hundreds of thousands were arrested and jailed annually for pass-law offences. These laws broke up families (a man could not take his wife and children with him when he found work in the city) and made technical criminals of ordinary people looking for work.

It is difficult for us to imagine, as we sit in the House and our families join us in Ottawa and occasionally sit in and listen to what we say, that were we South Africans and coloured, not only could we not sit in Parliament, because non-whites are totally denied that franchise, but if we came to this city looking for work we would be denied the right to bring our families with us because we could not get them properly franchised according to that law which has existed for so many years in that country. It is difficult for us to imagine having to live in that kind of situation.

Of course, there are those who will say that there are many other countries in which people are oppressed. That is true, but the difference between rich and poor in South Africa is not a lack of wealth or lack of resources, it is a deliberate act to separate people and to cause the majority of them to be poor so that the minority can have all the wealth for themselves.

Many people have written books and essays on this situation in South Africa. The debate has been going on for a long time.

[*Translation*]

I may recall, Mr. Speaker, that in this House, on Friday, March 17, 1961, the Right Hon. John Diefenbaker, then Prime Minister of Canada, was just back from a Commonwealth Conference in which a clear indication had been made to South Africa . . . a conference where sanctions had been taken against South Africa and it was informed that if it did not intend to change and abolish apartheid, the Commonwealth was not longer interested in having that country as a member.

Mr. Diefenbaker said, and I quote:

"The general attitude we took was criticize strongly and deplore the racial policy of the Union Government and the anxiety we felt it was arousing in the hearts and minds of millions of people throughout the world.

We expressed our deep concern about its impact on the relations among the member countries of the commonwealth and on the cohesion of the commonwealth itself as a multiracial association. I took the stand then, and I have taken it before, that the United Nations answers to these principles, and that the commonwealth cannot do less."

Interestingly, Mr. Speaker, today, 25 years later, there has been practically no change with respect to the rights of South African Blacks.

My point is that we must be prepared to take far more stringent measures than has been the case in years gone by, since although the kind of action we have taken in the past may have brought about a very slight improvement, it certainly did not produce the intended results—

[*English*]

We in this country have long taken our rights for granted—sometimes too much so, in my opinion. A great Canadian once spoke about those rights and freedoms. He said:

> Thank Providence that we live in a country of absolute freedom and liberty. Let us always bear in mind our duties, for duty is always inherent in right. Our fathers had to labour to secure these rights. Now let us fulfil our part. Three years ago, when visiting England at the Queen's Jubilee, I had the privilege of visiting one of those marvels of Gothic architecture which the hand of genius, guided by an unerring faith, had made a harmonious whole, in which granite, marble, oak and other materials were blended. This cathedral is the image of the nation that I hope to see Canada become. As long as I live, as long as I have the power to labour in the service of my country; I shall repel the idea of changing the nature of its different elements.
>
> I want the marble to remain the marble; I want the granite to remain the granite—

Those were the words of Sir Wilfrid Laurier on August 15, 1900. It is my hope that the day will come when black South Africans will be able to read what I have just read and do as we do, look at those rights that Sir Wilfrid Laurier described to us on August 15, 1900 and think of them as being their rights. Unfortunately, that is not the case now.

[*Translation*]

To conclude, Mr. Speaker, this well-known South African, himself a white man, wanted, as do all of us, improvements in the privileges and rights of the approximately 20 million Blacks, to come about peacefully, and as much as possible with no adverse effect on the population.

• (1920)

We have to realize, Mr. Speaker, that we have already collectively built all the societies in this world. We have already taken peaceful action by expressing our concerns to the South African Government, but until now, we have met with near complete failure.

Doctor Christian Barnard, the well-known physician and medical innovator, who is himself white, when describing the

situation and what should be done to improve it, said that no option should be rejected out of hand because, eventually, everything would have to be done to resolve this intolerable situation. He also said, and I shall quote him to conclude my intervention: "To define and extract a tumour, whatever its nature, the surgeon needs to expose it to the light, and even though he is aware of the pain which will result for the patient, he must dissect mercilessly and completely."

Which brings us to say, Mr. Speaker, that the sanctions will certainly be painful, but that we must have the courage to impose them.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, last Monday, in Montreal, I had the privilege of meeting Bishop Tutu with a number of people who were very involved in the cause we are debating in the House today, and I would like to name a few of these people: Mr. Charbonneau, the President of the CEQ, Mr. Laberge, the President of the *Fédération du travail du Québec*, and Mr. Gérard Larose, the President of the CSN, as well as a number of wellknown Montrealers, and also, under the umbrella of the *Association québécoise des organismes de coopération internationale,* representatives of student associations, the *Fédération des femmes du Québec*, the *Ligue des droits et libertés* and a representative from the *Assemblée des évêques du Québec*. And of course, since everyone wanted to talk to Bishop Tutu, I barely had time to let him know the gratifying news that on the Saturday before, May 31, youth members of my party, and I say this without partisanship, the young Liberals of Quebec who were attending their convention in Ottawa to select the resolutions that will be debated in Ottawa on November 26, 28 and 30 of this year, that they had adopted a number of resolutions. There was one that was particularly relevant to this debate and on which I would like to expand. They asked, and this is something new for our politically-oriented youth, for an end to economic and diplomatic relations with South Africa, if that country continued its apartheid policy, and also for recognition of the Palestine Liberation Organization as the principal, not the sole, but the principal spokesperson for the Palestinians.

Mr. Speaker, you know how very interested I am in international affairs, and I have never been ashamed to say so, because it has always been my view that a federal Member should have an international perspective. A provincial member and a municipal councillor may have other concerns, but a federal Member, while defending the interests of his province and the people who elected him, ought to remember the international perspective as well. And in my case, I have been interested in international events for 20 years. It strikes me that if every single Head of State in this world would stop being afraid . . . I am referring to the kind of fear that is so overpowering it prevents you from making important decisions. I maintain that all these Heads of State know what is going on. They know, because they are better informed than I am. They all have departments that work for them. They know perfectly well that if in certain cases action is not taken, this will necessarily to have certain consequences.

What I do not understand, what I refuse to understand—and on such questions I am a stubborn man—is that we are not taking action at the appropriate time. Mr. Speaker, why is it that we failed to understand what was happening, for instance, in 1959 and during the many years before which brought us to the Cuban revolution of 1960, how did we fail to appreciate that those people were seeking dignity and respect for their rights? How can we not understand what is going on in Nicaragua, what made people want to get rid of dictators? Because we were absent. Because we do not understand, or because we do not want to understand, we find ourselves in the kind of situation facing us today. How can we not understand what is happening in Chile? How do we fail to understand—and I try to take current examples, be it in Haiti or in the other countries I just mentioned? Why, for instance since my colleague from Mount Royal (Mrs. Finestone) has reminded us of things which are very true, why is it that my colleague from Mount Royal, who opened the door for me, does not feel as much concern as I do about the plight of those people who lived through the holocaust, but also of those people who are called the Palestinians?

When I consider what is happening in South Africa, Mr. Speaker, and draw a parallel with the Palestinian issue, I say: My God, these are two extremely explosive situations which might compromise world peace. Of course there are other tragedies in the world, of course there are other tragedies in Africa, of course there are other tragedies, other absurdities in the Middle East. I have in mind the Iran-Iraq war, but when I look at these two cases in particular, I am forced to draw some conclusions. How is it that a country like mine, on November 29, 1947, I believe, few countries were represented at the United Nations . . . we then voted for the creation of two Palestinian states, 33 countries voted, 13 to 10. The most extraordinary aspect is that one of the 33 countries, except Canada, the United States, the Soviet Union and several others—what a nice assembly—there was practically only one African country, and it was South Africa. They voted in favour of two states, so look where we are now because no-one will complete the work already begun. I can tell you, Mr. Speaker, that if we did not see what is going on on television, if television did not show us what is happening in South Africa, perhaps we would not have this debate, and it would be very unfortunate. Perhaps it it necessary that worldwide television would show these images which strike us and vividly depict the injustices about which we hear so much in that country.

I listened on Monday, June 2, to Mgr. Tutu, and I thought to myself: What patience, Mr. Speaker! I would not have that patience, were I an African in black South Africa. He spoke to us about that last possible chance, trying to open our eyes to understanding. But what a message of kindness as against the impatience of people who have always been waiting for equality! Was that message hard to understand? Let us imagine for a moment, Mr. Speaker, that you are black, that you have a black wife and black children that you are going to be pushed around next Monday, on the 10th anniversary of the Soweto events, and that you and I are looking today at

television, but as the black people. How long would we have the patience to try and arouse the conscience of the world by crying out: Look at us, understand us, we are human beings just like anyone else, we have our pride; do you not understand that if you will not grant us that equality which is also our right, we will become impatient!

This is the whole phenomenon, not of terrorism but of violence. When I fall a victim to the kind of injustice that is so widespread, when I am asking in vain that my rights be recognized, nobody listens to me. So I shout louder, but still nobody listens to me. Then I join in with my neighbours and we shout in the streets, but still they will not listen. At that point we have no arms, we get organized, we knock things over, we overturn buses, we burn a few tires, and then the police which some people like so much to support, step in, crushes and arrests people. Who is arrested? Leaders like Mandela. What happens to them? They are put in jail. What happens to them, not only in South Africa but in so many other places like Chile and elsewhere? They are tortured.

But, Mr. Speaker, would you allow your son, your daughter or your wife or your friends to be tortured, deprived of fundamental things, like the right to education, the right to justice, the right to equality, the right to clothing, the right to shelter? But When you deal with people who deprive you of all that, your propensity for violence gets exacerbated.

Some people have but one word on their minds, "terrorism": terrosism here, terrosism there, to stop you from pointing out the injustice in all of that. But finally we realize that if we in the Western world do not take the leadership in helping them, those people will rise, they will have their revolution as others did before them. People are thrown into prison, like Kenyatta, and the Mau Mau had their revolution. I remember seeing the same pictures when I was young. They had their revolution in Kenya. Kenyatta was thrown into prison. They put Nehry back into prison. So they did with liberated themselves. Why?

• (1930)

[*English*]

Because these people suffered the same fate under colonialists who branded them terrorists and communists. It is always the same word—communists, communists, communists. Because you want justice you are accused of being communist. It is as if being a capitalist means you can do anything wrong. I refuse to believe that.

[*Translation*]

Mr. Speaker, I say—and I am not bragging—that the experience I have, Canadian taxpayers have paid for me to learn; my constituents have elected me over and over again. They make it possible for me to continue to look after the interests of Quebecers, obviously, and Canadians generally, but also to address major world issues, which has enabled me to travel and take part in the proceedings of the United Nations or the International Parliamentary Union where I was elected to chair the International Policy Commission dealing with these issues. As a representative of a western country, I had much difficulty getting elected. As though I wore a mask saying: West. We are in a minority situation, but I was elected nevertheless by a majority of non-aligned countries.

I have often been to the United Nations. I was there when Arafat made a speech in 1974. It was the very same desperate message: Please, I beg you, listen! Give us justice! Give us passports! Give us back our land!

But what do the South African people want? The Black population says: Give us back our pride! Give us equal rights! Since you have them, why should I be without them!

Well, we continue dragging our feet. We keep saying: You know, economic sanctions might not be as good as you think. This may be true. But Canada is perceived so much as a leader in the whole world. Canada is perceived so much as a different, tolerant, multicultural country that we should show leadership. I beg the Prime Minister of Canada (Mr. Mulroney) and the Right Hon. Secretary of State for External Affairs (Mr. Clark) to take the initiative. If they deem it necessary, they should call a special meeting of the Commonwealth countries and during these special meetings and proceedings, why not . . . We could have special rules!

Canada should continue to show leadership. The whole world—it seems to me at times that only Canadians—

[*English*]

Only Canadians do not know what Canada is all about. The world believes in Canada. The world loves Canada because we are no longer a colonial country. We have a colonial past. We were colonized, and doubly colonized—

Mr. Heap: Triply colonized.

Mr. Prud'homme: Triply colonized, economically, as the Hon. Member says. People recognize themselves in us. Some people expect more from us than the hesitant steps which we usually take. Let us inform Canadians. I believe that when Canadians are informed, they are well ahead of any Government. Let us tell them what the term "sanction" means in terms of dollars and cents. Let us call upon the trade unions. I know that they will answer, even if they have to suffer a little bit. Everyone in the country must suffer a little bit—equally, not some more than others—in order to help our brothers and sisters in South Africa to show them that we, white people, care for them even if they have black skin. That is the message that Canada could deliver. It is the message that most of the Commonwealth countries are waiting to hear from Canada, not the hesitating waltz, a little step this way and a little step that way. Leadership—that is what most of the African and non-aligned countries expect from Canada. We have leadership and understanding, let us show it by our actions.

My colleagues, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) and the Hon. Member for Spadina (Mr. Heap), could very well ask me: Do you have some concrete proposals? I have some. They may not be the best, but they are at least steps in the right direction.

I can see that you are indicating that I have but three minutes left, Mr. Speaker. I might ask for permission to have another three minutes in order to put my proposals forward. When I talk about this type of situation I admit—and I am not apologizing—that I become very passionate. I will always be passionate when I defend the rights of people to equality and respect. I do not think we should apologize for that.

What can Canada do? We are told that South Africa will make it more difficult for the countries surrounding it. It will be very difficult for its neighbouring countries in terms of trade. Perhaps Canada should assist in developing alternative trade routes. In this regard Canada could help develop and maintain the port system in Mozambique and assist in the maintenance of the railway links between Zimbabwe and Mozambique on the Tanzanian Railway.

We could assist in ensuring the safety of trade routes. It is widely believed—and the events of recent days make me believe it—that South Africa has engaged in sabotage, as it already has in the case of the Zimbabwe-Mozambique railway link. Thus the possibility of establishing an international police force made up of Africans to supervise these trade routes should be considered.

• (1940)

We could assist in developing alternative markets for goods from frontline states. We should undertake to study the possibility of increasing the import of goods from the frontline states that are suffering and will suffer more. I know many of my colleagues would tremble to say this, but I do not.

We could assist the liberation movement with the supply of humanitarian aid, medical supplies, food and the like. Furthermore, Canada should ask for the absolute, unconditional release of Nelson Mandela. That is the message Bishop Tutu gave in Montreal. That should be our prime effort. It could dilute the aggressiveness of those who are against people who rightly intend to be equal and respected.

The Government should close all trade, immigration and consular offices, though perhaps we should keep just one accredited person in Pretoria for the time being. My information is current as I checked into this this afternoon, and it is disappointing for me to note that Swaziland and Lesotho are under the jurisdiction of the Pretoria mission for immigration purposes. If it is disappointing to note that, it is extremely embarrassing to note that the independent states of Zimbabwe and Botswana are served by the Canadian immigration office in Pretoria. If people from those independent states do not wish to go to Pretoria, they have to go all the way to Nairobi. When there is a Canadian diplomatic mission in Zimbabwe, why should a Zimbabwean have to go to Pretoria? I suppose my colleague, who is an ex-Minister of Immigration, would say that it makes sense now but that later on, if the situation becomes perfect, we will revise it. At the moment, we should not force Zimbabweans to go through the Pretoria office to have immigration queries settled.

In the very limited time available to me under the rules, I have tried to speak passionately. I believe that one must not be sorry to look passionate and act passionate. When I talk about human beings, I am passionate.

My colleague, the Hon. Member for Mount Royal (Mrs. Finestone), said rightly that if people would have condemned anti-Semitism in the thirties, our eyes would have been opened and we would have understood that we cannot kick someone because he is Jewish and we cannot hit someone because he is black. If we do, eventually someone will come up with a system for the disposal of those people.

[*Translation*]

Or to crush them. Two of the worst ills that I know which affect the hearts of men are certainly apartheid and anti-Semitism, two fatal diseases which should be condemned every day. If we condemn these ills, we must apply the same justice to others. We must not—

[*English*]

When we talk about human rights, we must be consistent. We must not defend the human rights of only a few and forget about the human rights of others. I say that I believe that Canada's ambition to defend equally the human rights of our fellow citizens around the world exists but there must be consistency.

I hope and pray that our Government—tonight there is no partisanship so I refer to my Government of my country—will take the lead in the Commonwealth and, if necessary, at the United Nations and will not wait. South Africa will not wait any longer for the famous little bit described by the Prime Minister of England. You recall, Mr. Speaker, the famous meeting at which the Prime Minister of England said that she moves a tiny little bit. Africans are not in the mood any longer to wait for that little bit.

I ask you, Mr. Speaker, myself and the Government, are we going to answer this question? I would hope we will.

[*Translation*]

The Acting Speaker (Mr. Charest): Pursuant to Standing Order 29(13), I am satisfied that the debate has been concluded and I declare the motion carried.

The House therefore remains adjourned until Monday, June 16, 1986, at 11 o'clock, pursuant to Standing Order 3(1).

The House adjourned at 7:45 p.m.

HOUSE OF COMMONS

Monday, June 16, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

EXTERNAL AFFAIRS

INTERNATIONAL YEAR OF SHELTER FOR THE HOMELESS

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, it is a pleasure for me to inform the House this morning that in 1987, Canada will be celebrating the International Year of Shelter for the Homeless, in accordance with Resolution 37/221 passed by the UN General Assembly on December 20, 1982.

We all realize that like many other countries, rich or poor, Canada has too many citizens who cannot afford decent housing. New Government policies announced in the House last December are aimed at making resources available to Canadian men and women who need them most, while providing for greater flexibility with respect to local conditions.

However, if we compare our situation with the rest of the world, Canadians are privileged indeed. Beyond our borders, in Africa, Asia and Latin America and the Caribbean, housing problems are of an entirely different nature. It is hard to find words to adequately describe how widespread and intense the problem is and the suffering it causes. I am therefore very pleased to announce that next year, the Canadian International Development Agency and the Canada Mortgage and Housing Corporation, in accordance with Canada's decision to support the objectives of the International Year of Shelter for the Homeless, will be taking part in a conference sponsored by the Canadian Committee of the International Council on Social Welfare and the Canadian Association of Housing and Renewal. This conference, which will deal with housing for the needy, will be held in the fall of 1987. The Canada Mortgage and Housing Corporation is now looking into the possibility of financing further conferences and forums of this kind.

Mr. Speaker, Operation Africa 2000 which was launched by me in the House on May 6 of this year is an example of Canada's determination to help the people of Africa's rural areas to overcome famine and break out of the poverty cycle. Only a few days ago, at the Annual Convention of the Canadian Federation of Municipalities, I was very much impressed by the desire shown by representatives of our towns and cities to get involved in international development. The Federation has already launched a pilot project enabling authorities from Third World towns and their Canadian counterparts to become better acquainted and exchange comments on their respective problems. This may result in useful co-operation.

Such initiatives, like others to be taken by Canada during the International Year of Shelter for the Homeless, are only a first step. Nevertheless, they bring us closer to the day when every family and every human being will be able to have not only a decent diet, pure water, primary health care and education, but decent housing, as well.

Mr. Marcel Prud'homme (Saint-Denis): As usual, Mr. Speaker, the Minister is always the exception which confirms the rule, and I want to thank her for advising us of her statement on Friday instead of following the tradition of her colleagues who tell us about a statement only an hour or half an hour before delivery. Again I commend and thank the Minister.

The only thing I deplore, and I am convinced the Minister feels the same way, is that we cannot devote more time this morning to the topic of the statement—she spoke for two and a half minutes, which will give me hardly four minutes on such a wide-ranging, significant and tragic issue. I know that the Minister and Hon. Members who are interested in this question regret this.

That being so, I can only support the initiative of the United Nations which have decided to set a year aside for reflection. However I must say that preparations were made for this International Year of Shelter for the Homeless.

Those who watched television last night were once again made vividly aware of big problems the world over. Whether we are talking about slums, as she said herself, or *favelas* in Third World cities, I think the situation of the homeless is tragic.

Yet it is obvious that we too have people who are suffering, be they on Indian lands or in Vancouver, those people who were thrown out of low rental units to accommodate Expo visitors—it will be a success and I urge Canadians to go there—but this could be done only by moving homeless people. It is imperative that we reflect on this and make Governments aware that homeless people also deserve assistance.

But what does the Canadian example represent in light of what is going on throughout the world? Of course there is no common measure.

I have always said, as I did again last Friday evening here in the House when Africa was the topic of debate—and the

Minister says so on page three of her statement, on the occasion of the meeting of cities and towns—I said and I repeat that when Canadians are well informed they are always one step ahead of their Governments, regardless of their political views. It is important to properly inform the people and increase their awareness. When Canadians are properly informed of particular situations, they have always been and will continue to be more generous, understanding and open minded than any other Government.

On behalf of my party, therefore, I support this statement. We hope to see a great many initiatives during this year, a year which should not be felt to be just "another" so called international year of the United Nations on a given subject. I for one feel that we should be activists on these issues. Who has ever heard in Canada—I will conclude on this—that this year is the International Year of Peace?

Once a year has been proclaimed, we make fine statements, then we sit down and we are satisfied. We have done our share. I see that the Minister of Employment and Immigration (Mrs. MacDonald) is here; she is part of a group of activists who want to do more. We should think and be concerned about these matters on a continuing basis. On behalf of my party, I want to tell you that we have this continuing concern and I hope that it will spread everywhere; this is a non-partisan issue and I thank the Hon. Minister once more for giving us on Friday advanced notice of her statement. I hope her colleagues of the Cabinet will do the same and I can assure her that we will support any initiative that is consistent with Canada's reputation in the world.

• (1110)

[*English*]

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I say with great regret that I am deeply disappointed with the Minister's statement on behalf of the Government in respect of how Canada intends to mark International Year of Shelter for the Homeless.

The Minister has said that the Government intends to participate in a conference which will be sponsored by the Canadian Committee of the International Council on Social Welfare and the Canadian Association of Housing and Renewal. I hate to say it, but it reminds me of the kind of reaction to urgent social problems of the previous Government. In terms of announced policies, that is all the Government has.

Also the Minister commented upon the fact that the housing problem and the problem of homelessness are acute in many countries of the world. She talked about visiting the camps for refugees and the slums and *favelas* of the cities of the Third World. There is no question that there are desperate problems in terms of homelessness in the Third World.

I, for one, would suggest that there are certain people in Canada who would exchange our climate for that in some of the Third World cities, and *favelas* there for their housing conditions in Canada. I believe we cannot afford to ignore the fact that homelessness is not only found in other parts of the world. It is a reality in this country. We have an increasing number of people living in poverty and an increasing number of people who do not know from where their next meal or their meals for the next month will come. There has been a tremendous growth in food banks in almost every major city across Canada. These food banks are now feeding tens of thousands of families per month in major cities such as Ottawa, Vancouver, Edmonton, Toronto, and Halifax. It is an indication of the greater degree of poverty that is finding root in the country than we had known just a few years ago. Some 4.5 million Canadians are living in poverty. There has been an increase of some 800,000 people from the beginning of the 1980s, and the situation appears to be getting worse, not better.

I should like to refer to my own situation, representing a riding on the doorstep of Parliament Hill. I know that homeless is not something abstract to be found in Africa, Latin America, or Asia; it exists right here. People who are homelessness find their way onto the Mall and into the Rideau Centre during the winter. The good citizens of Ottawa complain about them, but the reason they are there is that they have no other place to go which is at all warm and protected from the weather. If they are lucky, they may be able to get to a shelter at night.

People will recall how the citizens of Toronto and of Canada in general were shocked at the death by freezing of Drina Joubert in December of last year. It brought home, in a very dramatic way, how a woman of good background was pushed into abject poverty and ultimately to death because she fell through the cracks in our system.

We have some 20,000 to 40,000 people who live on the streets in Canada now. We have many Canadians living in desperately substandard housing conditions. Let us look in particular at our native population. People from other countries, when they see Canada being critical of actions of other countries, say that we are sanctimonious because of what happens with our own native population. I suspect they are right. For example, nearly half the Indian dwellings in the Northwest Territories have more than one person per room. Just over half the Indian dwellings in Yukon have no central heating. A third of the Indian dwellings in the Northwest Territories need major repairs. These situations exist here in Canada.

I urge the Government in the strongest possible way to do more about homelessness than just have a conference. We should have a commitment before the 1988 election to wipe out homelessness in Canada. We have the resources to do it, if we had the political will.

COMMITTEES OF THE HOUSE

PARLIAMENTARY EMPLOYMENT AND STAFF RELATIONS ACT—PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Mr. J. R. Ellis (Prince Edward—Hastings): Mr. Speaker, as Chairman, I have the honour to present the report of the legislative committee on Bill C-45, an Act respecting employment, employer, and employee relations in the Senate and the House of Commons, with amendments, in both official languages.

EXTERNAL AFFAIRS AND INTERNATIONAL TRADE—FIRST REPORT OF STANDING COMMITTEE

Mr. William C. Winegard (Guelph): Mr. Speaker, I have the honour to present, in both official languages, the first report of the Standing Committee on External Affairs and International Trade.

This report focuses on the work and function of the new Communications and Cultures Branch of the Department of External Affairs. The report itself is not unusual, but I commend the process to you, Sir, and to my colleagues.

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

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PETITION

PRICE OF GASOLINE

Mr. John Nunziata (York South—Weston): Mr. Speaker, I have the honour and privilege to present to the House of Commons a number of petitions containing the names of several hundred individuals in Metropolitan Toronto. They request that the Government intervene in the issue of gasoline prices at the pump and insist that any decrease in the cost of crude oil be passed on to consumers.

* * *

[*Translation*]

QUESTION ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 396.

[*Text*]

COSTS AND PERSONNEL OF HIGH COMMISSION IN LONDON AND EMBASSY IN PARIS

Question No. 396—**Mr. Vankoughnet:**

1. How many employees are working at the (*a*) Canadian High Commission in London, England (*b*) Canadian Embassy in Paris, France and, in each case, what is the (i) category (ii) salary of the employee (*b*) how many are trade officers (*c*) how many are non-Canadians?

Order for Return

2. What is the total cost to the Government to operate both?

Right Hon. Joe Clark (Secretary of State for External Affairs):

		Canadian High Commission in London	Canadian Embassy in Paris
1.	(a)	285	209
	(i) Canada based employees	85	74
	Locally engaged "	200	135
	(ii) Canada based	$3,418,000	$2,836,000
	Locally engaged	$3,730,000	$2,646,000
	(b) Trade Officers:	14	10
	(c) Non-Canadians:	31	94
2.		$12,317,000 Total costs to operate the High Commission in London including Canada based and locally engaged personnel costs, post operating and capital budgets.	$11,350,000 Total costs to operate the Embassy in Paris including Canada based and locally engaged personnel costs and the post operating and capital budgets.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 567 could be made an order for return, the return would be tabled immediately.

Mr. Speaker: The question enumerated by the Parliamentary Secretarty has been answered. Is it the pleasure of the House that question No. 567 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

DPW—CONSTRUCTION PROJECTS IN NEW BRUNSWICK

Question No. 567—**Mr. Howie:**

As of January 1, 1986, were any Department of Public Works construction projects under way in the Province of New Brunswick and, if so, what were they?

Return tabled.

[*Translation*]

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

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

[*English*]

Mr. Speaker: May I advise the House that because of the ministerial statement, Government Orders will be extended by

12 minutes, beginning at ten o'clock this evening. Therefore, the adjournment proceedings will begin at 10.12 p.m.

* * *

BUSINESS OF THE HOUSE

Mr. Lewis: As you know, Mr. Speaker, we have been working for some time to try to finalize Private Members' Business so that Private Members will get their allotted time and Private Members' Hour will go ahead.

I have for presentation to the House a draft Order, upon which representatives of all three Parties worked. Your Honour may find unanimous consent to pass the following draft Order:

That, notwithstanding any Standing or Special Order of this House, the Order for the consideration of Private Members' Business during the period commencing this day until Thursday, June 19, 1986 shall be as follows:

1. Motions (papers) No. 16—Mr. Boudria (Monday, June 16, 1986)
2. Motion No. 119—Mr. Manly (Tuesday, June 17, 1986)
3. Bill C-270—Mr. Fulton (Wednesday, June 18, 1986)
4. Bill C-208—Mr. Isabelle (Thursday, June 19, 1986)

Provided that the privisions of the Special Order adopted on Wednesday, June 11, 1986 and Standing Orders 42 and 72 shall be deemed to be in force for the purposes of this Order and that during the hour that would otherwise be used for the consideration of Private Members' Business on Friday, June 20, 1986, the House shall consider government business.

• (1120)

Mr. Speaker: The House has heard the motion which requires unanimous consent to be introduced. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Mr. Speaker: Motion agreed to and so ordered.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. We had a Minister's statement today which took up 12 minutes of House time. I think there would be a disposition in the House to agree that that 12 minutes will not be added on to the end of today's standard sitting. If that meets the unanimous consent of the House, I am prepared to make that proposal, and I hope it will pass without debate.

Mr. Speaker: Do I take it there is a unanimous desire in the House not to apply the rule with regard to the application of extension of time.

Some Hon. Members: Agreed.

Mr. Speaker: Therefore, the adjournment proceedings will begin at 10 p.m. tonight.

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT

MEASURE TO AMEND

The House resumed from Friday, June 13, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the third time and passed.

Mr. John Nunziata (York South—Weston): Mr. Speaker, I appreciate the opportunity to speak to Bill C-96. In my view Bill C-96 is one of the most important pieces of legislation with which the House has dealt since it started sitting in late 1984. This piece of legislation affects in a very dramatic way the level of funding to the provincial Governments for post-secondary education and health care in Canada. In fact, the Bill has the effect of reducing the level of federal transfer payments from 7.5 per cent to 5 per cent.

I think it is important at the outset to try to determine first what the motivation was behind the introduction of this Bill and, second, what impact Bill C-96 will have on post-secondary education and health care.

First, concerning motivation, it is obvious that the Conservative Government is extremely concerned about the deficit. We share that concern. Where we do not agree with the Conservative Government is the method by which the federal deficit should be reduced or managed. It is obvious that the Conservative Government is prepared to do almost anything to balance the books. The Government tried unsuccessfully to reduce the indexation of senior citizens pensions in its first budget. That particular measure was universally condemned by the people of Canada and the Government of Canada was forced to back down.

The motivation behind that measure I submit is the same motivation that prompted the Conservative Government, through the Minister of Finance (Mr. Wilson), to introduce Bill C-96, that is, deficit reduction. The people of Canada spoke very forcefully and vigorously when the Government tried to deindex senior citizens pensions. Canadians said it was unfair and unjust for the Government of Canada to try to reduce the deficit on the backs of senior citizens. They said it was wrong to attempt to reduce the deficit on the backs of any disadvantaged group in society, be they the disabled, the elderly, the young or the unemployed. It is not fair to pick on disadvantaged people and ask them to bear the brunt of deficit reduction.

In the first budget not only did the Government intend to reduce the indexation for senior citizen pensions, but it also proposed there be a capital gains deduction, a $125,000 cash bonanza for the wealthy in society. Canadians asked where was the justice and the fairness in that. They said if you want

to reduce the deficit that is your goal, but why, pray tell, pick on the senior citizens and then almost in the same breath give away to the wealthy in society what will amount to millions and millions of dollars over the foreseeable future? That is not economic justice, Mr. Speaker. It is cruel and insensitive. I submit that the Government in introducing Bill C-96 is being unjust and unfair. In effect it is once again attacking the disadvantaged in society, those I suppose who are least able to speak for themselves.

If there ever was a sacred trust, Mr. Speaker, that sacred trust is health care and education in Canada. Each and every one of us in this House and every Canadian from coast to coast has come to appreciate the level of health care and post-secondary education because it is second to none in the world. We have the best system anywhere and we ought to be extremely proud that regardless of where one lives in Canada, whether in a region that is economically prosperous or in a region that is economically poor, we are entitled by virtue of the fact that we live in this beautiful country to a certain level of education, a high quality of education. It does not matter whether one is born to riches or to rags, every young person is entitled to that quality of education. Likewise, it does not matter where one lives in Canada, what occupation or what vocation one has in life, whether a politician or a truck driver, we are entitled to a very high quality of health care. Those are basic, fundamental and sacred trusts. Any attempt by Government, or for that matter anyone, to derogate from those rights or to diminish the quality of health care or post-secondary education should be dealt with in a very forceful way. Yet here we have the Government of Canada, the Conservative Government that plays a major role ensuring the sacredness of that trust, ensuring equality of health care and education, introducing Bill C-96.

What is the impact of Bill C-96? Over the next five years, the provinces and territories will receive $8.1 billion less than they otherwise would receive were it not been for Bill C-96. This Bill is meant to transfer the deficit from the federal Government to the provincial Governments. Over the next five years $8.1 billion will be cut. If one looks at the reduction in the various provinces, for example in the province where I reside, just under $3 billion less will be going to the provincial Government from the federal Government in Ontario for health care and post-secondary education.

We know the problems that already exist in the Province of Ontario concerning health care and post-secondary education. I would suggest it is a legacy of the previous Conservative Government in Ontario. Is it any wonder that the good people of Ontario turfed out those Tories a year ago. That Government dared to threaten the quality of health care and post-secondary education in that province. Over the next five years Ontario will receive $2.9 billion less. If the Government of Ontario is to maintain the quality of health care and post-secondary education which exists in Ontario, it will have to come up with an additional $3 billion in revenue over the next five years.

• (1130)

Mr. Nixon, the Treasurer of Ontario, will be asking how that can be done. As a result of Bill C-96 he has some very tough decisions to make. The Province of Ontario can either increase taxes by $3 billion over the next five years or it can cut services. It would have to cut in the area of health care and post-secondary education. That could be done by reducing the number of hospital beds or the level of research and development in the hospitals and universities. Class sizes could be increased and teaching staffs could be paid less. However, that is not acceptable. There is already a desperate shortage of financing for those particular areas in the Province of Ontario.

We in Ontario consider ourselves fortunate even though we are in a most difficult situation with regard to health care and post-secondary education. Notwithstanding that the quality is second to none, the costs increase yearly. If one is to maintain or increase that quality, which should be a goal of government, there must be a commitment and the political will to ensure it. We in Ontario will suffer tremendously under this Bill. Ontario has often been referred to as a "have province". What will the impact be on the "have not" provinces, the provinces which, because of regional disparities and other factors, are suffering more than the have provinces with regard to economic renewal?

What about Atlantic Canada? The Province of Newfoundland suffers from one of the highest unemployment rates in Canada and has some very serious financial problems. Over the next five years it will receive $200 million less than it would if the present agreement were honoured. Prince Edward Island will receive $41 million less than it would otherwise have received. Nova Scotia will receive $283 million less over the next five years. New Brunswick will receive $229 million less. Every province and region of Canada will suffer as a result of this Bill. The provinces are crying out to the Government of Canada that this is not fair. They are also saying that the Government has reneged on a contract. It has breached an agreement to increase federal transfer payments by 7.5 per cent.

When the Government took office two short years ago the Minister of Finance and the Prime Minister (Mr. Mulroney) told the people of Canada that there was a new era of federal-provincial relations and national reconciliation. You must recall those words, Mr. Speaker, because they are still ringing in the ears of every Premier in Canada. The Government said that it would consult before it acted. It said that, unlike the Liberal Party of the past, it would consult rather than acting unilaterally. That is what was said.

Mr. Gormley: That is what they do.

Some Hon. Members: Hear, hear!

Mr. Nunziata: That is what was said, but what do they do? What happened to the consultation and the new era of national reconciliation? The Government unilaterally imposed these cuts and restrictions. Given the Government's pronouncements

in the early days of its mandate, one would think that it would call a meeting of first Ministers or Finance Ministers to tell them what it intended to do and to ask their opinions. The Government did not do that. It broke a contract with the provinces and all Premiers have condemned the Government. They have brought into question the credibility and integrity of the Government.

Canadians are saying that the Conservative Government has frittered away the trust and mandate it was given by the people of Canada in September, 1984. In a very dramatic fashion the people of Canada gave the Prime Minister and the Conservative Party a tremendous mandate for change. That is now gone. All that is left of the mandate is Conservative bodies in the House of Commons. According to any public opinion poll to which you wish to refer, the Conservative Party has lost that support and mandate. In fact, I suggest that the Conservative Party is very quickly losing its right to govern in Canada. The people of Canada will not forget. One of the central issues of Bill C-96 is credibility, honesty and integrity.

On March 23, 1982, a very prominent member of the Conservative Cabinet said:

> The only sign (the federal Government) shows of cutting spending is by shifting the burden of the established programs funding on to the provincial governments. The provinces are now moving into a deficit position, a position which will make it more difficult for them to finance this shift in spending . . . . That is not co-operative federalism. That is predatory federalism and it will not and cannot work in this country.

The famous Canadian who made that statement in the House of Commons on March 23, 1982, was none other than the Minister of Finance, the same Minister who introduced Bill C-96. Was he being sincere then or is he being sincere today? These are the words forever entrenched in *Hansard* for every Canadian to read. He went on to say:

> Taking the action of unilaterally cutting the financing, which the Government is now proposing, and then having some discussions with the provinces, surely puts the cart before the horse. We should be reversing this procedure.

● (1140)

That was on March 24, 1982, page 15774-5 of *Hansard*, the now Minister of Finance speaking. Is it any wonder Canadians question the credibility of this Government?

The Liberal Party will not sit idly by and watch that Conservative Government attack some very basic institutions. The Liberal Party will not sit idly by and watch that Government attack post-secondary education or health care funding. We will stand up for the youth of Canada who are losing hope because of that Government. The Government is sending a message to the young people of Canada in the different measures it has taken, such as cutting Katimavik. The message our young people are getting is that Government does not care. It is more concerned about its wealthy friends on Bay Street and more paranoid about the deficit than the well-being of the young. The Liberal Party believes very strongly that our youth are our future. Once you take away their hope, there is nothing left. Our young people deserve that hope.

I note you have indicated my time is up. I would ask for unanimous consent of the House to continue—

Some Hon. Members: Oh, no!

Mr. Nunziata: —with my submissions. I note Conservative Members are all saying no because they do not want to hear about this legislation. I will therefore anxiously await their questions or their speeches to learn how they might justify this cruel and insensitive legislation which we will fight tooth and nail all along the line.

Mr. Deputy Speaker: Questions or comments?

Mr. Gagliano: Mr. Speaker, I would like to ask my colleague about the effect of this Bill on education in his own province. The Government is talking about free trade. How can we go into free trade negotiations if we reduce the opportunities for higher education for our youth? Can he describe to us what the situation would be in his own Province of Ontario if this legislation is implemented?

Mr. Nunziata: Mr. Speaker, I would like to thank my colleague for asking that very important question. I would also note that not one Conservative Member of Parliament stood up to ask a question. Not one single solitary Conservative Member of Parliament had the courage to stand up and try to defend this Bill or criticize my submissions. That means they are either sleeping, and I do not believe they are unless they have mastered the art of sleeping with their eyes open, or that this legislation is indefensible and they agree whole-heartedly with each and every word I spoke.

In response to my colleague, I would point out that the Province of Ontario is extremely worried about this legislation. I pointed out earlier that Ontario will receive $3 billion less over the next five years in federal transfer payments. This very directly affects the universities that are already under-funded because of the previous provincial Conservative Government. The new Liberal Government of Ontario has already introduced measures to increase the financing and therefore the quality of post-secondary education which was tragically neglected by the previous Government.

Chief Justice Dickson of the Supreme Court of Canada recently spoke out on this issue. One cannot help but agree whole-heartedly with what he said in pointing out that universities are desperately short of money. He said:

> It has been said by many people that education is too important to be left to educators. That may be true. But it is also true that education is too important to be left to ministers of finance.

This Bill is from the Minister of Finance and what the Chief Justice of the Supreme Court of Canada is saying is that he does not trust Ministers of Finance to deal with education because invariably the educational system is threatened. He goes on to say:

> Second-class funding of universities will inevitably lead to second-class teachers, second-class students and—ultimately—a second-class nation.

That is the crux of the issue. We have no doubt that this legislation will render our universities into second-class institutions because of its insensitive nature. Universities need money to operate and the increases should be more than simply the rate of inflation. Universities conduct research and are continually striving to increase the quality of education. One cannot simply say that as long as financing keeps up with the rate of inflation it will suffice. It is not good enough. They need more, and it has been shown that universities suffer more when their funding increases are pegged to the inflation rate.

Students and professors, indeed all those involved with universities, have roundly condemned this legislation. I need not quote all those individuals and groups who appeared before the committee. Suffice it to say that there was a very strong message delivered to the Conservative Government, but it has fallen upon deaf ears. In pressing for this legislation the Government is once again showing that it is not listening to Canadians, notwithstanding the lofty pronouncements it made over a year ago.

Mr. Hopkins: Mr. Speaker, I would like to compliment the Hon. Member for—

Some Hon. Members: Oh, oh!

Mr. Hopkins: —York South—Weston (Mr. Nunziata) for a clear and succinct description of the evidence that here again is another example of a total failure by the Government to carry out its promises. The Hon. Member quoted the Minister of Finance (Mr. Wilson) saying the exact opposite to what he is doing in this Bill.

The Hon. Member has been talking about medicare and post-secondary education. Does he not think that in Ontario, which pays the largest amount of taxes of any province and therefore shares more with other provinces, will now not only be paying more as its share but also will be losing something like $2.9 billion by 1992? Will the Hon. Member give the House an idea of how Ontario is going to find this money? Will it raise taxes to make up the $2.9 billion loss despite the fact we will still be paying a larger share to the other provinces because the federal Government has failed to keep its promises of the last election, particularly those made by the Minister of Finance? What effect will this have on other things under the the provincial Government in Ontario? What about the municipalities? Is it going to mean less money from the Province of Ontario to the municipalities and, hence, more taxes on local taxpayers? What is the downdrain effect of what this Tory Government is doing to every Canadian right down to their individual homes today?

• (1150)

Mr. Nunziata: I would like to thank my hon. colleague for his question. His points are extremely well taken in terms of what impact there will be in the Province of Ontario. I would submit, thank goodness, in the Province of Ontario we have a Liberal Government headed by Premier David Peterson who is very sensitive to the needs of the universities, and to the needs of hospitals and the health care system in Ontario. He will be faced with a very difficult decision, together with his Treasurer, Mr. Nixon. The Government of the Province of Ontario will have, in some way, to make up the shortfall of $3 billion. I have every confidence in the Liberal Government of Ontario that before they in any way diminish the level of health care and post-secondary education that they will look to other measures first. I very strongly and sincerely believe that the Government of the Province of Ontario has its priorities straight and is fair in terms of its deliberations.

If there have to be cuts, and we hope that there will not have to be cuts—it is almost inevitable given this legislation—then the Government of Ontario will no doubt look to other areas before it looks to health care and post-secondary education, if at all. Of course the other option is to raise taxes, but that is not really an option in the Province of Ontario, which already pays a tremendous amount of taxes. My hon. collegue is quite right, municipalities will no doubt bear the brunt of Bill C-96.

I note you have indicated that my time is up, but I would simply in closing ask the Government to reconsider the legislation in view of the almost universal condemnation of Bill C-96.

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I consider it a welcome part of the responsibilities of a Member of this House to bring to bear some comments on Bill C-96. I have to confess that my stomach is feeling a little uncomfortable today. I am experiencing some nauseau, and, therefore, I want to express my appreciation to the House in denying an extension of time to the Member for York South—Weston (Mr. Nunziata) because had he continued I doubt that I would have been able to continue my presence here without having to exit for a serious medical purpose.

We just heard a Member of the Liberal Party, which only a very short time ago held the Government of this country, the Government that was responsible in 1982 for the first shot at decreasing the rate of increase in funding to post-secondary education, stand in this House and attribute exclusive culpability to the present Government. I note too that he was lauding the progress made in the Province of Ontario, and of course there has been some, but it is worth noting that even after the slightly progressive changes in financing of post-secondary education which have been implemented by the provincial Government of Ontario, Ontario still stands very low on the totem pole with respect to post-secondary education, a position which has to be an embarrassment when we are compared to other poorer provinces in this country much more strapped than Ontario with higher rates of unemployment and less advanced industrial development. Many of the provinces are making more progress with respect to post-secondary education than the Province of Ontario even now.

Of course the Tory Government, which is responsible for introducing this Bill, is guilty. It is guilty of failing to meet the promises it made during the course of the election. One need only to refer to the Progressive Conservative policy statement

that "We are committed to sustaining the current federal financial commitment according to the formula set out in the 1977 agreement. We believe that financing of post-secondary education is an imporant priority for both levels of Government".

Indeed, it is a priority for both levels of government. That brings attention to one of the significant tragedies of the enactment of this legislation at this time. We are going to cut, over the next five years, EPF transfer payments by about $7 billion. This we are going to do in the face of protestations from the provinces. It has to be a step that everyone must regard as inconsistent with promises of consultation. It must be regarded as the height of stupidity at a time when most would argue that the federal Government and the provincial Governments ought to be coming to some sort of an agreement with respect to defined levels of support for post-secondary education and health.

How can you expect to enter into productive negotiations for assured levels of post-secondary funding at the provincial and federal level, particularly when one seeks to find a commitment on the part of the provinces to initiate the process, by cutting funding of EPF.

Let me just say parenthetically that I am perfectly conscious and very much concerned about the implications to the health system of these cuts. Others within my party will address that specifically. I want to address this issue particularly from the perspective of two areas; youth policy and the development of a national science and technology policy.

The motivation of this legislation is to cut the deficit. Indeed, I heard someone from among Members opposite say in committee that if we can just get this deficit under control we will then be able to do something for post-secondary education and health.

If one looks at the deficit, and looks at it seriously, one inevitably is going to be concerned about it. Rational people are always concerned about a situation in which one spends more than one takes in. If one looks at the reasons for the federal deficit, surely among all the factors to which it can be attributed the most important is that there are serious deficiencies in the economy of this country. In its brightest moments this Government has identified the reasons for our economic deficiencies. Yet it has not managed to target in on the need for a more highly developed industrial base and greater commitment to research and technological development. In that way what is recognized in an analytical sense is often what must be done. The message from this surely is that small increases in expenditures, or a realloction of funds, or rearrangement of priorities should be sought to ensure that our industrial base, our secondary manufacturing and, most specifically, our science and technology will be enhanced.

• (1200)

Last week I had the pleasure of participating in a national forum on science policy which was convened by the Minister of State for Science and Technology (Mr. Oberle), a step for which he certainly should be congratulated. Representatives from all those sectors concerned about the development of research, science and technology in this country were in attendance at that meeting.

There was some difference of opinion on a number of areas concerning the enhancement of science and technology in this country. However, there was absolute unanimity with respect to the need to do something about basic research and the quality of and accessibility to our post-secondary institutions. There was unanimity that the cuts in the rate of increase in Established Programs Financing was detrimental to the development of a future for this country that would be adaptable to the world-wide economic circumstances which we must challenge. No one dissented from that point of view.

It must have been extremely embarrassing to the Minister, who I am sure was sincere in attempting to begin the development of science and technology policy, to be exposed as being part of a Government that would deprive the post-secondary system of the much needed opportunity to improve and enable us to better compete.

One might ask whether there has been any serious effort by the Government to elaborate a strategy for the future or whether it is interested in only one thing, the bilateral free trade negotiations. At times it seems that the bilateral free trade negotiations are a substitute for policy development. The Government seems unwilling to develop such a policy in all the areas where serious investment must be made.

I have already indicated that post-secondary education does not only involve research and development, but the education of a skilled workforce. I must confess that in the course of the discussions at the forum last week, I objected to some degree to hearing young people referred to as our most valuable human resource. I think that is probably a reflection of the same kind of attitudinal problem we have toward research, science and technology and the development of a solid, modern industrial base. We are so preoccupied with our resource base—our fish, trees and so on—that we cannot recognize the need to be concerned about young people unless we identify them as a resource, like fish, trees and forests. This fact is another reason for my concern about this issue. Our young people are being ignored as a result of depriving the post-secondary system of necessary funding, failing to enter into appropriate negotiations with the provinces, and taking action which would forestall appropriate negotiations.

The Government purports to be in the process of developing a policy for youth. Whenever the issue of a youth policy arises, the Minister of Employment and Immigration (Miss MacDonald), or her shadow, seem to convey the notion that the only issue with respect to a youth policy is whether Challenge '86 or the Canadian Jobs Strategy is functioning. We know that both those programs have been called into question. I simply want to draw to the attention of the House that youth policy concerns a number of issues besides training programs. Such a policy involves doing something besides enhancing a

program that already increases the bias against the ability of the very poor and low income people to obtain training. It concerns increasing the opportunity for all classes of young people to have access to a good university and college system.

The Hon. Member for York South—Weston earlier lauded the Canadian post-secondary system as being one of the best in the world. He said that it is possible to go to some kind of post-secondary institution anywhere in the country. It is true that we have universal accessibility to a second-rate university system that will be made worse by the action of the Government, as it was made worse by the failures of the previous Liberal Government. A youth policy must attend to accessibility and quality of the post-secondary system. One does not begin developing a youth policy by cutting back the federal commitment to a system that is so important to our future.

During the hearings in the legislative committee on Bill C-96, one might have thought that there would be someone with responsibility and concern for the post-secondary system who would have supported this idea that we really should cut the federal contribution to post-secondary education and health because it will accomplish something that will benefit youth and enhance our efforts in improving the future economic status of this country. However, when one looks through what was said in the committee, one finds just the opposite. For example, the Canadian Teachers' Federation stated:

> Adequately funded post-secondary institutions are absolutely vital to Canada's social, economic and cultural development.
>
> To cut back on the national commitment to the funding of post-secondary education will short change future generations of young people whose education will suffer as a result . . . Canada's ability to survive and prosper in more and more competitive world markets will be impaired.

Did the Canadian Union of Public Employees rush in to suggest that EPF cuts will benefit our youth and Canada's economic future? They said:

> Every day our members experience the cruel effects of cutbacks and underfunding. They are the people who are underpaid and overworked, and they are the people who are not being allowed to do a good job because of underfunding.

The Association of Universities and Colleges of Canada submitted a brief to the committee. They state:

> We are opposed to this Bill because it may lead to a further erosion of the financial base of universities. We believe that such a consequence would be detrimental to the interests of Canada.

They go on to say:

> Bill C-96 is a dangerous piece of legislation.

Indeed it is. Did the Government receive support from the Association of Canadian Community Colleges? No. They see a threat to their continued value as a means of access to opportunity for young people.

The Canadian Association of University Teachers is a group that represents people who have the capacity to analyse and reach reasonable conclusions about the appropriateness of legislation. They certainly would be expected to see the tremendous value in Bill C-96 which motivates the Government to bring it before the House. What do they say? "Funding cuts did not occur over the past decade because policy-makers at either level of Government were concerned with quality; they were made because Government Leaders decided to increase spending money on buying stocks in oil companies, on bailing out inefficient banks, on building under-used airports and on refurbishing Ministers' offices". Calling attention, simultaneously, Mr. Speaker, to the tremendous commitment of the previous level of Government and how much better it was than the present Government! Ha!

• (1210)

And then, from the Canadian Federation of Students:

> Limiting the growth of EPF transfers to the provinces as outlined in Bill C-96 will compound the underfunding problems which have become evident at post-secondary institutions across the country.

But if they had any doubt whatever about the critical stupidity of this legislation and how dangerous this legislation is, how inconsistent with all the pronouncements of Government this legislation is, how it threatens the future of not only our youth but also our economy, then go to the unusual statement made by a Justice of the Supreme Court who departed from practice because the issue was so important. Mr. Justice Dickson said:

> Let me speak first to Governments, provincial and federal. Please do not choke off the funding of universities. Canada must have good universities with outstanding teachers and world class research facilities. Second funding of universities will inevitably lead to second-class teachers, second-class students and, ultimately, second-class nation.

Two consecutive Governments have been committed to a second-class post-secondary system in this country and it is about time that this process was called to a halt in the interests of our nation's future, in the interests not only of our human resources but also of our youth.

Mr. Nunziata: Mr. Speaker, I appreciate the concerns raised by my hon. colleague. As I indicated earlier, this particular caucus, this Liberal caucus, shares in the profound concern regarding Bill C-96.

I note that the Hon. Member also referred to statements made by Mr. Justice Dickson, the Chief Justice of the Supreme Court of Canada, who has, over the years, expressed very serious concerns about the level of post-secondary education financing in Canada. The Hon. Member also referred to statements I made about the levels of health care and post-secondary education being second to none in the world. I am sure that he does not disagree with me when I say that we do have the finest post-secondary education system anywhere in the world, but that it is being threatened by actions at various levels of government and that Bill C-96 is one such threat. However, at this particular point in time, notwithstanding the desperate lack of funding, we still have an educational system that we can be proud of. We must maintain that standing. I would not go so far as to say that our post-secondary education has been rendered second class yet; but,

given Bill C-96 and other actions of the Conservative Government, that may be inevitable over the very near future.

It is important that people like Mr. Justice Dickson speak out. Although his statements met with some criticism, if one looks at the merits of what he had to say, one finds he made a lot of sense. People suggest that judges should not speak out; but in my view, and this is a personal view, when matters are so fundamental as post-secondary education, there is a role for the judiciary to play.

My question to the Hon. Member is with respect to a statement made by Mr. Justice Hall, another judge who reviewed health care in Canada a few short years ago. He said there were fundamental needs, like education, which Canadians could meet collectively and pay through taxes. In effect, concerning post-secondary education and health care, he said there is a sacred trust and that, if necessary, taxes should be increased to maintain a particular level.

I would like the Hon. Member to share his views and he has expressed them with respect to post-secondary education. In his community of Windsor, what impact will there be as a result of a cut-back in the level of financing for health services?

Mr. McCurdy: Mr. Speaker, I gather there are a number of questions contained in the comments by the Hon. Member. Obviously, we are faced with severe problems with respect to hospital equipment in Windsor. There is at present a controversy in Windsor over whether there will be sufficiently adequate funds to provide for an addition to one of the local hospitals. I would like to go back to the issue of comparison of the university system in Canada versus that of the United States. The fact is that there has been an erosion of the quality of the funding provided to universities in this country over too long a period of time. Let me just cite what has happened within a relatively recent period, through the last two years. I bring this to the Hon. Member's attention because I want to make another point.

First of all let me ask, are we losing researchers from our universities at an increasing rate because of under-funding of the universities' basic operating requirements and because researchers are inadequately funded? As President Wright of Waterloo said, if MIT was being funded at the rate the University of Waterloo was being funded, then it would probably not be, by any measure, a first-class institution.

In the period 1983-84 to 1985-86, the biggest increase in post-secondary funding provided to universities was in Ontario, at a rate of 13.1 per cent. The lowest was in British Columbia, where there was a decrease of 9.7 per cent. However, when one looks to the United States, to Michigan, which is comparable to Ontario, one finds an increase of 26 per cent. With respect to the State of Alabama one sees that over that period of time university funding was increased by 53 per cent in that state. The University of Alabama receives a per student grant which is five times greater than the per student grant provided in Ontario.

• (1220)

The Hon. Member must also know, as I mentioned parenthetically, that the University of Toronto is really the only university in the country which can be considered to be first-rate, by international judgment. Alabama is not exactly the focus of liberalism and universal opportunity, yet it receives five times more than the per student grant received in Ontario. Our system is taking a headlong plunge, not to second-rate but to third-rate. The Government is making a contribution to that plunge.

Mr. Nunziata: Mr. Speaker, I beg to differ with my hon. colleague. I do not believe it is fair to compare our post-secondary system to the one in place in the United States. I suppose one can look at the per capita funding from the state Government or from the federal Government. However, my friend knows very well that in terms of equality of opportunity there is absolutely no comparison between Canada and the United States. I am speaking of whether each American from coast to coast has an equal opportunity to post-secondary education. In Canada, students pay a tuition fee of sorts which is a very small part of the actual cost of running our universities.

I had the pleasure of having several interns from Michigan work in my office over the last three to four weeks. They pointed out to me the cost to the student of post-secondary education in Michigan, which is similar to other states in the United States, where post-secondary education is becoming something that is only available to the rich.

I would like my friend to comment on the equality of opportunity. As Mr. Justice Dickson put it, the equality of opportunity goes to the very root of Canadian values in that we believe very strongly that one should not have to have considerable sums of money, or be born into a wealthy family, before one has the opportunity to a high quality post-secondary education. Will my hon. friend comment with respect to his research into post-secondary education in the United States in terms of whether the equality of opportunity comes anywhere close to the opportunity which exists in Canada for young people?

Mr. McCurdy: Mr. Speaker, I think it is about time we set some Hon. Members straight. The participation rate in Canada in post-secondary education is 16 per cent. The participation rate in Michigan is 40 per cent. In the State of California it is 60 per cent. The University of Michigan is the most expensive institution in Michigan. The average tuition fee in states such as Michigan, New York, California, and increasingly more so in the South, does not exceed, on average, our own. The tuition fees are highest among private institutions and some of the very large multi-function universities. So the participation rate in the United States is still higher than it is in Canada.

With respect to research and operational costs, first, all research in universities in the United States is funded by the federal Government through the granting agencies there.

What is paid for? The cost of research, the cost of salaries and the cost of overhead. Research is not dependent upon state funding. That is not the situation in Canada. Here, the universities are not only suffering from the inadequacies of the operating funds that are provided to them by the provinces in concert with the federal Government through EPF, they also have to pay for the overhead costs for what research funds are provided, almost dollar-for-dollar.

Hon. Members have probably heard of the professor who has now left the University of Waterloo because he needed something in excess of $100,000 *per annum* for research. A $100,000 research grant in the United States is an average grant; it is not one that is regarded as being particularly noteworthy. As far as research institutions are concerned, our universities are undoubtedly second-rate, on average. This is not to suggest that we do not have first-rate scholars. We have a great many first rate scholars struggling under second and third-rate conditions, and the two together lead to a clear result.

• (1230)

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I also want to take part in the debate on Bill C-96 to speak about the main problems raised by the provinces and those who appeared before the legislative committee, and to quote some of their comments. These groups maintained that the federal Government should not be reducing its financial contribution to post-secondary education at a time when major technological changes are occurring in Canada and young people need more training to face the challenge of the future.

Mr. Speaker, the Right Hon. Prime Minister (Mr. Mulroney) will address the country this evening to explain the importance of free trade with the United States. At the same time, today, we are debating legislation to reduce provincial transfers to support post-secondary education and finance research in our universities.

How can the Prime Minister succeed this evening in convincing Canadians that free trade will be beneficial at the very moment when he is cutting back on the means to allow Canadians to become competitive, to finance research, to continue their studies and to support our high technology programs?

Once more, Mr. Speaker, we are faced with the operational procedure of the Conservative Government, which is to say one thing and to do another.

Theses groups which appeared before the Legislative Committee on Bill C-96 also asked the federal Government not to reduce its contribution to health care financing at a time when the proportion of older Canadians is increasing and new and very costly medical equipment is coming on the market.

Mr. Speaker, everyone is concerned about the fact that there will be more and more older people in the future. Yet, the Government is reducing provincial transfers which would help us to face this problem which will affect all of us eventually.

You are certainly aware, Mr. Speaker, of the problems Quebec hospitals are having, of our over-extended emergency services, of the debate which is going on everyday in the provinces and of the problem that we are having in providing the necessary medical services to the population.

Yet, the Government is trying to reduce its financing. How can the Quebec Government solve the urgent problems facing its hospitals and outpatient clinics if the federal Government takes away $66 million?

Those groups that appeared before the Legislative Committee also said the federal Government should have allowed the normal five year period to lapse before announcing changes to the agreements. Again, Mr. Speaker, this was yet another one of the 300-plus promises made by the Progressive Conservative Party during the last election, when they were committed to opening up the dialogue with the provinces. They assured all Canadians that there would be consultation and co-operation with the provinces. But what we have now is exactly the opposite. They did not abide by the normal five years period before announcing changes to the federal-provincial agreements, and they are making very major cuts.

Mr. Speaker, those groups also wondered whether the federal Government should not review its policies. On the one hand, it compensates the uninsured depositors of the banks that went bankrupt, it removes the tax on capital gains, it phases out the oil and gas tax in the producing provinces, it increases deductions under registered retirement savings plans, and finally it reduces payments for health care and post-secondary education.

Mr. Speaker, if the federal Government's exercise is only to roll back the deficit, why should that group of people who are the most in need pay more, why should that group of people who do not need them get all the benefits and deductions? There is the question. What we have been consistently saying on this side of the House, in the Official Opposition, is that we have facing us a Government that is taking from the poor in order to give to the rich. This is what everything boils down to, Mr. Speaker. They gave close to $2 billion to people who had deposited $60,000 or more in those banks, those two Western banks which went bankrupt. What were at stake there were no small savings, Mr. Speaker. People who had those deposits very well knew they were doing it because of the higher interest rates they were getting, and those were not standard interest rates. They very well knew that was very risky.

How many people now, in the past and in the future will invest in a small businesses? That is a high risk venture. The Minister of State (Small business) (Mr. Bissonnette) even said only 20 per cent manage to stay afloat.

Will those people who invested in small businesses be compensated if they lose their money? No, Mr. Speaker. They will not be compensated. There is no legislation that provides for it. But there was no legislation either that provided for

compensation for those people who had deposits of more than $60,000 in those banks. Deposit insurance is provided up to the $60,000 limit, and so is compensation. But this Government came up with a special Bill to compensate those people.

On that occasion they forgot about reducing the deficit. But now the federal deficit is to be reduced, and they cut back their payments to the provinces. They do not abide the usual five-year period for reducing the deficit.

Mr. Speaker, they are reducing the deficit but on the backs of the provinces. Not too long ago, we saw the Quebec Minister of Finance in his first Budget introducing very significant tax increases, very specific tax increases as a result of this legislation.

Mr. Speaker, there has been discussions all across the land for a number of years, because the Conservatives, even when in Opposition, had a task force travelling across the country asking whether deductions at the source, or taxes that are deducted from wages and salaries for such things as unemployment insurance, health insurance, the Canada Pension Plan or the Quebec Pension Plan, were not too heavy a tax burden, especially for small businesses.

It had even recommended a change in the system either with the transfer of thoses costs in a general fund or an assistance to those employers in the form of a tax credit. And now, Mr. Speaker, the Quebec Minister of Finance, as a result of Bill C-96 which cuts back payments to the provinces, moneys for health care, is compelled to increase employers' contributions to health insurance.

Those contributions were already too high; employers were already paying 3 per cent of their payroll to the provincial government for health insurance. This was a rather high expenditure which decreased competitiveness whenever we tried to export our goods and our services . The Quebec Governement, as a result of Bill C-96, has increased that contribution which will remain so until the problem raised by Bill C-96 which cuts back federal payments, is settled.

Mr. Speaker, how can we say today that small businesses need help? How can we say that small businesses create all the jobs if at the same time by indirect means such as this bill, we are trying to stifle any hope that those people could entertain?

Recently, Mr. Speaker, I personally asked Canadian businessmen what were their problems and what were the solutions they recommended so that as legislators sitting on both sides of the House or as the Government we could help to improve that very important sector of the Canadian economy. One of the suggestions made by over 80 per cent of the respondents was this one: Find a way or a system to reduce contributions which the employer has to pay for social programs.

Businessmen are not against social programs; on the contrary, they would even like to have a pension fund for small businesses because they believe that financing should be reorganised to make sure that it is well distributed within an envelope, a tax base. Mr. Speaker, with Bill C-96, the opposite is happening. As a result of reduced payments, the provinces, especially those with a limited tax base, have to increase taxes or reduce services. Quebec did not cut services but decided to increase taxes. Finally, Mr. Speaker, the poorer Canadian taxpayers will have to pay the cost and the Government will reduce its deficit to increase the provincial deficits.

To appreciate the extent of that deficit, I would like to quote somes figures. For instance, and not because the other provinces are less important, but some of my colleagues from Ontario have already raised the matter, so I will refer to my own province, that is Quebec. For 1986-87, federal transfers to Quebec will be reduced by $82.3 million; for 1987-88, by $174.9 million; for 1988-89, by $277.2 million; for 1989-90, by $189.2 million; for 1990-91, by $512.4 million, and for the last of these five years, 1991-92, by $647.6 million, which makes a total of $2,083.6 million.

For Canada, this represents a total of $317.4 million this year, in 1986-87; for 1987-88, $676.8 million; for 1988-89, $1,076.7 million; for 1989-90, $1,516.9 million; for 1990-91, $2,004.2 million; and for 1991-92, $2,541.8 million, for a total of $8,133.8 million.

Mr. Speaker, that is how the federal Government will reduce its deficit, that is how the Minister of Finance (Mr. Wilson) will be able to come back to the House and brag that he has reduced the deficit. He is doing so at the expense of the provinces and of Canadians for whom post-secondary education is very important if they are to face the future and free trade with the United States, which the Conservative Government considers its special project and perhaps its only important economic project. Yet, this is where the cut-backs will be.

We are going through a period when the number of senior citizens in need of medical care is increasing. Yet, funds for hospitals are being reduced. In addition, we have been told that we are going through a period of negotiations, of cooperation with the provinces, but the Government has forgotten to consult the provinces and ignored the usual procedure which is to wait five years and to have at least one First Ministers' Conference to discuss the issue.

It is interesting to note, Mr. Speaker, how the Conservatives were outraged when the Liberal Government was discussing its 5-and 6-program to fight inflation and how proud they are now of the economic situation even though it is the result of the Liberal fight to reduce inflation.

At the time, Mr. Speaker, the present Minister of Finance (Mr. Wilson) objected to the 6-and 5-program to reduce inflation, and I would like to quote exactly what he said in the House in a debate on March 23, 1982, and I quote the words of the present Minister of Finance: "The only sign it shows of cutting spending is by shifting the burden of the established programs funding on to the provincial governments. The provinces are now moving into a deficit position, a position which will make it more difficult for them to finance this shift in spending . . . That is not co-operative federalism. That is

predatory federalism, and it will not and cannot work in this country".

Mr. Speaker, if it couldn't work in 1982, how can the present Minister of Finance, the same Member, suggest this solution in 1986? Does this make sense? Could anyone on the Government side, any Minister or Government Member rise in the House today and tell us why it wasn't co-operative federalism but predatory federalism in 1982, and today... what is it supposed to be? What kind of federalism is the Conservative Government going to give us with Bill C-69, Mr. Speaker? On March 24, 1982, Mr. Speaker, in the same debate on the 6 and 5 inflation reduction program, the present Minister of Finance, at the time the official Opposition finance critic, said: "Taking the action of unilaterally cutting the financing, which the Government is now proposing, and then having some discussions with the provinces, surely puts the cart before the horse. We should be reversing this procedure". And now we have the exact opposite, Mr. Speaker. He makes a decision and doesn't even talk about it.

Mr. Speaker, in concluding, I would like to quote—you have indicated I have only a few minutes left—Justice Hall's definition of illness, for which financing to the provinces is being cut by the Conservative Government in Bill C-96, and I quote:

• (1240)

[*English*]

—that the trauma of illness, the pain of surgery, the slow decline to death, are burdens enough for the human beings to bear without the added burden of medical or hospital bills penalizing the patient at the moment of vulnerability. The Canadian people determined that they should band together to pay medical bills and hospital bills when they were well and income earning. Health services were no longer items to be bought off the shelf and paid for at the checkout stand.

Nor was their price to be bargained for at the time they were sought. They were a fundamental need like education, which Canadians could meet collectively and pay through taxes.

[*Translation*]

Mr. Speaker, it is clear this definition says the exact opposite of Bill C-96, the legislation the Conservative Government wants to impose on Canadians.

[*English*]

Mr. Nunziata: Mr. Speaker, you will have noted that we have been debating Bill C-96 in the House for approximately two hours. As you also know, many other hours have preceded today's debate in respect of the Bill. However, during the course of the two-hour period today, we have not heard from one Conservative Member of Parliament, either to make a speech or to ask questions. For example, I note in the House the Hon. Member for York East (Mr. Redway), the Hon. Member for Edmonton—Strathcona (Mr. Kilgour), the Hon. Member for Dartmouth—Halifax East (Mr. Forrestall), the Hon. Member for Capilano (Mrs. Collins), the Minister of Communications (Mr. Masse), and the Minister of Veterans Affairs (Mr. Hees). We are not hearing from them today in respect of this Bill, not even a whimper.

I have a question for my hon. friend and colleague who delivered one of the finest speeches I have heard him give in the House. Why is it that Conservative Members of Parliament are not standing to defend this particular piece of legislation? Is it because this regressive piece of legislation is indefensible, in that they cannot rise in the House and justify it, or is it because they do not care? I cannot believe for a moment that it is because they do not care, but indeed it is strange that we have silence on the Conservative side of the House.

Canadians have memories which go back a few years. They recall quite specifically when Members opposite would rise and criticize the previous Government in respect of these two particular issues. Where are those voices today, I would ask my friend. Did the Member for York East stand up in caucus and outline to his colleagues, specifically the Minister of Finance (Mr. Wilson), the impact the cut-backs would have in the Province of Ontario? Did the Minister of Communications stand up in Cabinet to point out to his colleague, the Minister of Finance, and his other cabinet colleagues the devastating impact the cut-backs would have in his own Province of Quebec? And the Hon. Member for Dartmouth—Halifax East, did he, as the Parliamentary Secretary, stand up at caucus and tell his colleagues what negative impact there would be in his home Province of Nova Scotia? Then there is the Hon. Member for Capilano who sits opposite and prides herself in speaking out in a very vigorous and aggressive fashion in the House of Commons. Did she stand up in caucus and tell her colleagues what impact Bill C-96 would have in the Province of British Columbia, her province and my province of birth? Did she stand up for the people of her riding of Capilano and for all the people in British Columbia? Did she speak out in favour of post-secondary education? Did the Hon. Member for Edmonton—Strathcona stand up in caucus and speak out against Bill C-96? Did he speak up for his constituents, not only in his riding but for all the people in Edmonton and in the Province of Alberta?

• (1250)

Given the silence today, it appears that the Conservative Members have not spoken out for their respective constituencies or for their respective provinces. They are allowing the Minister of Finance to wreak havoc in their constituencies. I ask them through you, Mr. Speaker, to speak out. They were elected to represent constituencies and provinces.

Those Members should stand up and tell the people of Canada why as Conservative Members of Parliament they support Bill C-96. They should have the courage to stand up and tell the people of Canada and their constituents why they do not support Bill C-96.

My question to my friend and colleague is, why are Conservative Members opposite not standing up to ask questions or expressing their concerns about this legislation? I know the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria), who is presently preparing his submission, intends to

speak out and has spoken out on a number of occasions in favour of his constituents. Is it any wonder that he is such a popular Member of Parliament in his own area because he has the courage to stand up and speak? Why are Conservative Members opposite so silent?

Mr. Gagliano: Mr. Speaker, I want to thank my colleague for asking me his question. I was trying during my speech to find why when Conservative Members were in opposition they were saying the exact opposite to what this Bill will do now. I have quotations of what Members said in opposition in 1982 other than the Minister of Finance (Mr. Wilson) whom I quoted before. Let me now quote what the Minister of Employment and Immigration (Miss MacDonald) said in 1982 during the debate on the six and five:

[*Translation*]

"Perhaps these repercussions are not immediately obvious to the federal Government, but they are to thousands of post-secondary students and certain people who teach in our community colleges and universities. In fact they are alarming. The Government is quite prepared to compromise the future of young people and that of other people who are working now but who would need training or recycling courses. What became obvious to me this morning when I listened to the Minister's speech is that the Government has lost sight of reality and does not seem to be aware of the growing crisis in Canadian post-secondary institutions. She does not seem to know what is going on".

This can be found on page 824 of *Hansard* and these remarks were made by the Minister of Employment and Immigration (Miss MacDonald), the Hon. Member for Kingston and the Islands.

If I may, Mr. Speaker, I can go on quoting another Member, the Hon. Member for Mississauga South (Mr. Blenkarn): "These particular programs, health care and education, are within the provincial sphere. To wind up saying somehow, somewhere along the line, in order to solve an inflation problem you can go ahead and rip apart that agreement without any justification whatsoever, and then rip apart that agreement a year and a half after you start your alleged six and five program to solve an inflation problem you already declare has been solved, is such balderdash to come from a Minister that the Minister himself should resign for even saying it." This appears on page 816, Mr. Speaker. There was no reason to change these agreements at the time, but today hardly 20 months after the election, after promising they would co-operate and consult with the provinces, they completely forgot the consultation process and the arrangements with the provinces and introduced Bill C-96 so that the provinces will lose $8 billion over five years.

[*English*]

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I rise to participate in this debate on Bill C-96. It is very important to point out two things first, the devastating effect this Bill will have on provincial financing, particularly in the areas of post-secondary education and medicare. It will not only have a severe effect in those two areas, but it will have an offshoot effect upon many other items that have to be financed at the provincial and the municipal levels of Government in Canada. Second, Bill C-96 goes to the very root of the credibility of the Minister of Finance (Mr. Wilson) for Canada. It goes to the very root of the credibility of this entire Government and its members, the largest number of members any government Party has ever had in Canadian history, and the biggest disappointment.

Why do I say it goes to the very root of the credibility of the Minister of Finance? You have heard the quote before, Mr. Speaker, but I am going to repeat it again because all Canadians should know just how much credibility this Minister of Finance has and how much credibility the Government has. On March 23, 1982, when the Minister of Finance sat in the opposition he stated, referring to the federal Liberal Government of the day:

> The only sign it shows of cutting spending is by shifting the burden of the established programs funding on to the provincial governments. The provinces are now moving into a deficit position, a position which will make it more difficult for them to finance this shift in spending. —That is not co-operative federalism. That is predatory federalism, and it will not and cannot work in this country.

When the Minister of Finance said that in this House on March 23, 1982, I wonder how he ever thought he would get around to introducing a Bill like this one on established programs funding in Canada, meaning the transfer of federal moneys to the provinces for medicare and post-secondary education. After having made the succinct statement that it was not co-operative federalism but predatory federalism to do this terrible thing to the provinces he has now introduced Bill C-96. He is doing the very thing which he criticized in 1982 when he was in Opposition. That is why I say this Bill goes to the very root of the credibilty of the Minister of Finance and the entire Government.

• (1300)

For example, in 1986-87 alone this Bill will cost my home Province of Ontario $114 million. In 1987-88, it will cost the Province of Ontario $243.4 million. In 1988-89, the Province of Ontario will get $387.5 million less of federal Government sharing. In 1989-90, the federal Government will pass on a deduction of $546.3 million to Ontario. The province will have to make up that difference. In 1990-91, this Bill will cost Ontario $722.2 million, and in 1991-92, it will cost the province $916.6 million, for a total of $2,929 billion. The Province of Ontario will lose almost $3 billion. Owing to its industrial base and large population, Ontario contributes more than any other province to the federal Government. The taxpayers of Ontario pay more than those of any other province. A lot of money from central Canada is used to help medicare and post-secondary education programs across the country. We feel that is correct. That is a Liberal plan which was in place and which is being replaced by this Bill.

What effect will this have on provincial Governments in Canada? All the provinces will receive less as time goes on and they will have to make that up through additional taxation. However, the federal Government has already imposed some of the highest taxes ever paid in Canada by small businesses and individuals. The provinces are left with very little room in which to manoeuver and impose more taxation to make up for the funds which the Federal Government has decided not to pass on in the traditional spirit of federal-provincial co-operation.

The Government promised to do so much for Canadians and to turn Government in Canada into one great paradise. The Government made 338 promises, but it did not promise to do this. As well as breaking promises which it made, the Government is doing things it promised not to do. Perhaps in future political campaigns we should consider the Conservative platform to be those things which it says it will not do. Through Bill C-96 the Government is passing the buck to the provinces. My own Province of Ontario is being passed the buck to the tune of nearly $3 billion.

The provinces will now have to consider how much money they can afford to pass on to the municipalities. Every provincial Government will have to consider its financial status as a result of this Bill. The provinces are responsible for looking after their own municipal affairs. Where will the municipalities get their funds if not from the provinces? There are two choices. Services which affect the every day lives of Canadians can be cut back at the municipal level or municipal taxes can be increased. That will affect every Canadian at the local level.

Bill C-96, which cuts back on the established programs funding, will affect the livelihood of every Canadian through the federal Government, the provincial Governments, and the municipalities. Greater pressures will come to bear on local aldermen, municipal councillors, reeves, mayors and so on. They will have to bite the bullet because the federal Government has let the provinces down. The provinces have very little room in which to increase taxes because the Minister of Finance has already taxed small businesses and individuals to the extent they can afford it, and often further than that.

The worst thing that a political Party can do during an election campaign is to make a whole lot of promises which it knows it cannot keep. The second worst thing it can do is to do things it promised it would not do. Quite often the things they say they will not do affect the public far more than the things they promise to do. A candid observer would have to agree that the Minister of Finance made the biggest flip-flop in his policy thinking of any member of the Government. That is obviously why he qualifies to be Minister of Finance in the Government.

• (1310)

Here is another statement the Minister of Finance made in the House of Commons on March 24, 1982. He said:

> Taking the action of unilaterally cutting the financing, which the government is now proposing, and then having some discussions with the provinces, surely puts the cart before the horse. We should be reversing this procedure.

The Minister used the word "reversing". When we look at Bill C-96, which is taking billions of dollars in transfer payments away from the provinces, we can only say that he has forgotten his reverse gear. He is going ahead in the opposite direction. He is taxing all Canadians to the hilt and at the same time cutting back on transfer payments.

This action will also affect transportation facilities in Canada. The provinces and municipalities will have fewer dollars to spend on those important facilities for their constituents.

Medicare is going to become more and more important as time goes by because we are going to have a larger number of elderly Canadians in proportion to the rest of the population.

Dealing with post-secondary education, not only young people are going to university today. Many people in their twenties, thirties and older are going back to university. This means the number of people attending university has increased considerably. These people have seen the need for a higher and possibly more specialized education. Therefore, the Bill will affect people of all ages in post-secondary education.

As well, the federal Government promised a 6 per cent real increase in defence spending. It was going to honour commitments to NATO. Yet we have seen in the Budgets of the Minister of Finance as well as his Economic Statement of November, 1984, that there is no intention to keep the commitment to NATO because the Government will be unable to meet a 3 per cent annual increase in real defence spending over the life of this Parliament. Yet Members opposite campaigned on a 6 per cent real increase.

The Minister of National Defence (Mr. Nielsen) had a committee roving around visiting DND bases and looking into the educational system for dependants of military personnel. The Government wants to cut back on expenditures there as well. In certain areas, where the Government feels a school for military dependants is not justified or it simply wants to cut spending, it will transfer those dependants to a civilian school. This is again shifting the responsibility from the federal level to the local municipality. That municipality is also, of course, financed to a large extent by the provincial Government concerned. I have been getting letters from parents of these children in Shilo, Manitoba, as well as from civilian personnel, who are really concerned about what is happening to their school system. They have been asked to send their children to another school several kilometres away. I think that is inhuman and unnecessary, particularly at a time when transportation and educational costs are so high.

What about housing for senior citizens? What is the budget of CMHC like today for joint financing with the provinces of those facilities? How much money will Ontario have in this area when the federal Government is cutting transfer payments to Ontario by $3 billion over the next six years? This is

another very good example of the federal Government passing the buck.

. I sent a letter to the Minister of Energy, Mines and Resources (Miss Carney) on August 1, 1985. It takes a long time to think up answers over there because she still has not replied to say whether or not she will meet with a local committee of merchants and professionals and municipal politicians who are concerned about their communities of Chalk River and Deep River. The Minister plays it safe. She leaves the letter in her office unanswered. However, as long as it stays there she is not going to be allowed to forget it.

The Government expects everybody else to squeeze their budgets and carry a bigger share of what should be a federal responsibility. Yet at the same time the Prime Minister (Mr. Mulroney) and the Minister of National Defence have no qualms whatsoever about spending $40,000 of taxpayers' money to make a movie of the Prime Minister, and use a DND aircraft to do it. If the Government continues to go on in this way, if it continues to spend thousands in this way and expects other people to cut back and pay higher taxes, I suggest that the Prime Minister and his friend Ronald Reagan are going to have lots of time to produce a real movie after 1988. In light of what has been going on lately in U.S.-Canada relations, perhaps the Prime Minister would like to call the first movie "Double Cross".

This is retrograde legislation. It is certainly not in keeping with co-operative federalism. It will lead to real problems in provincial and municipal financing and affect the individual lives of every Canadian from one end of this country to the other.

Mr. Deputy Speaker: Questions or comments.

Mr. Boudria: Mr. Speaker, I want to congratulate the Hon. Member for his excellent remarks in the House this afternoon. Obviously the people of Renfrew—Nipissing—Pembroke are very well served by the Hon. Member. We can now understand why he is re-elected election after election. I am sure that the people of his riding must be very proud of their Member.

I want to ask him about Tory promises. I know that you, Mr. Speaker, are familiar with the book of 338 Tory promises because I think I may have raised it in the House once or twice previously. The book of 338 Tory promises, which incidentally is available to anyone who writes to me and asks for a free copy, postage free, has in it on page 15 promise number 7. The Tories said during the election campaign, and of course they said many other things; that they would recognize the legitimate role and jurisdiction of the provinces in economic and social policy issues.

• (1320)

They also said, in promise number 10, that they were to govern through consensus building rather than through confrontation. Those are only two of the 338 Tory promises.

In my view, and I want to ask my colleague's opinion, these two promises have very, very clearly been breached by Bill C-96 which, of course, is highly confrontational. There was no dialogue at all between the provinces and the federal Government. I want to ask him particularly if he agrees with me that promise number 7 has very clearly been breached as well. The recognition of that role the the province has in terms of social policy can only be achieved with the proper instruments, the proper instrument in this case being the funding that the provinces need to get. I want to ask my honourable colleague if he agrees with me that there has been a breach of at least two promises in this Bill alone.

I have given a very quick look to these promises, and it appears to me that at the rate that the Government is delivering on some of the promises here it will take until the year 2026 before all 338 promises are fulfilled. I wonder if the Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins) could tell us here today if he thinks the voters of his riding, who, undoubtedly, like the voters of my riding and yours, Mr. Speaker, were subjected to listening to this litany of promises, thought that it would take that long for them to be realized?

Mr. Hopkins: Mr. Speaker, during the course of my speech I dealt very succinctly with the confidence building measure that my honourable colleague from Glengarry—Prescott—Russell talked about. He also talked about the attitude of co-operation and federal co-operativeness. I would say to him that this Bill absolutely destroys, as I said in my speech, not only the credibility of the Minister of Finance, but certainly it destroys absolutely any attempt even to bring in confidence-building measures from now on between the provinces of Canada and the federal Government. The Hon. Member mentioned confidence building. The thing that a Government must have, and certainly the thing that a Minister of Finance must have, is credibility with the people of Canada.

How can the present Finance Minister stand up over here in opposition in 1982 and say what a terrible thing it is to cut back on transfers of payments to the provinces of Canada, that it is predatory federalism—that is what he called it—and then turn around and when in power do the very thing he thought was so terrible when he sat in opposition? That is not a confidence building measure.

I would also say to my hon. friend from Glengarry—Prescott—Russell, in answer to his question about whether or not the Conservative promise of social policy measures is being breached by this Bill C-96; well, of course, it is being breached.

Social policy depends, as he said, upon the proper instruments. The practical people of this world—and I am speaking of people other, obviously, than this Conservative Government—realize that you can only keep promises in the social policy areas of Government by using, as he put it, the proper instruments. The proper instruments are dollars and cents. The Government will come back and say it does not have the dollars and cents, it must pay off the deficit. If that is the

Government's answer now, and I say this to the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria), if that is the Government's excuse then why did the Tories make the promise in the first place?

The Hon. Members are standing up in this House and saying that they did not know what the situation was before they got into power. Can they not read? Have they been so neglectful of the parliamentary scene in the years leading up to their election that they never bothered reading a budget paper, that they never bothered to find out that there was a deep recession in 1981 and 1982 when the Liberal Government of the day did not let down the little people of this country? The Liberal Government did not let down the middle class of this country, but it kept programs in place to ease them over those very difficult periods. That added greatly to the deficit, but it added to the deficit for a good cause because it was looking after individual Canadians who were in serious trouble at that time.

So the Canadian people are just fed up with Ministers in this Government getting up and talking about how the Hon. Members did not know that the situation was as it was, and that there was such a deficit and so on. That is a lot of malarkey. Anyone who can read will know what the figures have been over the last years. Those were tough years for Canadians in the early eighties. The Liberal Government of the day stood up and did the responsible thing by looking after the average Canadian the best that the federal Government could. We certainly did not rob the provinces of Canada of billions of dollars that would prevent the provinces from delivering their services to people at the provincial level under provincial jurisdiction.

I want to thank my hon. friend for Glengarry—Prescott—Russell for asking those very succinct questions. He has spent some time in the Ontario Legislature and he is well aware of the importance of these. He, like I, have spent some time on municipal councils before coming to the House of Commons as well, so we know how this is going to affect municipal councils and municipal Governments all over Canada. There is no sense in denying it.

In areas of social policy I would say to my hon. friend that the first area of social policy we should be dealing with is educating this Cabinet of the day, that front bench of empty volcanoes over there. We should be educating them as to what social policy is all about, how they must react to Canadians, and how they must stop making movies of the Prime Minister of Canada if they want Canadians to have any confidence in them at all. In fact, the Government has gone so far that its confidence building measures are useless. As I said, the Prime Minister of Canada and the present President of the United States will have all kinds of time to make a movie of each other after 1988.

[*Translation*]

Mr. David Berger (Laurier): Mr. Speaker, I suppose that the time provided for questions and comments is now over. Is it?

Mr. Deputy Speaker: Yes.

Mr. Berger: And I believe we are at the stage for speeches—

Mr. Deputy Speaker: Yes.

Mr. Berger: —not exceeding twenty minutes. Right?

Mr. Deputy Speaker: Right.

Mr. Berger: Good.

Mr. Speaker, perhaps the best way to begin my remarks today would be to relate to you a conversation which I had a few weeks ago with some 40 or 50 young people in Montreal, where I was saying that nothing interests young people more than the future. But when politicians, men and women, talk about the future of a country, Mr. Speaker, it is not their own future which is at stake, but that of young people.

And I was asking these young people: How does one prepare for one's future? What do most parents wants their children to do? What have young people done? What do they do to prepare their future?

In my case and in the case of several immigrant families I know, Mr. Speaker, children prepare their future by attending school.

Education is a sort of passport to success. We have heard said many times that Canada's wealth was based on its natural resources. Today, human resources are a country's greated wealth.

As I was saying to these young people, as long as people continue to fall in love, they will continue to an inexhaustible resource. But love is not enough. It is not everything. We have to develop this resource; otherwise, our future would be grim indeed. Which brought me to the subject of education.

In the world today, Mr. Speaker, success is assured to countries with an educated population. Young Canadians are the future of this country.

• (1330)

[*English*]

Do we have the best system of education in Canada? Are we preparing our youth to take on the international competition that we hear about every day? When I was a teenager, I had the opportunity to spend a year studying abroad. I had a certain pride, as a Canadian, that everything we had in Canada was a bit better than in other countries. Today, I am not so sure.

Let us look at some of the problems that have been posed in the House during the debate on Bill C-96. Once again, the brain drain is becoming a serious problem in Canada.

Federal-Provincial Fiscal Arrangements Act

Several weeks ago, before the parliamentary Committee on Research, Science and Technology, representatives of the University of Waterloo told us that they were losing an increasing number of teachers. For example, the Dean of the Faculty of Mathematics, which is the largest faculty of mathematics of any university in the world, left last fall for the University of Tennessee, not even Harvard, Yale or Princeton. He blamed his departure on the deplorable research climate in Canada. He said that he had had enough of undertaking a monumental battle every time he needed a new piece of equipment, no matter how small.

[*Translation*]

Just recently, Mr. Speaker, a distinguished chemist from the University of Waterloo, Professor Giacinto Scoles, for one, announced he was going to Princeton University. While looking forward to a change in his career, Professor Scoles would have preferred staying in Canada. But no Canadian institution would offer him even a tenth of the grants he will be receiving at Princeton for purchasing the laser equipment he needs for his work.

Last winter, Mr. Speaker, I received a letter from a mother who was concerned with her son's future. I am quoting from that letter:

> My son will be terminating post-graduate studies in physical chemistry in November 1986, and then there is a big question mark. He has been looking for a job for next November, but wherever he goes he gets the same answer: "No job, because we have no funding."
>
> Since he went to University in November 1985, three young chemistry researchers whom he met there have left Canada for the United States.
>
> If my son does not find work in Ontario or Quebec, or anywhere else in Canada, he will have no choice. And this would mean that both my sons will have to live in the United States because Canada is not looking after its young scientists.

That mother's case is not the only one—there are so many others, Mr. Speaker.

[*English*]

In other countries there is an understanding that one must invest in education. I use the word "invest" advisedly because we hear members of the Government talk about the deficit and the need to cut spending, and I sometimes wonder whether there is anyone in the Government who understands the difference between investing and spending money. What is a more logical investment than that in education and in the youth of our country?

I have an advertisement from the State of California which appeared in a recent issue of *The Economist* magazine. It highlights the fact that the Californians put more money into their public education system, including grammar schools, high schools, universities and post-graduate schools, than any other state. The advertisement reads: "We will spend $21.6 billion this year. That is a 35 per cent increase over three years ago".

There is an article in a recent edition of *Time* magazine on the State of Massachusetts, pointing to the low rate of 4 per cent unemployment in that state, and demonstrating clearly the importance of the universities in the Boston area to the economic development of that state and its low rate of unemployment.

I have other examples from other countries. There is an advertisement from Northern Ireland in a recent issue of *The Economist* magazine. It states: "Industry can benefit from Northern Ireland's outstanding R & D support." It states that Queen's University, Belfast, and the University of Ulster turn out many highly qualified graduates and work closely with industry in fields like robotics, industrial automation, computer-assisted design, and computer-assisted manufacturing, among others. We know Belfast for other reasons, but its prominence in the area of education and high quality graduate students is perhaps less well known.

East Kilbride in Scotland placed an advertisement in the magazine which points out that Scotland's five most prestigious universities are within an hour's drive, providing an enviable pool of graduate labour and research and development facilities.

[*Translation*]

To return to Canada, Mr. Speaker, let us look at what is happening under this Progressive Conservative Government. What does the Government do to address the situation in Canada? Indeed, it has done everything to make the situation more disastrous. This Progressive Conservative Government, as we very well know, wants to slash $8 billion from health and post-secondary education funding over the next five years. This is a lot of money for our universities and colleges, already facing serious financial problems.

As a matter of fact, Mr. Speaker, university and college funding increased by only 2.5 per cent in actual terms since 1977-78, while the number of students has sky rocketed, with increases of 27 per cent in universities, and 36 per cent in colleges.

Because of the national interest in post-secondary education, the Liberal Government had created a commission to study this issue.

The Johnson Commission recommended that federal transfers for post-secondary education increase at the same rate as the operational grants paid by the provinces to the universities and colleges. The commission wanted to encourage the provinces to increase their contributions to education at the same rate as the federal Government, but the Conservative Government has rejected the conclusions of the commission. It has decided to reduce federal expenditures and to cut back provincial transfers. That is all.

Let us see what the Secretary of State (Mr. Bouchard) said in February:

> The provinces receive money from the federal Government, but it is up to them—
>
> —up to the provinces—
>
> —to allocate this money according to their priorities.

The federal Government has no say. The provinces must decide how to allocate the money they receive for education.

However, with the Conservative Government, we are used to reversals. In April, only two months after this first statement, Mr. Bouchard had changed his mind, and I now quote from an interview he gave to the newspaper *La Presse* in which he said:

The federal Government has a role to play in education which is more important than simply providing money to the provinces without checking where this money goes—

It now seems that the federal Government has something to say. However, Mr. Bouchard is still not willing to take his responsibilities. He said the following:

Faced with the increasing complaints of students, rectors, college and university professors—on some days, he thinks he might lose patience—if Prime Minister Mulroney agreed, he would initiate a lively debate with the provinces which could cause frictions.

Here, Mr. Speaker, we have a good example of leadership of the kind our Prime Minister likes. Peace at all costs. The future of Canadians and our young people is being mortgaged, but it does not matter as long as there is no conflict. This is easy to achieve. We just have to give everything and ask for nothing in return. There, Mr. Speaker, is the Conservative education policy: no national objective, nothing to say about the national interest, nothing to say about strategic research, nothing to say about the need to develop a strategic manpower, no questions asked. At the same time, the students are asking for grants and low interest loans to continue their studies, but this does not really concern this Government. It does not really concern our Prime Minister. As we saw in the Stevens affair, Mr. Speaker, this Government has other priorities.

• (1340)

[*English*]

Come to think of it, education should be the only area where an interest-free loan makes money. I see things very differently. The future of our country will be determined by our population, by our people.

Education is the key to economic development. We must invest in education in all its shapes and forms. I am speaking not only about university education, college education, post-secondary education, but also lifelong education, adult education. Several years ago, the task force on skill development leave recommended that all workers have a legislated right to paid educational leave for which they could earn time off from work for purposes of training, or upgrading their skills. This educational leave could be accumulated, and suggestions have been made that such leave could be accumulated at the rate of one day of leave for every 30 days worked, so that after 10 years in the labour force, a person would perhaps have accumulted a year of educational leave. University professors have sabbaticals. Why not all workers?

[*Translation*]

In Quebec, the Jean Commission which has addressed the issue of adult education has found out that in spite of the benefits of educational reform, and today we cannot deny the fact that all children from 5 to 15 years of age are attending primary school and high school, that many problems still exist, such as failures, drop-outs and maladjustment. The democratization of education, Mr. Speaker, has frequently been more beneficial to middle and upper clases than to the lower classes.

And to solve those problems, the Jean Commission made several recommendations and I will mention the following one today: That any adult be guaranteed the equivalent of 13 years of schooling acquired in the class-room or elsewhere in the usual manner or otherwise.

Mr. Speaker, the idea is to provide all adults with the opportunity of completing their schooling in terms of the present needs of the labour market. If someone decides to quit school in Grade 10 or 9, that person could complete his or her thirteen years of training, the four of five years he or she has missed, a little later either at 25 or 30 years of age. And the governments have a role to play in helping people attain their full capabilities through education, by providing them with the necessary income while he is studying and allowing them to attend the courses in which they are interested either on the job or in an educational institution.

[*English*]

Mr. Speaker, the national interest in education is evident.

[*Translation*]

National interest is self-evident to everyone except to this Governement. Any self-respecting national government must have a concern for it. But with this Government, all we have is set-backs. What we have is a Government that washes its hands of post-secondary education, and we have seen very little initiative in the area of adult education.

In conclusion, I suggest that this nation perhaps did not realize the stakes, because of our abundant national resources. Some people even suggest the curse of our national resources, Mr. Speaker—

[*English*]

I have recently heard people who speak of the curse of our wealthy natural resources. Other countries have not had such plentiful natural resources and have had to learn about the need to invest in human resources. The Japanese are perhaps the best example.

[*Translation*]

If our elders, Mr. Speaker, and I would conclude on that, were unable to identify the situation, if some awareness is to be gained, the young are well placed to start the process. They are in school, they know about over-populated classrooms, they have to work with obsolete equipment.

There are two things that the young must do in this country: First, get the best possible education, and second, speak loud enough so that governments will provide the kind of education that will provide for tomorrow's needs.

Federal-Provincial Fiscal Arrangements Act

• (1350)

[*English*]

Mr. Deputy Speaker: Are there questions or comments? The Hon. Member for York South—Weston (Mr. Nunziata).

Mr. Nunziata: Mr. Speaker, I would like to begin by congratulating the Hon. Member for Laurier (Mr. Berger) for his submissions this afternoon. I know from my association with the Hon. Member that he is very troubled by Bill C-96, given his very sincere concerns, specifically with regard to post-secondary education. He has spoken out eloquently and with considerable passion on many occasions in terms of maintaining and enhancing the level and quality of education throughout Canada. One hopes that Members opposite share in the concerns raised by the Hon. Member, or that they at least recognize the impact that Bill C-96 will have on post-secondary education in Canada. It is obvious, or at least it appears obvious, given the method by which this legislation was introduced in the House, that there was very little forethought given to its impact.

As my hon. friend has pointed out, through this legislation the Government intends to cut $8 billion from federal transfer payments over the course of the next five years. It is obvious that the Government is motivated by its paranoia with respect to the deficit. We all recognize that the deficit is something that should be dealt with and, indeed, that it is a serious problem. However, we on this side of the House have always maintained that if the goal of the Government is to reduce the deficit then it must be done in a fair and equitable way. It must be done in a way that does not affect some very basic and fundamental institutions or values in our society. Therefore I ask the Hon. Member whether he agrees with me when I say that the Government must certainly lead by example. Second, does he agree when I say that it must not try to reduce the deficit on the backs of the disadvantaged?

With respect to the first point, I would like to ask him whether he considers it leading by example when the federal Government, through Bill C-96, intends to cut back on federal financing for post-secondary education to the tune of $8 billion. Is that fair when, on the other hand, Conservative cabinet Ministers spent 53 per cent more on the personal political staff last year as compared to what the Liberals spent when they were in government in the last full year of their mandate? Does the Hon. Member feel that that is leading by example? Does he feel that there is fairness or equity when on the one hand cabinet Ministers are increasing their own personal budgets for their staffs while on the other they are asking the provincial Governments to cut back in the crucial area of post-secondary education and health care?

Mr. Berger: Mr. Speaker, I thank the Hon. Member for his comments. He asks whether the Government is leading by example. The only place it is leading us is to great public cynicism—

[*Translation*]

—increasing disappointment at this Government's actions, as opposed to the promises that were conveyed during the last elections, and for quite some time before that.

[*English*]

For two days last week I attended a national forum on science and technology policy in Winnipeg. Earlier today I heard the Hon. Member for Windsor—Walkerville (Mr. McCurdy) talk about his feelings following that forum. It was an astounding experience. For two days the Minister of State for Science and Technology (Mr. Oberle) repeatedly said that we do not have any money for increased spending on research in science. He said that throwing money at the problem is not an answer to it. He said that we have to spend better and spend smarter. He used all the catch phrases. However, the consensus of the people from all across Canada at that meeting was that we have to spend more money on research in science and technology. After this Academy award-winning performance by the Minister in Winnipeg, what did we come back to in Ottawa? What do we see? We see that the Prime Minister (Mr. Mulroney) is building a couple of airports in his riding, or that he is having installed at airports sophisticated instrument landing equipment which will cost several million dollars. These are airports at which such expenditures cannot be justified on the basis of any rational criteria. If one looks at the reports concerning this matter one will see that there are other airports in the country which are far more deserving of federal funds.

Another example, after the poor mouthing that we heard in Winnipeg for several days, was with respect to news reports concerning the Prime Minister taking with him a Department of Transport plane equipped with sophisticated video equipment to ensure that his every move would be recorded for posterity. How can we call that leadership by example when at the same time funding for education is being cut?

The problem is fundamental. Representatives from the University of Waterloo who appeared before our committee two weeks ago told us that for every dollar the university receives for the support of the basic educational system for teaching students their basic roles it would receive $1.50 were it located 200 miles to the south. For every dollar the university receives for research it would receive $2.50 if it were located 200 miles to the south. On that basis alone I cannot for the life of me figure out how our universities can compete with American universities. The only answer I have come up with is that in a free trade agreement we should get the Americans to finance our universities.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

PORNOGRAPHY

INTRODUCTION OF AMENDMENTS TO CRIMINAL CODE

Mr. John Nunziata (York South—Weston): Mr. Speaker, last week the Minister of Justice (Mr. Crosbie) introduced new pornography legislation. We in the Liberal Opposition applauded the Government with respect to the amendments to the Criminal Code that deal with child pornography and child abuse. We very strongly believe that there is no penalty harsh enough to deal with the degenerates in society who would use children for pornographic purposes. As well, we expressed very deep concern about the Minister's attempt to strap a giant chastity belt over Canadian sexuality with the vague and broad definition of pornography in the legislation. According to the Minister of Justice pornography is any visual depiction of any sexual matter. That could include kissing, and we believe—

Mr. Speaker: Order, please, sixty seconds.

* * *

• (1400)

MEDICAL CARE

ONTARIO HOSPITAL INSURANCE PROGRAM—CONDEMNATION OF THREAT BY CANADIAN MEDICAL ASSOCIATION

Mr. Neil Young (Beaches): Mr. Speaker, the Canadian Medical Association has asked doctors across the country not to honour the health insurance cards of Ontario residents who visit other provinces. This is to be done by doctors to help their colleagues in Ontario maintain their privileged position in the face of legislation to ban extra billing.

The CMA is suggesting that doctors in other provinces increase the distress of Ontario residents seeking medical care by forcing them to pay directly for that care and to seek reimbusement from the Ontario Health Insurance Plan. This would mean that Ontario residents would be treated as if they were visiting a foreign country. It threatens the universal accessibility of medical care for all Canadians, and it is also in contravention of the Canada Health Act which specifies that when a Canadian visits another province and requires medical services there, those services are to be paid for by the medical plan of the home province.

The CMA wants doctors across the country to ignore this law. This is an illegitimate use of doctors' powers and I call on the Minister of National Health and Welfare (Mr. Epp) to enforce the Canada Health Act.

DISASTERS

FORTHCOMING ANNIVERSARY OF AIR INDIA CRASH OFF COAST OF IRELAND

Mr. Alan Redway (York East): Mr. Speaker, a week today on June 23 we will mark the first anniversary of the tragic crash off the coast of Ireland of Air India Flight 182. The official cause of that crash is yet to be determined but 329 men, women and children lost their lives in that disaster.

Because it was an Air India flight and because most of the passengers had their origins in India, some feel that this was an East Indian tragedy. However, 80 per cent of the victims were Canadians and this was a Canadian disaster.

The sympathy and hearts of all Canadians have gone out to the families and friends of the victims. However, tears are not enough. We must mark this anniversary by rededicating ourselves to the principles on which Canada is based: hard work, equality of opportunity for all, love of God, compassion for others, and racial tolerance, principles so well exemplified by Canadians of East Indian origin.

* * *

TRADE

IMPORTANCE OF CHRISTMAS TREE EXPORTS TO NOVA SCOTIA

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, I rise to emphasize the importance of the Christmas tree industry to Nova Scotia. Over the past decade Christmas tree growers have developed a fine product which has penetrated the United States market-place. Today the number of trees exported from Nova Scotia is 1.8 million, with a dollar value of $22 million. Nova Scotia exports 67 per cent of the Canadian trees entering the United States.

As Nova Scotians expanded their U.S. market, they foresaw the possibility of U.S. protectionism leading to tariffs on Canadian trees. Therefore they have refused to accept assistance that might be construed as a subsidy.

These growers are leaders in addressing the U.S. concern about unfair competition. They have educated their U.S. counterparts in an effort to minimize concern about unfair competition from Canada. As a result, U.S. and Canadian growers have a relationship of mutual respect and acceptance.

These growers recognize the need for Canada to fight protectionism in the U.S. They do, however, want government officials to be fully aware of their success in dealing with protectionism. They would welcome an opportunity discuss to further discuss the possible implications—

Mr. Speaker: Order, please. Sixty seconds.

S.O. 21

FINANCIAL INSTITUTIONS

CALL FOR INTRODUCTION OF LEGISLATION

Miss Aideen Nicholson (Trinity): Mr. Speaker, for as long as the Conservative Government has been in office, we have heard about the priority it attaches to reforming the legislation regulating financial institutions. However, we have seen almost no action, despite the failure of two banks and the incidents of large-scale takeovers involving financial institutions.

There have been studies upon studies and a very thorough consultation process, but we have yet to see comprehensive proposals for reform. The Government brought forward two minor and inadequate Bills, one of which is still languishing on the Order Paper. Other Bills were brought forward expressly to deal with regrettable situations which developed simply because there was no legislation in place to prevent them.

● (1405)

I am sure Members on all sides of the House would join with me in calling upon the Government to take a leadership role in the reform of financial institutions rather than continue to run the risk of being overtaken by events.

* * *

MEDICAL CARE

CANCER TREATMENTS—PRACTICE SANCTIONED BY ONTARIO GOVERNMENT

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, a serious problem has arisen in Ontario caused by extra billing. The most seriously ill cancer patients, whose major or only hope for recovery is chemotherapy using hyperthermia, are faced with a choice between having the required potentially life-saving treatment immediately at a clinic and paying for both the drugs and the clinic fees themselves, or waiting in a long queue to receive treatment at a hospital with all expenses covered by OHIP.

It was the fear of two-tier medicine developing in Canada, as it has in Britain, with one standard for the rich and another for the poor, which led to amendments to the Canada Health Act respecting extra billing. I am extremely angered that the Ontario Liberal Government itself has in effect introduced government extra billing into Canada through the back door by designing OHIP to cover hyperthermia cancer treatment only if it is performed in a hospital but not if the same treatment is performed in a clinic.

The Liberal Government of Ontario should not introduce two-tier medical treatment into Canada on the backs of the most seriously ill cancer patients.

SHIPBUILDING

CONSTRUCTION OF POLAR ICEBREAKER—AWARDING OF CONTRACT

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, I wish to comment upon the Government's ill-conceived and cruel public relations stunt in refusing to live up to its promises to the Canadian shipbuilding industry and award a contract for the construction of a Polar 8 icebreaker. We all remember the former Liberal Government and its promise to build an Arctic icebreaker following the voyage of the *Manhattan* through the Northwest Passage, but nothing was ever done.

Just last year the Americans once again penetrated the Northwest Passage without permission. The Secretary of State for External Affairs (Mr. Clark) responded to this American expedition by announcing that the Government would proceed immediately with a $400 million Polar 8 icebreaker project. Like the Liberals, the Tories are all talk and no action. If the Government waits much longer, it will single-handedly eliminate the Canadian shipbuilding and ship repair industry.

The Canadian shipbuilding industry is facing its worst crisis in 50 years. There are fears that employment will drop to below 5,000 people nationally by the end of 1986. Now there is a 50 per cent unemployment rate in the B.C. industry, and this will rise to 80 per cent if the Polar 8 project does not proceed in B.C. yards. B.C. yards had the lowest bid and possessed the greatest icebreaking—

Mr. Speaker: Order, please. Sixty seconds.

* * *

AUTOMOTIVE INDUSTRY

LOCATION FOR NEW PLANT IN ONTARIO

Mr. Gus Mitges (Grey—Simcoe): Mr. Speaker, indeed it is welcome news that General Motors and Suzuki have announced that they will be opening a new plant in Ontario for the production of automobiles. This will mean a positive upswing to the economy of the community chosen.

In my riding of Grey—Simcoe, wages and salaries are not commensurate with those paid in many other parts of the province, and unemployment is rife. The Collingwood shipyards, once the largest industry, have reduced their work force from a high of 1,100 to 200. Other industries have closed or have drastically diminished their workforces. In our tourist sector, the majority of workers receive only the provincial minimum wage. The possible location of the auto plant in the riding would be welcome news indeed.

Such a decision would be assured of the greatest co-operation possible by all officials and the people, working together to ensure the highest productivity and to ensure that all employees take advantage of the natural recreational facilities for which we are famous. This re-emphasizes the fact

that the non-polluted southern Georgian Bay area is one of the best in Ontario within which to work and to raise a family, and for recreational enjoyment and participation.

* * *

HISTORIC EVENTS

ANNIVERSARY OF BALTIC HOLOCAUST DAY

Mr. Joe Reid (St. Catharines): Mr. Speaker, several communities across the country marked June 14 as Baltic Holocaust Day because that day sadly marks the first dreadful night 45 years ago when over 600,000 citizens of the three Baltic States were forcibly removed to Russian slave labour camps. The survivor rate was pathetic. A commital to a Soviet Gulag prison camp was but a slow walking death sentence.

The Baltic holocaust is well recorded in history, but it did not stop there. The Russification of those three once proud and free democratic states goes on to today, even if it is in more subtle ways.

Lenin once said: "These people have the right to self-determination". He recognized them as sovereign and independent states. Why does modern Russia not respect its own Constitution and its signature on the Helsinki Accords, and let the captive nations go free?

* * *

DEPARTMENT OF EMPLOYMENT AND IMMIGRATION

LAY-OFFS IN NEWFOUNDLAND

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, the Minister of Employment and Immigration (Miss MacDonald) is laying off about 11 employees involved in job creation in the province of Newfoundland.

I have two points to make. The first is that the situation is being addressed in a shameful way. One employee received a note today that he has two weeks' notice. He is a 44-year old man who has served the Department for three years and has a child in university. He does not know what will happen to him at the end of the two weeks. It is the manner in which it was done. Second, employees are being laid off, such as that man, who administer a budget of about $1.5 million, with hundreds of ongoing projects in a province with the highest unemployment rate in Canada.

I say two things to the Minister. For God's sake, let us create jobs in Newfoundland and let us hold on to those employees. Second, let us do it in a proper way.

S.O. 21

• (1410)

HOUSE OF COMMONS

RIANT AND ARGUTE PAGE STAFF

Mr. Gordon Taylor (Bow River): Mr. Speaker, the 1985-86 Pages in the House of Commons equal or excel the high standard of service set by their predecessors. They are a happy, dedicated, smiling, sincere, devoted, loyal, punctual, blissful, felicitous, lighhearted, blithe, jocund, mirthful, riant and gleeful group.

This courageous, dauntless, resolute, sagacious, wise, gnostic, sophic, astute, knowledgeable, shrewd, argute group of forty have helped, aided, secured, succored, alleviated, assuaged and supported the Members of Parliament. When a Member took sick a Page was the first there to assist. And on the ice their speed, peppery, swift, racy, spicy, zesty, back-checking, front-checking, side-checking and diversions defeated the MPs for the first time in recent history.

They came as youth. They leave as men and women with a greater knowledge and love for our great country. With young people like these Pages, we do not have to worry about a glorious future for Canada.

Viva the Pages!

Some Hon. Members: Hear, hear!

* * *

CHALLENGE '86

CALL FOR PROGRAM MONITORING

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, there is considerable concern across the country about the quality of training which Challenge '86 is providing. The Minister of Employment and Immigration (Miss MacDonald) spends a considerable amount of time telling us about how much money she is spending. It would be good to know that the money is being well spent.

I call upon the Minister to institute a monitoring program which would assure us that clients are getting the kind of training which is valuable to them. At present the money is being spent, but the training results are questionable.

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[*Translation*]

TRADE

BILATERAL TRADE WITH THE UNITED STATES—POSITION OF LIBERALS

Mr. Gabriel Fontaine (Lévis): In the Saturday, June 14 issue of the *Ottawa Citizen*, Mr. Speaker, we could read about

the views of Mr. Michel Robert, a candidate to the presidency of the Liberal Party of Canada, who professed his confidence in our trade negotiations with the United States. Michel Robert is a member of the Macdonald Commission, the Commission of Inquiry on the Economy which also favours the enhancement of our trade with the United States.

Clearly, the Liberals do not agree at all on our trade with the Americans. The Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) is against. The Party Leader wants the Government to stop all negotiations. Another Quebecer, perhaps their future president, the Hon. Member for Laval-des-Rapides (Mr. Garneau), the so called Quebec expert in this matter, is sometimes for, and sometimes against. Sometimes he knows, other times he doesn't know. He is not sure where he stands on the matter.

If this party is truly responsible, it will have to discipline its members and declare to the Canadian public its position on the development of bilateral trade with the United States.

* * *

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—POSITION OF CANDIDATE FOR PRESIDENCY OF LIBERAL PARTY

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I rise on very much the same subject. "I remain convinced that free trade with the United States is something which is valuable". These, Mr. Speaker, are the words of one Michel Robert, one-time member of the Macdonald Royal Commission who now is running, Lord only knows why, for the presidency of the Liberal Party.

It is nice to learn that at least one Liberal knows where he stands on this important issue. Most of them just waffle away in the miasma of internal division that afflicts that directionless and leaderless Party.

Welcome, Mr. Robert, to the realm of rational thought and affirmative Conservative policy.

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DEPARTMENT OF EMPLOYMENT AND IMMIGRATION

LAY-OFFS IN NEWFOUNDLAND

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I would like to join with my colleague, the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey), in bringing to the attention of the House the situation in Newfoundland where project officers for the Job Development Program in Newfoundland are being laid off. The result of this lay-off is that each project officer in rural areas, with a coastline sometimes 500 miles long, is responsible for administering up to 90 projects per individual, which is an impossible situation recognizing the great number of projects and the size of the coastline in Newfoundland.

I brought this matter personally to the attention of the Minister of Employment and Immigration (Miss MacDonald). I am hopeful that having raised this matter with her, having pointed out the realities of Newfoundland's rural life and the difficulty of getting around in that part of Canada, that this matter can be corrected soon, that my people can be well served, and that those employees who are doing such a good job will retain their ability to serve the people of Canada, and more important, the people of Newfoundland. I look forward to hearing from the Minister.

• (1415)

ORAL QUESTION PERIOD

[*English*]

APARTHEID

SOUTH AFRICA—GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is for the Deputy Prime Minister. On this very sombre day the whole world is stopping to pay respect to the victims of the Soweto massacre. Would the Deputy Prime Minister report on the progress which the Canadian Government is making in trying to develop more effective international action against apartheid in South Africa? Could the Deputy Prime Minister tell us if the Prime Minister was in contact with Mrs. Thatcher over the weekend urging her to change her position and provide some leadership in this area? Also, were we in contact with the Foreign Ministers in the European Economic Community who are meeting today to discuss possible sanctions? Finally, have we been in touch with other Commonwealth leaders to determine whether they are prepared to meet earlier than August to discuss this emergency situation?

Mr. Speaker: Order, please. That was, in effect, four questions.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman said that the whole world is remembering the Soweto massacre. As he knows, our Embassy in South Africa was closed today. I am informed that Canada was the only country officially represented at the memorial services in South Africa.

With respect to his questions with regard to the leadership Canada has given in this matter, the answers remain the same. The Prime Minister is taking initiatives without waiting for August, and he will continue to do so.

PROTECTION OF PRISONERS IN SOUTH AFRICAN JAILS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would like to ask the Deputy Prime Minister another question with regard to taking initiatives. We are all shocked by the imprisonment of thousands of people in South Africa and mindful that many political prisoners have died in those jails previously. Has Canada taken the lead to have a Commonwealth commission or international commission established to visit South African jails to help protect the prisoners and ensure that they are afforded proper treatment while imprisoned there, so that their lives will not be in danger?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the initiatives which Canada has taken have been outlined by the Secretary of State for External Affairs and the Prime Minister. They surely do not need to be repeated. Canada has taken the lead, as has no other Government in the history of this country, in response to the South African situation in the hope that it might serve as an example which other nations will follow. However, not content to leave it at that, the Secretary of State for External Affairs has said that there is a whole range of options yet available which will be used if necessary.

Mr. Axworthy: Mr. Speaker, the Government has made no statement about what it intends to do to protect the human rights of those who have been imprisoned.

CANADIAN FIRMS CONDUCTING BUSINESS IN SOUTH AFRICA

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): I would like to ask a final supplementary question about the actions taken. The Government has said that it is prepared to impose further economic sanctions. There are Canadian firms still doing business in South Africa or investing there. Does the Government plan to put together an effective contingency plan for the ceasing of their operations in South Africa at a time when the Government decides it must take that step?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman knows that some initiatives have been taken in that direction already by the Government. With respect to the announcement concerning tourism advertising, we saw on television last night that one of the larger networks in the country has voluntarily complied with that measure. Yes, indeed, those initiatives are also being taken by the Government.

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SPACE DEVELOPMENT

SATELLITE SENSOR SYSTEM PROJECT

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, my question is for the Minister of National Defence and is on the subject of Teale Ruby. The Minister knows that the stated Government policy is that there will be no government involvement in Star Wars. Yet knowledgeable people in the United States and Canada have said that the Government of Canada is an active participant in the development of a satellite sensor system known as Teale Ruby. Will the Minister now cease and desist any activity by the Government of Canada in this project, Teale Ruby?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, the Teale Ruby project commenced in co-operation between the United States and Canada in 1980. I believe the Hon. Member was a member of the Government which initiated that co-operation. We see no reason to cancel it now.

• (1420)

REQUEST THAT CANADA CANCEL PARTICIPATION

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, I have here a report to Congress on the Strategic Defence Initiative which lists Teale Ruby as part of the Star Wars program. Will the Minister, now that he is the Minister acting on behalf of the Government, take his responsibilities seriously and cease this activity in Teale Ruby?

Hon. Harvie Andre (Associate Minister of National Defence): We think it is in Canada's interest, Mr. Speaker, to be up to date on the latest technology, including satellite observatation. We think there is enormous potential for good use of this technology in Canada in keeping our North under observation, tracking down airplanes, both civilian and, in the event of a war situation, military. In our view it would be rather foolish to take the move the Hon. Member is suggesting.

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APARTHEID

SOUTH AFRICA—ANNIVERSARY OF SOWETO MASSACRE

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Deputy Prime Minister. As he well knows, on the 10th anniversary of the Soweto Massacre the South African Government has achieved new levels of repression. This oppression is now hidden from world view because of controls on the press. What precisely is the Government saying to the Governments of the United Kingdom, the United States and West Germany which would convince them to place the freedom of South African blacks ahead of their strategic and economic interests?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I think there is no difference between what the hon. gentleman would say to those countries and what this Government is saying to those countries. It is just a question of the approach. We happen to believe that the more prudent approach being followed now is going to produce far more

results toward the elimination of apartheid than would the approach advocated by the hon. gentleman and members of his Party.

REQUEST THAT AGRICULTURAL SANCTIONS BE IMPOSED

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, the Minister said that Canada was going to lead by example. Additional sanctions were applied last week which bespoke triviality or ineffectualness and, in some instances, are quite laughable in the eyes of those to whom they are to apply. In view of the fact the Government is supposed to be manifesting leadership, why does it not apply the agricultural sanctions which everyone recognizes are likely to be most effective if imposed by Canada, and most likely to represent a model which other nations could follow?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I find it rather surprising that the hon. gentleman would put that view forward when those black nations which have commented on the initiatives taken by Canada lauded those initiatives. They have had nothing but good to say about those initiatives. The Eminent Persons Group has said that the lead taken by Canada serves as an example for other nations, and urges that they do so.

Again I say it is apparent that our views are no different, but the approaches obviously are. We have the conviction that we are following the most prudent and productive course that can be followed.

GOVERNMENT POSITION

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, the Minister says that Canada has received congratulations and respect from black nations of the world. There is one area in which Canada has failed to get plaudits. That concerns the complicity of this country with respect to the American alliance with South Africa *vis-à-vis* Namibia which is just as much a part—

Mr. Speaker: Question, please.

Mr. McCurdy: Why has the Government not resigned from the Contact Group as a clear signal that we will not be a handmaiden of American complicity in South African oppression?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I believe, Mr. Speaker, that this Government has demonstrated very vividly and very clearly that we among nations of the world are following an independent foreign policy approach. This approach is one which even his own external affairs critic has complimented. It lies ill in his mouth to be critical of the position taken by the critic of his own Party.

• (1425)

TRADE

CANADA-UNITED STATES NEGOTIATIONS—POSITION OF ALBERTA PREMIER

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Deputy Prime Minister. The Deputy Prime Minister will know that the Premier of Alberta, Don Getty, is quoted in *The Globe and Mail* today as saying that Canada should consider suspending free trade talks with the United States until after American congressional elections this fall.

I want to ask the Deputy Prime Minister whether he agrees with Mr. Getty's assessment that President Reagan is unable to control Congress and therefore, presumably, he is unable to keep his commitments to the Prime Minister until after the congressional election year is over?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I believe the Hon. Member has a somewhat vivid imagination, and is reading into Mr. Getty's statement more than is there.

He said we should continue our talks at this time for several months and then make a determination as to whether or not they should continue in view of the mid-term elections.

It is our opinion that those talks must continue because they are vital to the future of this country.

FEDERAL-PROVINCIAL AGREEMENT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, perhaps the Minister for International Trade could tell the House whether or not it is part of the 90-day probation period that the provinces have given the federal Government, whether as part of that probation period that, 90 days down the road, if progress is not being made because of the political atmosphere in the United States these free trade talks will be suspended? Is that a condition under which the provinces at the last meeting with the federal Government agreed to provide a 90-day period for the federal Government to proceed?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, again the saga of the vivid imagination continues. There is no such 90-day period. What the Prime Minister and the Premiers agreed upon was to meet every three months to review the progress to date and to be brought up to date.

The Hon. Member from that Party is unable to recognize consultation because his Party never indulged in it when they were in power.

Some Hon. Members: Hear, hear!

[*Translation*]

CULTURE

INQUIRY IF MR. REISMAN REQUESTED AUTHORITY TO NEGOTIATE CULTURAL SECTOR WITH MR. MURPHY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a question for the Minister of Communications.

Can he confirm that Mr. Reisman has requested authority to negotiate the cultural sector with Mr. Murphy, as indicated by Canadian Conference of Cultural Industries President André Noreau?

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I cannot confirm this question.

[*English*]

REQUEST FOR MINISTERIAL ASSURANCE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, it is comments like that and the lack of confirmation which tell us this is the first step in the sell-out that we have foreseen right from the—

Mr. Speaker: Order.

Mr. Langdon: Will the Minister or his colleague, the Minister for International Trade, assure this House that our cultural industries are not going to be placed on the bargaining table, despite this demand by Mr. Reisman? Will he tell Mr. Reisman to respect that promise instead of trying to lead us Lord knows where?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I can only confirm what I said. The negotiator did not request authority to negotiate cultural industries.

* * *

[*English*]

SCIENCE AND TECHNOLOGY

INDUSTRIAL RESEARCH ASSISTANCE PROGRAM

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Minister of Science and Technology. The Government seems to be telling Canadians that for Canada to be active in outer space we have to leave our small and medium-sized companies in a vacuum. I would like to ask the Minister why has the Government cut the Industrial Research Assistance Program which provided vital research support to small and medium-sized companies Why has the Government rejected the unanimous advice of the private sector, which can best be described in two words from the Nielsen report, namely, that IRAP works?

• (1430)

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I applaud the Hon. Member for recognizing that IRAP is a good program and has been very helpful. Indeed, we are looking at the IRAP experience to bring to the space-related activities the same kind of expertise and government assistance that the high-tech sector has experienced as a result of that program. There are no cuts in the program. There is a realloction of priorities that the NRC has reassigned itself.

Mr. Berger: This is an unacceptable trade-off and every person from the private sector has said so.

FUNDING OF SPACE-RELATED ACTIVITIES

Mr. David Berger (Laurier): Mr. Speaker, is the Minister telling us that it is the Government's policy to participate in outer space because it is fashionable and that we have to rob Peter to pay Paul? How many other programs will be cut, regardless of merit, in order to provide the Prime Minister and members of his Cabinet with photo opportunities?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, it would not matter how often the Hon. Member repeats what he believes to be the fact that there are massive cuts in the IRAP program. The IRAP program has already financed space-related activities. These activities will obviously accelerate over the next few years and the IRAP program is exceptionally suited for that kind of activity. The National Research Council, in accordance with Government priorities, has rearranged its own priorities to coincide.

* * *

REGIONAL INDUSTRIAL EXPANSION

CAPE BRETON DEVELOPMENT CORPORATION—OCCUPATION OF OFFICES BY UNIONIZED WORKERS

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, my question is directed to the Deputy Prime Minister. Last Friday unionized workers at Cape Breton Development Corporation were driven to the desperate measure of occupying the company offices over the loss of 1,200 jobs and the refusal of both the company and the Government to take steps which will guarantee continued employment. Next spring 500 jobs will be lost when the bridges program ends. Will the Deputy Prime Minister, on behalf of the Government, give a commitment that those programs will not end and the Government will do something to preserve those jobs?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I would like to reply to the Hon. Member that a task force has been established between management and representatives of the union to work out those very problems. I think that is the most appropriate course of action to follow.

Oral Questions

REQUEST FOR GOVERNMENT-UNION MEETING

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, my supplementary question is directed to the Deputy Prime Minister. There has been a request today for officials of the Government to meet with unionized employees in the Devco operation. Will the Deputy Prime Minister give an undertaking that this will happen and the Government will make a commitment to those jobs?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I think the Hon. Member is aware that union elections will take place in that area tomorrow. I think it would be inappropriate for the Government or officials of the Government to intervene at this time, particularly given the fact that we have a mechanism in place wherein these issues can be discussed and resolved and, hopefully, satisfactory solutions reached.

* * *

AGRICULTURE

PRODUCTION OF READY-TO-EAT PRODUCTS AT EDMONTON PLANT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister of Agriculture. Will he confirm that ready-to-eat meat production at the strikebound Gainer's plant in Edmonton began last week in violation of a federal Government meat inspection guideline which states that: "Plant employees shall, under no circumstances, be permitted to handle ready-to-eat meat products prior to obtaining satisfactory certification on medical grounds."?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I would have appreciated it if the Hon. Member had extended the courtesy of giving me notice of this question. It would have provided me with an opportunity to check with my senior officials. My information is that we have violated no Act at that plant or any other plant.

GOVERNMENT GUIDELINES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, why did Bill Rees, Vice-President of Operations, confirm to my office today that ready-to-eat meat production began last Wednesday, when the chief veterinarian responsible for inspection services advised my office today that the appropriate medicals were not made until Thursday, the day after meat production began, in violation of federal government guidelines?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I take this question very seriously because we have the finest meat and food inspection system in the world. It is not perfect, and officials are always striving to improve it. I have checked with my Deputy Minister from time to time as to the progress and status of the plant at Red Deer and the Gainer's plant in Edmonton. We had some very difficult situations there from time to time, but my information at this point is that we have not violated any Act or regulation. However, I would not want that to stand as a final response to a very serious question. I will take notice and be happy to get back to the Hon. Member.

REQUEST THAT INSPECTION PROCEDURES BE STRENGTHENED

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is also directed to the Minister of Agriculture and concerns the same subject. In light of the fact that these scabs are inexperienced and are replacing experienced workers, will the Minister tell the House what steps he will take to ensure that the inspection procedures will be beefed up—pardon the pun—

Some Hon. Members: Oh, oh!

Mr. Rodriguez: —to ensure that the health of the public is protected?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I take that question seriously as well, but perhaps the Hon. Member might be interested to know that it is a pork processing plant and does not process beef. Quite properly, senior officials of my Department have been in constant contact and observing the difficulties at both plants. Again the information I have is that they have overseen the operations of the plant. At no time that I am aware of, did slaughtering take place when it should not have taken place.

Mr. Rodriguez: I thank the Minister for not hamming it up.

Some Hon. Members: Oh, oh!

REQUEST FOR TABLING OF DIRECTIVES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, is the Minister prepared to table in the House the exact procedures which his Department will use to ensure that these inexperienced scabs who are operating in that Gainer's plant are in fact following the directives of the Food Production and Inspection Branch? Will he table the procedures that his Department will undertake?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I have no difficulty in making a commitment to table that information. We have been involved in two similar situations and the Department has always been anxious to table the information. We have been held back on one account because of an injunction lodged against the Department by certain people within the industry, but if that does not happen again, and if we are not impaired in any way from making the information available, we will be happy to do so.

FINANCIAL INSTITUTIONS

ONTARIO'S SECURITIES INDUSTRY LEGISLATION

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of State for Finance. It relates to her protesting the Ontario Government's decision last week to amend securities industry legislation. Is it the position of her Government that provinces should not exercise their powers while the free trade discussions take place?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, it is the Government's position that this is a very important policy area and one in which we have taken a great leadership role in the co-ordination of policy between the federal Government and the provinces. We think that is very important to policy development in all of the areas dealing with financial sector legislation. We will continue to do that.

GOVERNMENT ACTION

Miss Aideen Nicholson (Trinity): Mr. Speaker, will the Minister tell the House whether her Government will take some much needed action on financial regulation instead of being continually overtaken by events?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I do not at all feel overtaken by events. I think we have taken a real leadership role. I might remind the Hon. Member that it is we who began the discussion of a very complex area over a year ago. There was broad-based public participation and the discussion in the House, in which the Hon. Member participated. I remind her that we are still waiting to hear from Mr. Justice Estey, that we have two Bills in the House, and that we are the ones who have shown the leadership.

* * *

[*Translation*]

EMPLOYMENT

EMPLOYMENT PLANNING STRATEGY

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. For some time now a number of Hon. Members have been complaining about the implementation of employment planning programs, particularly with respect to Quebec.

Can the Minister advise the House as to the extent of activities under these programs in the Province of Quebec?

Hon. Flora MacDonald (Minister of Employment and Immigration): Last Friday in the House, Mr. Speaker, I tabled information on employment planning.

I am pleased to mention that in the Province of Quebec we now have close to 6,000 projects involving 30,000 participants. Our expenditures amount to nearly $200 million.

• (1440)

[*English*]

In Canada we have 53,000 projects under way, with more than 75,000 participants, and we will continue in that fashion.

Some Hon. Members: Hear, hear!

* * *

TRADE

IMPORTATION OF COAL FROM UNITED STATES

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my question is directed to the Minister for International Trade (Mr. Kelleher), whose Government put a retaliatory tariff on books which does not seem to be doing Canada any good.

I want to ask him, given the fact that Canada imports 16 million tonnes of coal a year from the American heartland at a cost of $1 billion a year, why does his Government not put a tariff on American coal and thereby open up eastern Canadian coal markets to western Canadian coal.

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I would advise the Hon. Member that in arriving at the list of goods against which we would retaliate under the GATT rules, we are only able to retaliate against goods that are not GATT-bound. I do not know whether or not coal is in fact GATT-bound, but I would be happy to look into that matter for him and get back to him.

Mr. Waddell: I hope the Minister will, because it would be of great benefit to British Columbia and Alberta if he could do this.

FEDERAL-PROVINCIAL TASK FORCE REPORT

Mr. Ian Waddell (Vancouver—Kingsway): My supplementary question is directed to the Minister of State for Mines, if I can get his attention. Can the Minister advise when we will receive a copy of the report of the federal-provincial task force which was set up in January of 1985 to examine this very idea, the expanded use of Canadian coal in the Canadian market?

Hon. Bob Layton (Minister of State (Mines)): Mr. Speaker, I know there is a report being prepared and presented to the Government regarding the use of western coal. I am sure that as soon as it is published a copy will be sent directly to the Hon. Member.

Oral Questions

CANADA POST CORPORATION

DOOR-TO-DOOR MAIL DELIVERY

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is directed to the Parliamentary Secretary responsible for Canada Post Corporation.

Section 15 of the Charter of Rights states:

Every individual is equal before and under the law and has the right to the equal protection and equal benefit of the law—

Why does the Minister allow Canada Post Corporation to violate Section 15 of the Charter of Rights by not delivering mail door-to-door to new residential districts?

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I remind the Hon. Member that we have been delivering mail and increasing the service 16 per cent over the last three years, with increases in mail handling, and we have introduced new methods of doing it more economically. I would assure the Hon. Member that it is the intention of this Government to end up in a position where Canada Post breaks even and we stop, from the bottomless pit, pouring money into the Crown Corporation.

[*Translation*]

MAIL DELIVERY

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, why does one group of citizens get home mail delivery while another group in the same neighbourhood does not? If that isn't discrimination, what is? They are just across the street!

[*English*]

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, it has been the policy of Canada Post, for some years now, to continue door-to-door delivery of mail within urban areas. It has also been the policy of Canada Post, as approved by this Government, to increase the service to customers in rural areas by giving more efficient and more effective means of delivering the mail in close proximity to their residences.

* * *

BANKS AND BANKING

ELECTRONIC DEPOSITING OF PENSIONS AND WAGES

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Minister of Supply and Services. During the last election campaign our Party indicated that millions of dollars could be saved by introducing the electronic deposit of pension and salary cheques directly into banks rather than sending them out through the Post Office. Will the Minister advise the House what has happened to that commitment and when the Government intends to begin the direct electronic depositing of cheques?

Hon. Stewart McInnes (Minister of Supply and Services): Mr. Speaker, we have undertaken, on an experimental basis, the sending of cheques to a number of our public servants. That has worked very well; and we will be commencing, very soon, a program to send cheques to all of the public servants of the Government of Canada.

* * *

RESTRICTIVE TRADE PRACTICES COMMISSION

TABLING OF REPORT ON COMPETITION IN THE CANADIAN PETROLEUM INDUSTRY

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to direct a question to the President of the Privy Council, in the absence of the Minister of Consumer and Corporate Affairs and of the Minister of Energy, Mines and Resources.

The Government received a report of the Restrictive Trade Practices Commission with regard to the oil companies in May. It was not tabled by the Minister until last Friday, the last day when it was required. The report made a number of recommendations which involved the combines legislation which passed a week earlier. Why did the House not receive the report in May when it could have been used?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I am not, as the Hon. Member will be aware, fully cognizant of all of the details with respect to the lead-up of time. The Restrictive Trade Practices Commission, of course, would operate on its own timetable with respect to the preparation and presentation of that particular report; so I do not think it is absolutely accurate to equate that with the actions of the Minister.

RECOMMENDATION DEALING WITH PETRO-CANADA

Mr. David Orlikow (Winnipeg North): Mr. Speaker, we understand that the Minister had it for more than a month before it was released. I would like to ask the Minister whether the Government supports the recommendation of that report which calls on Petro-Canada not to be operated like another oil company but, rather, as a company which will oppose oil industry anti-competitiveness and such practices as buying up independent gas stations, squeezing them through unfair pricing, and so on.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I will not respond directly to that question except to say I will take the question as notice and have the appropriate Minister respond to the Hon. Member, whenever that Minister returns.

PRICE OF GASOLINE

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Deputy Prime Minister. The Restrictive Trade Practices Commission has said that the Government has a unique opportunity to make a positive effect in competition and in the market-place, through Petro-Canada. Is the Government prepared to take advantage of this recommendation, or is it going to not never give Canadians a fair price for gasoline at the pumps?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I do not know what "not never give" a fair price to the public means, because this Government, unlike the previous Government, is giving fair prices for gasoline to the public.

GOVERNMENT POLICY

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, the Government, through its twisted policies for Petro-Canada, has decreased competition. Will the Government take advantage of this unique opportunity, or will it maintain the inflatedly high price for Canadian consumers?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I am loath to refer back to the enormous inflationary effect of the policy of the predecessor Government with respect to oil prices. The fact of the matter is—

Some Hon. Members: Below world level.

Mr. Hnatyshyn: —the prices have dropped, under this Government. We have in fact gone into the process of deregulation, which allows the drop in the price of oil to be passed on to the consumer.

With respect to the report of the Restrictive Trade Practices Commission, I will have the appropriate Minister get back to the Hon. Member with respect to our policy in that area.

* * *

MINES AND MINING

FEDERAL COAL LANDS IN SASKATCHEWAN

Mr. Don Ravis (Saskatoon East): Mr. Speaker, my question is directed to the Minister of State for Mines. The sterilization of federal coal lands in Saskatchewan has long been an irritant, or a point of contention, in federal-provincial relations. Could the Minister advise what his Department is doing to free up the economic coal reserves?

• (1450)

Hon. Bob Layton (Minister of State (Mines)): Mr. Speaker, I am happy to respond to the Hon. Member for Saskatoon East. The Governor in Council has given approval to the transfer agreement which provides for the transfer of coal rights for $500,000 to the federal Government and $9.5 million to the City of Estevan to build a new airport. This is another example of good will and co-operation between the provinces and the federal Government.

Some Hon. Members: Hear, hear!

* * *

SEARCH AND RESCUE

CIVILIAN DEATHS DURING ALBERTA AIRCRAFT SEARCH OPERATION

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is for the Associate Minister of National Defence. It has to do with a very sad and tragic accident which occurred in Alberta over the weekend in which eight persons were killed on a DND search and rescue mission, five of whom were civilians. Will the inquiry examine whether, in future, civilians should be allowed to undertake risks in search and rescue operations under the direction of DND?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, the inquiry *per se* is looking to find the actual reason for this tragic crash. May I take this opportunity to express my sympathies to the families in this regard.

The Civil Air Search and Rescue Association has been in existence for a number of years. It has provided a superb service to pilots, particularly private pilots. It has flown thousands and thousands of hours with no accidents heretofore. I cannot commit that we will be undertaking that type of fundamental examination. However, clearly, there is a concern that we share. We want to do what we can to limit the liability and risks which civilians might take.

GOVERNMENT LIABILITY

Mr. Derek Blackburn (Brant): Mr. Speaker, what is the extent of the Government's liability when civilians are harmed, or indeed killed in the course of a DND directed search and rescue operation?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, it very much depends on the circumstances. At this point in time I cannot tell the Hon. Member for sure if all five of the civilians onboard were in fact part of CASARA or whether in fact they were onboard in some other capacity. Since I do not know the relationship they had with CASARA I cannot answer the Hon. Member's question precisely; but I will be glad to get back to him when I have that information.

Oral Questions

AGRICULTURE

SOUTHERN ONTARIO TOMATO CO-OPERATIVE PROJECT

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Agriculture. Last week the Ontario Vegetable Marketing Board withdrew its support for the $1.5 million grant that the Minister is giving to the Southern Ontario Tomato Co-operative for the purchase of the Topaz plant at St. Thomas. Since the support of the marketing board was one of the Minister's conditions for giving the grant is the Minister now going to withdraw the $1.5 million grant to this group?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, no, we have not reached that decision. We have worked with members of the co-op and with the provincial Government and no final decisions have been made. There have been other conditions laid down by us and by the provincial Government. However, the particular condition to which the Hon. Member refers rests more particularly, more precisely, and more appropriately with the responsibility of the provincial Government and not with the federal Government. The Vegetable Marketing Board is a creation of the province and not of the federal Government. As such, it receives its mandate from provincial legislation and not from federal legislation.

TOMATO PASTE IMPORTS

Mr. Maurice Foster (Algoma): Mr. Speaker, since the tomato paste industry is facing unfair competition with low-priced imports being shipped into Canada at about 30 per cent below the cost of production, is the Government planning to take any action to protect these hard-pressed producers?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Hon. Member should know that the producers or the industry have the opportunity, if they decide, to launch an investigation of injury. They might choose to launch a countervail action or an anti-dumping action. That must come from the industry and not from the Government.

* * *

SOCIAL SECURITY

DELIVERY OF CHEQUES—POSSIBLE RESULT OF CANADA POST CORPORATION ACTION

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of National Health and Welfare. Is the Minister aware of a letter sent from the Income Security Programs to Canada Post which states in part:

> This is to confirm our recent discussions that our department will not intervene should Canada Post withdraw the letter carrier notifications service to Health and Welfare Canada.

Is the Minister aware that this move means that seniors, disabled, and families receiving family allowance will receive their cheques late when they change their residences? Is the Minister prepared to intervene?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am not specifically aware of the letter to which the Hon. Member refers. However, I am aware of the situation. I am fully cognizant of the issue. We have found that the present system is not satisfactory. We believe we can get the same information out in other ways.

PRICE CHARGED BY CORPORATION

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, the Minister does not seem to be aware that dropping this service will mean that seniors will receive their cheques late. Rather than acquiescing in a call for a drop in service by Canada Post why does the Minister not question the $700,000 price-tag that Canada Post attaches to this service? Why not challenge Canada Post, instead of cutting off services to seniors?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, it is not a matter of cutting off services to seniors. Nor is it a matter of challenging Canada Post. We have a responsiblity for giving information to seniors, as well as having a responsibility for being cost-effective. The same type of thing applied, for example, in April. There are a number of seniors who failed to give us an update on their last year's income, and for a period of time we did not and could not advance their GIS, for example.

There are many ways to get this information to seniors. I suggest to the Hon. Member that the methods are in place, including information which I hope he and his colleagues will give out through their constituency offices. In addition, we have senior citizens pension advisers, both in urban centres and on a casual basis in rural areas. This information can be given out in that way as well.

Mr. Keeper: This way works!

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[*Translation*]

TELEVISION

FRENCH TELEVISION RIGHTS TO 1988 WINTER OLYMPIC GAMES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the Minister of Communications. I gave notice of the question I am about to put to him on Friday, and it concerns the TV broadcasting of the 1988 Winter Olympic Games in Calgary and the fact that television rights for the Games have been granted to CTV, which in turn has made arrangements to have TVA, a Quebec network, retransmit the signal to Quebec.

My question is: What is going to be done about getting the French signal to one million Francophones outside Quebec?

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I shall, if I may, read part of a letter I was about to send to the Hon. Member.

"Further to your letter of May 30, negotiations are now under way between the Canadian Broadcasting Corporation and TVA, with a view to bringing these TV broadcasts to Francophone communities outside Quebec. I will let you know the results as soon as the negotiations are completed."

I share the Hon. Member's concern, and I hope all Canadians will be able to view these broadcasts.

REQUEST FOR FRANCOPHONE REPRESENTATION IN NEGOTIATION OF CERTAIN CONTRACTS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to ask the Minister the following: In future, would it be possible to ensure that when preparing for a national or international event, both Francophone and Anglophone representation is provided during negotiations on contracts and conditions between the parties concerned?

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, that is an excellent idea.

* * *

[*English*]

REGIONAL INDUSTRIAL EXPANSION

MODERNIZATION OF SYDNEY STEEL CORPORATION

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, my question is for the Acting Minister of Regional Industrial Expansion. As the Minister knows, the modernization of the Sydney Steel Corporation is an important part of efforts to rebuild the Cape Breton economy. Can the Minister provide a status report and a timetable for implementing the modernization plan?

Hon. Don Mazankowski (Acting Minister of Regional Industrial Expansion): Mr. Speaker, the Hon. Member's question gives me an opportunity to correct a number of erroneous and misleading reports that have been circulated by Members opposite. There is a $157 million agreement in place to be shared 70 per cent by the federal Government and 30 per cent by the provincial Government. The business plan has been received. The Treasury Board submission is in the final stages of being concluded. It will be presented to Treasury Board before the end of this month, and I expect approval. Furthermore, invitations for the engineering proposals have been released. Everything is on track as we expect it should be.

TRADE

SHAKES AND SHINGLES EXPORTS TO UNITED STATES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the Minister for International Trade. This morning on *Canada A.M.* the Minister said that one of the reasons he wanted to pursue free trade was to avoid the kind of thing that has happened in shakes and shingles. Does he not know that in the shakes and shingles business there is free trade?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I would advise the Hon. Member that while there may be free trade between articles, there are also non-tariff barriers. There is government procurement. There is "Buy America". There is contingency protection. These are extremely important. They are one of the main objectives we are trying to achieve in the trade talks, that is, a secure market in the United States and the ability subsequently to enhance that market and to have it enshrined in an agreement.

ACCESS TO U.S. MARKET

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, how does establishing in other sectors the same set of circumstances that we now have in shakes and shingles make it any easier for us to achieve access to the U.S. market?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, the type of agreement that this Government contemplates and hopes to achieve with the American Government is to have our own regime for contingency protection. In this way we can have better laws more beneficial to the country dealing with those types of actions for safeguard, countervail, and anti-dumping than presently exist. They will give us the protection we need in the future which we presently do not have.

* * *

• (1500)

PRIVILEGE

RESTRICTIVE TRADE PRACTICES COMMISSION—RELEASE OF REPORT BEFORE TABLING IN THE HOUSE OF COMMONS

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I would like to raise a question of privilege of which I gave you notice. Very briefly, I would like to outline the facts.

On Friday, the Minister of Consumer and Corporate Affairs (Mr. Côté) chose to table in the House the report of the Restrictive Trade Practices Commission, a huge report, after Question Period at noon. As the NDP energy critic, I would be expected to respond to the report in order to carry out my duties. I must comment on the report and I must comment quickly as this is the age of instant media. Those who have previous knowledge of something have a real advantage.

I was a witness before this inquiry. Members of my staff tried to get access for me to the commission lock-up. The report was given to the oil companies in advance via lock-up, even though the oil companies were subject to the probe.

If I can sum up the legal points of the question of privilege, they are as follows. This was an intentional release of a report to be tabled in the House of Commons to non-Parliamentarians before it was tabled in Parliament. The report is the property of the Minister who is responsible to Parliament and therefore the report is the property of Parliament and not of an agency of the Government. Having decided to table this report, the release of the report in advance to the oil companies breached my parliamentary privileges.

In relation to this, Mr. Speaker, I refer you to your ruling at page 10643 of *Hansard*. At that time, the Chair stated that there may be a case of breach of parliamentary privilege when information which is the property of Parliament and not of a government agency is released in advance. As reported on page 10643 of *Hansard*, the Chair said:

> If the Hon. Member were bringing to me a case with respect to information which, perhaps, was included in an embargoed draft report of one of our parliamentary committees, or some such form, then there might be a question of privilege.

I ask that the Chair look into this matter and take it under advisement.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I would like to address myself to the specific question of privilege. It is my understanding that there was no pre-release of this document that was tabled in the House and made available publicly at the same time to all Members of Parliament and the public. I understand that there was a lock-up for interveners with respect to the proceedings that take place. However, the practice and tradition is, of course, with respect to documents that are being tabled, that they be tabled without being pre-released and this was the case in this instance.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I would like to support the Hon. Member for Vancouver—Kingsway (Mr. Waddell) on his question of privilege. I find it ludicrous that the Government would attempt to explain away its actions in not making available to members of the Opposition prior to its tabling in the House of Commons the report of the Restrictive Trade Practices Commission.

As the Hon. Member for Vancouver—Kingsway has stated, that was a definite infringement on the rights of members of the Opposition to comment on this very important question. Not only that, but it was not as if the report was made public in advance—

Mr. Speaker: Order, please. I think the Hon. Member is making the speech he would like to make if the matter were accepted as opposed to making a speech about whether or not there is a *prima facie* case of privilege. Does the Hon. Member have anything to add to the question of privilege?

Mr. MacLellan: Mr. Speaker, as the energy critic for my Party, it is impossible for me to comment on this report unless I have had a chance to read it and assess its contents and value. This opportunity was not afforded to me prior to the—

Mr. Speaker: Order, please. I repeat, the Hon. Member is making the speech he would like to make if the matter were accepted.

I presume the Hon. Member for Vancouver—Kingsway (Mr. Waddell) has made his submission.

Mr. Waddell: I forgot one factual point that I wanted to lay before you, Mr. Speaker.

Mr. Speaker: One factual point or one matter with regard to privilege?

Mr. Waddell: With respect, to privilege, Mr. Speaker.

Mr. Speaker: What does the Hon. Member wish to add?

Mr. Waddell: Mr. Speaker, I did want to say that I did contact personally Mr. Jon Church of the Commission to try to get access and I was told that only the oil companies, the interveners, would get the pre-released report.

Mr. Speaker: I thank the Hon. Member for his final comment which again indicates a factual matter. There has been case after case of this kind raised in the House. The Hon. Member may have a grievance but there is clearly no question of privilege.

ROUTINE PROCEEDINGS

[*Translation*]

NATIONAL HEALTH AND WELFARE

PRESENTATION OF SIXTH REPORT OF STANDING COMMITTEE

Mr. Gilbert Chartrand (Verdun—Saint-Paul): Mr. Speaker, I have the honour of tabling the Sixth Report of the Standing Committee on National Health and Welfare, in both official languages. The report deals with Bill C-116, an Act to amend the Canada Pension Plan and the Federal Court Act.

[*Editor's Note: For above report, see today's* Votes and Proceedings.]

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the third time and passed.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, we certainly have before the House a major piece of legislation in Bill C-96. This is not in any sense a small housekeeping item. It is a major Bill.

I think all Hon. Members are aware that Bill C-96 will have a significant negative impact on the provinces and their education and medical care programs. It has been repeated often enough, but the figure is so large and alarming that I do not think it can be said too often, that between now and 1992, the federal Government will be transferring to the provinces $8 billion less than it would have if the present fiscal arrangements program had been maintained.

Let no Hon. Member believe that this Bill is a deficit-reducing measure because it is not. It simply transfers part of the Government's deficit to the provinces. The Minister of Finance (Mr. Wilson) has acknowledged that that is the case. He has said that the impact of a runaway federal deficit is far greater than the problem of shifting the deficit to the provincial level. I would like to ask my hon. friends who support the Government if they can concur in that conclusion. Is it a fact that the transferring of the deficit to another jurisdiction which will therefore have to take action with respect to education and health care, creates less of a problem than the problem we now face?

I know from speeches made by Hon. Members of the Government side in the past that there are many Hon. Members who would not accept that conclusion. Certainly, the Premier of Ontario, the Hon. David Peterson, said directly to the Prime Minister (Mr. Mulroney) when he met with him and the other First Ministers that he has not solved the national problem but has only transferred the national problem to the province. At that same meeting the New Brunswick Finance Minister said that from his point of view it was unreasonable for the federal Government to think that provinces which have already taken difficult measures to deal with their financial situations can also be expected to absorb a part of the problem at the federal level. That statement was made by Mr. John Baxter, Minister of Finance for New Brunswick. He went on to say that it was essential that the burden of the deficit be spread fairly across the country, in all regions of Canada. The New Brunswick Minister of Finance also indicated that what the federal Government was doing with Bill C-96 did not ensure such fairness in the sharing of that burden.

• (1510)

The argument being made in respect of Bill C-96 is that it is not a fair way to deal with a very serious national problem. The New Brunswick Legislature, of recent date, went so far as to pass a resolution in respect of Bill C-96. I would suspect—and this would require some parliamentary research—that this is a fairly rare occurrence in the legislatures of Canada. However, in that legislature it was resolved that the Legislative Assembly of New Brunswick request the Government of Canada to reconsider its unilateral decision and restore the Established Programs Financing to the level agreed to in 1982.

I notice that a good friend of mine is present in the House, the Chairman of the Standing Committee on which I serve, the Hon. Member for Wetaskiwin (Mr. Schellenberger). In the past he has considered carefully this very same problem. I should like to refer to something he said in a similar debate of a few years ago. He said: "We do not solve the problem of budetary deficits by fighting with one another as to who will spend the dollars in order to provide the service". I agree with the Hon. Member. I have always found him to be a reasonable man who had carefully thought out solutions to serious problems. In that case his comments certainly indicated great clarity.

I should like to repeat my first point, that the federal Government is taking its problem and transferring it into the regions of the country; it is giving its problem to the provinces. I am not at all sure in what way it can feel good or satisfied about that action. In fairness, we know that all provinces will have to bear the burden, but it is not being borne equally. All provinces, but mainly the poorest of them, will have to do one of several things—increase taxes, increase their own deficits, cut services, charge user fees, reallocate funds within their own budgets, or any combination of these.

My second point is that the Government of Canada, with the introduction of Bill C-96, is acting unilaterally. It is doing so without the consent of the provinces. The Government has failed to respect a well established tradition, that is, the tradition of respecting federal-provincial agreements.

In the days when the Party opposite was the Party of opposition, we heard much about how it disliked confrontation with the provinces and how it would bring in a new regime of co-operation. Bill C-96 is not a very good demonstration of that. Mr. Peterson of Ontario said to the Prime Minister: "You cannot call this a cut; you could call it a breach of faith". He went on to say: "You can call it breaking a promise", which is true. In its successful bid for power in 1984 the Progressive Conservative Party promised that it would respect federal-provincial fiscal arrangements. That promise was stated and restated.

However, apart from promises, agreements, and arrangements; apart from the devilish difficulty with which we are

faced in terms of how to deal with a continuing deficit and a growing national debt, and apart from other such weighty matters, I think we should be clear about who and what are being effected by Bill C-96. It is difficult for any Member of the House to say that Bill C-96 over a period of time will not have a serious and drastic effect upon the post-secondary educational system. It cannot fail but to do so.

No less an important personage than the Chief Justice of Canada saw fit to raise the alarm on this particular issue. It is very unusual for someone from the judicial branch of Government to talk about public policy issues. Yet, Chief Justice Brian Dickson of the Supreme Court of Canada, in receiving an honorary degree from a university, felt that he had to say something. He said that Canada was on the verge of becoming a second-class nation because of tragic underfunding of universities by federal and provincial Governments. He also said that there are many people who feel that education is too important to be left to educators. That may be true, but it is also true that education is too important to be left in the hands of Ministers of Finance. Bill C-96 will have a serious and drastic effect over time on our post-secondary institutions of learning.

Are you aware, Mr. Speaker, that the proportion of the Gross National Product made available by government in Canada to universities and colleges is on the decline? I find it almost impossible to comprehend that at this time in our history, with competition in the field of technology and when demand for a highly educated population is increasing, that the amount of the GNP spent on post-secondary education is not even maintaining itself, but in fact is going down. At the same time, enrolment in universities and colleges is going up. Between 1978 and 1985 enrolment in universities went up by 27 per cent. In colleges the increase was even greater; it was up 35 per cent. How much more money over that same period of time went from Governments for core operations to post-secondary institutions? It was an increase of only 2.5 per cent. Is it any wonder the Chief Justice is alarmed? Every Member of Parliament ought to be alarmed. Is it any wonder that Bill C-96 is being delayed? It is not a question of mischief on the part of the Opposition; it is a question of great principle and it is a question of the assured future of the country. That is what is at stake.

We are facing accelerating technological changes. Young people of Canada need more training and more education to face growing challenges in the workplace. We are talking about a comprehensive free trade agreement with the Americans. Hon. Members opposite have said that it will be a great advantage for Canada because we will be able to compete face to face with the Americans and because we will have a bigger market within which to compete. They have said that we will have to do well and that we will excel. How can we excel and compete when we are serving our post-secondary educational institutions so badly? They are getting less of the GNP and getting only dribs and drabs in the way of increases for an enrolment that is going up year after year. No, Mr. Speaker, it is strange, curious and illogical to cut contributions to post-secondary education.

• (1520)

Let me refer to what Mr. Ed Anderson, President of the Canadian Association of University Teachers, said with respect to Bill C-96 in this debate:

> Proposed federal cuts to post-secondary education could place a university education beyond the reach of many students . . . Further slashes in university funding could spell hard times for higher education in Canada, resulting in higher tuition costs, program cuts, faculty reductions . . . The Federal and provincial governments have a moral obligation to give every student in the country at least the opportunity to attend university . . . Without an educated population, Canada's going to be hard pressed to cope with the rapid changes in our increasingly technological world.

I could not quote a better source than Mr. Ed Anderson of the Canadian Association of University Teachers on that particular point.

The Minister of Finance for the Province of Nova Scotia has also expressed alarm and dismay. He reported, after having sat down with the federal Government at a federal-provincial conference, that "every province made it clear that there is probably nothing more important to deliver to Canadians than health and education. By cutting health and education spending, the federal Government is running the risk of creating two levels of health and education in this country".

The well-to-do provinces, if they have enough conviction and belief in health and education may be able to find the wherewithal to make up for this loss, but what will the poorer provinces do? Is that really what we want, two systems of health and education in this country, one for the wealthy provinces and another one for the poor? That is what Bill C-96 will give us, Mr. Speaker.

I turn for a moment to the health care part of Bill C-96. At a conference on health care sponsored by *The Financial Post*, the Minister of National Health and Welfare (Mr. Epp) when he was questioned about the effects of Bill C-96 whispered rather weakly—I do not blame him for whispering—that of course Bill C-96 would affect the accessibility and the affordability of health care programs in the country. He was embarrassed about it.

The Canadian Hospital Association has made it very clear to Parliament that if Bill C-96 passes it will mean a freeze in hospitals on new programs, new equipment and new developments for patient care. Is that what we want? I could not give my consent to a Bill that will do that. The Canadian Hospital Association sees Bill C-96 as having, in particular, an adverse effect on health care programs for older Canadians. Geriatric services are going to be affected at a time in Canada when demographics clearly point to the fact that we have an aging population. How does that make sense? It will also mean reduced funding for work that is being done in organ transplant programs. We know what is happening in that area. It is an exciting new horizon and possibility for the transplantation of such organs as the pancreas, the heart, kidneys and eyes.

Yet that program will be affected. How can we pass a Bill that will have that serious an effect on health care programs?

Let me refer to a report by Mr. Justice Hall. Perhaps what he said has been quoted by other Members but it is one of the great statements about health care. Justice Hall said that almost all Canadians were agreed:

—that the trauma of illness, the pain of surgery, the slow decline to death, are burdens enough for the human being to bear without the added burden of medical or hospital bills penalizing the patient at the moment of vulnerability. The Canadian determined that they should band together to pay medical bills and hospital bills when they were well and income earning. Health services were no longer items to be bought off the shelf and paid for at the checkout stand. Nor was their price to be bargained for at the time they were sought. They were a fundamental need like education, which Canadians could meet collectively and pay through taxes.

The federal Government should reviews its priorities. On the one hand it has reimbursed the uninsured depositors of failed banks. It has brought in an exemption from capital gains. It has gradually stopped taxing oil and gas produced in the producing provinces. It has increased RRSP deductions. But on the other hand the Government is saying now to Parliament and to the Canadian people that it is going to cut back on health care and education.

Bill C-96 does not deserve the support of any Hon. Member in this House. I ask all Members to join together at this final and last opportunity at third reading to stop this Bill before it is too late.

Mr. Gauthier: Mr. Speaker, the Hon. Member for Cochrane—Superior (Mr. Penner) strongly and ably brought forth arguments against adopting Bill C-96. The third reading of this Bill, as he said, does not commend itself to Members of this House. One should go back to the committee work when we heard from the private sector and from the people concerned.

I have a letter before me from the Canadian Medical Association which I believe was addressed to all Members of Parliament. I want to read one sentence from the letter addressed to me dated May 27, 1986.

The Canadian Medical Association has voiced its concern with the implications of this legislation for health care in Canada and especially its impact on health services in the Atlantic Provinces. We are very concerned about the impact of this legislation on health services in those provinces with a fiscal capacity, from their own resources, of 60 or 70 per cent of the national average.

What this country is about is redistribution. It is about equal sharing, sharing of the obligations to make it possible for all Canadians to have an equal chance, to have equal access and to have, we hope, a good life.

The Hon. Member is from Ontario, as I am, and our province is going to be asked to accept a cut of $2.9 billion over the next five or six years. The Member mentioned ageing populations which will require more services for chronically ill people and for in-house type of care for senior citizens, all of which is expensive, I admit. There is also the increasing need for furthering education to cope with technological changes and the technological revolution we are undergoing, along with retraining people in the demonstrably bankrupt job-creation programs of the Government for youth. Does the Member not believe that in Ontario, where we will possibly have to bear the brunt of this $2.9 billion cut over the next six years, that to maintain the quality of services income taxes will have to be raised by the province?

Coming as he does from northern Ontario, which is a large region—and I am not saying this in any sense of diminishing the quality of life there, but it is a more difficult and sometimes a harder life—does the Hon. Member agree that Bill C-96 will have a more direct impact on those living in northern Ontario than those living in the Toronto area, Ottawa, Hamilton or other areas like that? Does the Member think it is fair to the regions of this country to go ahead with a Bill like this which reduces expenditures that were anticipated by the provinces to cope with the increased demands on education and health?

• (1530)

Mr. Penner: Mr. Speaker, the northern part of the Province of Ontario comprises about 80 per cent of the province in terms of land mass. It is true that it has a great deal in common with the other underdeveloped regions of the country such as those regions north of the sixtieth parallel, the Atlantic provinces and, from time to time, depending upon economic circumstances, the western provinces which sometimes find themselves well off and at other times not so well off. Northern Ontario has consistently been underserviced and the costs of services tend to be higher. The people of the region have insisted that they should have their own post-secondary institutions. They have always thought it was unjust that young persons should have to travel to the southern part of the province, or another part of Canada, in order to have the benefits of a college or university education. We have, therefore, developed our own system of universities and colleges. However, enrolments are smaller. One can quickly see that in order to have a variety of programs the costs rise.

The same is true with regard to health care. People in northern Ontario find it objectionable that they must be flown to Toronto for a variety of services. They wonder why they cannot have at least some specialist services and quality health care, if not all those available in a metropolitan area like Toronto. They have fought to have as much of that as possible in local or regional hospitals.

The quality of life in such regions does not appeal to everyone. Some doctors do not find fishing or hunting in the fall of the year to be exciting. Those are the recreational attractions in such regions. Those who are interested in culture or pursuing education while in practice find it less attractive to work there. Therefore, the provinces had to offer incentives which increase the cost of health care.

We in northern Ontario are particularly nervous about Bill C-96 because our past experience has been that when cuts are made it is often easiest to cut in such a region because its voice is not as great as that in other parts of the province. Even though northern Ontario covers 80 per cent of the land mass,

there are only about one million residents. We know the reality of politics. It is the strength of your voice, the number of votes and the number of seats which count. This is the politics of education, health care, and deficit cutting. We are nervous that we will be among the first in the country, along with the Atlantic provinces, to feel the effects of Bill C-96.

I have a clear message from my constituents. They have clearly told me, as their representative, that it is my obligation to do what I can in the House of Commons to convince other Members that Bill C-96 will not serve well the region of northern Ontario or other poorer regions in the country. In the end, I think it will do a great disservice to all Canadians and the entire country.

Mr. Nunziata: Mr. Speaker, I would like to ask my colleague why Conservative Members of Parliament are not speaking up on this matter. We have been debating this Bill since 11 a.m. today and not one single solitary Conservative Member of Parliament has risen either to speak or to ask a question. That leads one to seriously question whether Conservative Members of Parliament are properly speaking out for their constituents. It is obvious that Bill C-96 is indefensible. Otherwise, Conservative Members of Parliament would stand up. They are simply not responding to the legislation. They have not tried to justify it in any way. Would my hon. friend and colleague give us some insight on why Conservative Members have said nothing on this particular piece of legislation?

Mr. Penner: Mr. Speaker, of course I am unable to answer the Hon. Member's question. I do not know why no Members rise in their place to speak out.

Mr. Blackburn (Brant): Just guess.

Mr. Penner: He asked for some insight. I can say that at third reading of Bill C-96 we are seeing that the much flaunted parliamentary reform, through which Members of Parliament were supposed to be set free from the discipline of Whips, has fallen flat on its face. Where is the reform of Parliament? My hon. friend from Wetaskiwin, a private Member with conviction whom I quoted earlier, has said that the way to handle the deficit is not to fight with each other about who is going to deliver services. I know that that Member feels strongly about Bill C-96. He feels every bit as strongly as I do. I am not casting aspersions on my hon. friend. I am simply saying that the parliamentary reform which we thought was going to work and be so magnificent in allowing Members of Parliament to express what is really in their hearts and on their minds has failed. We thought we were going to have a new age in Canada. We thought that this Parliament, which is so out-dated and dominated by the executive branch of Government, was going to change. However, despite the work of the Hon. Member for St. John's East (Mr. McGrath), I see no evidence at all in this debate on Bill C-96 that parliamentary reform is at work.

[*Translation*]

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, one wonders whether this debate on third reading of Bill C-69 is not an exercise in futility, since it is obvious the Government has decided to proceed with the Bill and impose major cutbacks on resource transfers to the provinces, in terms of taxation ability. They have decided to carry out these cutbacks in the face of all objections from the provinces and the Opposition parties.

Now why didn't the Opposition accept the Government's decisions and let this Bill proceed? Why didn't it go on to other legislation so that the Government could go on vacation at the end of the month, a vacation we all need?

Mr. Speaker, although the Conservative Members are not prepared to change their position on this Bill today, I think it is important to put the facts on the record. How could the Conservatives forget the promises they made during the last election campaign, since they are going to pay for the decisions involved in Bill C-96 in the next election?

However, Mr. Speaker, the immediate impact of this Bill will be felt by the provinces and their taxpayers, by the people who receive medical services and depend on post-secondary education. They will pay now, and they will pay more, year after year.

• (1540)

Mr. Speaker, the House will recall a statement by the Minister of Finance in which he said that to share the burden of expenditure cutbacks, he was going to force the provinces to contribute around $2 billion annually by putting restrictions on transfer payments to the provinces during the next five years.

Mr. Speaker, I wonder how in 1982, the Hon. Member for Etobicoke Centre (Mr. Wilson), when he was Opposition critic, could criticize the decision by the then Liberal Government to eliminate income guarantees when he asked the then Minister of Finance, Mr. MacEachen, why the Minister was prepared to cut spending in two major sectors. He said in 1982 that the Liberal Minister was prepared to take the risk of major cuts in medical care and post-secondary education. He proposed that, instead of imposing these cut-backs on a unilateral basis and forcing the provinces to cut expenditures and services, the Minister must agree to the alternative solution which was to convene two or three national conferences on health and post-secondary education so as to enable everybody to set the national objectives of various Government levels and thus make joint decisions before imposing cut-backs in expenditures.

Mr. Speaker, that was our present Minister of Finance when he was in Opposition in 1982. This is the kind of thought the Government expressed in the policy and the promises of this Government during the 1984 election campaign. At the time the Conservatives were firmly committed to go back to the 1977 transfer payment funding formula. This means a formula

under which health and post-secondary expenditures were shared equally, roughly half and half.

According to the 1977 figures, Mr. Speaker, the federal share of expenditures in these two very important sectors was 48.7 per cent of total outlays. It dipped slightly in 1981-82, but it was still 46.7 per cent. Even in 1985-86, after all the cut-backs imposed by the previous Liberal Government, the share of the central Government was 43 per cent. But what is happening now?

Is the federal share increasing, as the Conservative Government promised during the election campaign to win office in 1984? No, it is the other way around, because instead of restoring the federal share to about 50 per cent the Conservatives have now decided that they will again reduce the federal Government's share of tax points and direct payments to the provinces. So much so that in 1990 the federal Government will pay only 36 per cent of total expenditures for health care and post-secondary education programs. Mr. Speaker, especially the provinces with a weaker tax base will be affected by these cut-backs. I am talking about Quebec, I am talking about the Maritime provinces, and now we must even include some of the western provinces.

For example, in 1990 Quebec will receive less in terms of direct federal Government payments for health and post-secondary education programs than it did in 1986-87. Therefore the Government is cutting back instead of being more generous.

Some Members on the Conservative side—and I might ask, Mr. Speaker, how is it that so few Members of the Conservative Party are taking part in this debate? Are they embarrassed by the policy of their Government? If so, why should they still intend to vote in favour of this Bill?

Mr. Speaker, why won't they consider voting against this Bill or even abstaining, when this legislation will have such a destructive impact on the provinces, including the province of Quebec?

Some Members have observed that it is not a cutback but a reduction in the growth rate of these measures. Mr. Speaker, as we all know, inflation is with us, and if the transfer payments do not keep pace with inflation, the result is a reduction in real terms of the support given by the federal Government to programs that are so important to the people in our provinces. That is in fact what is happening, even if by 1990-91 cumulative transfers will be worth more in nominal terms. I say we should look at their value in real terms, and the value in real terms will go down, and that is what the policy of the Minister of Finance (Mr. Wilson) is about.

These cutbacks are not going to affect the provincial premiers, Mr. Speaker nor Members of provincial legislatures. These cutbacks are going to affect the taxpayers, the ordinary people. They are going to affect the capacity of our provinces to provide training for our young people so they can meet the challenge of an increasingly competitive market in the future. Our post-secondary institutions are going to be weakened as a result of these cutbacks.

Mr. Speaker, I remember that during the election campaign, I had a few discussions on this subject with the Conservative candidate in my riding, who has disappeared since then. During the campaign he told us: We have one promise and that is to cut the deficit. But when? We asked him how he would reduce the deficit. He told us: You know, there is so much wasteful spending at the federal Government that we can eliminate the deficit without harming anyone.

We know that such is not the case, Mr. Speaker. While the Nielsen report criticized a few Government activities, it found very little wasteful spending and certainly not enough to account for a deficit of $30 billion a year.

What the Government did was try to eliminate the deficit it had been left by the former Liberal Government by making cut-backs in programs which are very important for Canadian men and women throughout Canada, such as health care programs, hospital insurance and medicare. These cut-backs will affect the men and women in the health care field, not only the doctors who are already well-off, but also the nurses and all other health care professionals. These are people who work very hard throughout the week and at all hours since sickness does not occur only between 9 in the morning and 5 in the afternoon. These are people who devote their life to health care. They will suffer because of a lack of funds. Who will impose these conditions? The federal Government. Who will impose them? The Conservatives. Who will impose them? This Government, after promising change.

Many Canadians voted for this Government because they thought that it was time for real change. But did they vote for changes which would affect people and families in general? Did they vote for cut-backs in the hospitals? Did they vote for a continuation of the trends which now exist in Quebec health services, where there already are major problems? I have here some notes on the way these measures are already affecting health services in Quebec, where hospitals have had to close down their emergency services because of a lack of money, for instance.

That is one result of the cutback brought forth by the provinces even before that. It is a fact that in Quebec, for instance, the funds allocated to health care and post-secondary education in the provincial budget have dropped by about 6 per cent over the past five years. But that trend will worsen with the cuts applied by the federal Government.

And if we consider that the Quebec Government will be losing some $500 million in 1990-91 because of this single measure, then they will be losing $1.4 billion over the next five years and because of what? Because of the cutbacks imposed by the Minister of Finance and the Government. I do not care to listen to Conservative Members who set themselves goals in order to defend those cuts. They would like to believe that somehow Quebecers will have no idea of who is imposing these

cuts that will affect all of Quebec, the health services in *La belle province*.

So it is incumbent upon me, even though I am not personally a Quebecer—a Quebec-educated non-Quebecer—to tell Quebec tax-payers that those cutbacks are not the work of foreign forces but by their own, not by a government from Ontario or Western Canada, but by a Government with 56 Quebec Members. At one time they were 57, but one of them has resigned, so this may be somewhat less effective than before. But Quebecers have 56 Members in Government. They have a Quebec caucus which meets every week to discuss Government moves, they have six, seven or eight Cabinet Ministers who supposedly are very powerful—

An Hon. Member: Ten!

Mr. Cassidy: One of my colleagues opposite informs me they have 10 Members, but those Ministers, Mr. Speaker, do so little to defend the interests of Quebecers that it is almost ridiculous.

For instance, we may very well ask what the Minister of State (Mines) (Mr. Layton) is doing for the people of Montreal, in Quebec, what the Minister of State (Youth) (Mrs. Champagne) is doing in this Cabinet. Actually, nothing! How can you explain the Minister of Transport (Mr. Mazankowski) consistently contradicting the statements made by the Minister of State (Small Businesses) (Mr. Bissonnette) concerning Quebec shipyards? Certainly because Quebec Ministers have so little influence in the Cabinet.

How is it that the Cabinet reshuffle which was supposed to give to a powerful Quebec Minister an important economic portfolio has apparently been postponed indefinitely because the Prime Minister wants to keep the Regional Industrial Expansion portfolio available for the possible return to the Cabinet of the Member for York—Peel (Mr. Stevens) who had to resign on account of an interest-free loan accepted by his wife from a company doing business with her husband's department.

Those are the real problems but the only question which should be asked is why Quebecers with 56 Members have so little influence on that Government and have to suffer that $500 million loss and such reduced services? Those are the questions which I have raised, Mr. Speaker.

I think it is time we make sure that the Government either keeps its promises or publicly states that any Tory commitment is worthless.

I note that the former Minister of Science and Technology is here, Mr. Speaker and when I was the critic for that portfolio, I asked him some questions. Why is the Government forgetting its promises concerning funds for research in Canada? There was no reply except that things were different when they returned to power.

• (1550)

Perhaps things are different now, but I wonder if the Conservative Party, with about a hundred Members in the Opposition, with all the research facilities at the disposal of an Opposition Party, with all the advice it could seek from the business world, from universities... One of my former professors, Mr. Charles McMillan, from York University, could seek information from Bay Street or Saint-Jacques Street, from major corporation investment analysts... They had the Fraser Institute, the C.D. Howe Institute, and so on. But, with all these resources, how is it that the previous Federal Government could keep its secrets so well that Conservatives had not the least idea how things would be once they had gained power, to what extent the perspectives would be changed when they would be the Government?

When they made these great promises, Mr. Speaker, perhaps the Conservatives were telling lies or tall stories, perhaps they were really hypocritical when they promised to reinstate the 1977 financing formula for established programs, because this is what we are dealing with in Bill C-96.

Mr. Speaker, I imagine and, in fact, I cannot help but find that if Conservative candidates made these false, incredible and unfaithful promises, it was because they felt they needed them to gain power.

In conclusion, Mr. Speaker, I will say the Governments which do not fulfill their promises destroy the confidence of the whole population in the political process. I say to Quebec voters: If you don't trust the Liberals because they told you tall stories and if you cannot trust this Government because it is telling you its own versions of the same tall stories, that is the way the old parties, the Liberals and the Conservatives, treat the voters. They do not have any respect for the people.

And, frankly, Mr. Speaker, I believe Canadians are entitled to have in Government parties in which they can better put their trust. This may be a reason why Quebecers gave us a 30-per-cent support and have ranked us second in their surveys. Because more and more Quebecers have had enough of the old parties, realizing the way they ignore their election promises.

Ms. Copps: Mr. Speaker, I would like to ask the Hon. Member for Ottawa Centre (Mr. Cassidy) how it so happens the Liberal Party ranks first, if Quebecers are so tired of the Liberal Party?

Mr. Cassidy: Mr. Speaker, of course this is a good question. But I am sticking to facts. Since the last election, the New Democratic Party has gained some 20 per cent in terms of surveys in the Province of Quebec, while Conservatives lost some 22, 23 or 24 per cent. And it is my view that the level of support in the Province of Quebec for the Liberal Party is now almost the same as it was during the last federal election, in 1984. If it went up somewhat, certainly it is because of that transfer of support from the Conservative Party to the New Democratic Party.

Ms. Copps: Mr. Speaker, I would like to ask the Hon. Member for Ottawa Centre (Mr. Cassidy) if he can comment on the remarks made by the Minister of Finance in his Opposition days, when he said for instance, concerning the financial program situation with reference to the then Liberal Government: The only way the federal Government is reducing its expenditures is by transferring to Provincial Governments the burden of established program funding. The provinces are now faced with a deficit and they are therefore in an even worse position to take over these expenses from the federal Government. This is not cooperative federalism, but predatory federalism, and it cannot and will not work in Canada. This is what the Hon. Minister of Finance said when he was sitting on the side of the Opposition on March 23, 1982.

I would like to ask the Hon. Member for Ottawa Centre why, in his opinion, the Minister of Finance reversed his stand in this way. In 1982, he was very categorical about federal transfers to the provinces, but he now seems to have changed his mind.

Mr. Cassidy: If I could explain how the minds of the Conservatives work, I would be a very wise man. However, I have no idea how they do. As the Hon. Member for Hamilton East well knows, I quoted other statements of the Minister of Finance made in the same spirit as that one.

This means that, when he sat on the side of the Opposition, the Minister of Finance always attacked the Liberal Government because of cut-backs, but now, instead of reversing the cut-backs he used to criticize, he himself makes cut-backs in the established programs financing which may be even worse than those imposed by the former Liberal Government.

I do not want to see us go back to the days of the former Liberal Government because, when I meet my constituents, they recall how the Liberal Government had become arrogant and isolated from the Canadian voters. However, Mr. Speaker, Canadians are becoming increasingly suspicious of the Conservative Government when they see all the faults of the former Liberal Government multiplied now that the Conservatives are in power.

Ms. Copps: Mr. Speaker, could the Hon. Member for Ottawa Centre indicate what impact, in his opinion, these cuts are likely to have on health costs? Because he referred earlier to the provinces' need to have access to waiting rooms and emergency rooms, and I know it is a fairly serious question, even in the Ottawa region. In this regard, could he indicate how the general public, and especially the patients, will have to pay following the transfer of the cast burden from the federal level to the provinces?

Mr. Cassidy: Mr. Speaker, the people will indeed have to pay in terms of reduced services and longer waiting lists for elective surgery. As everybody knows, the longer you have to wait for elective surgery, the worse your condition will get. The condition may be serious, but not serious enough to justify an immediate intervention. Just the same, for the patient who is being incapacitated to such a point that he cannot work, it means that he has to stay home. This will be reflected for instance in the provinces' capacity to provide a patient with the services which might save his or her life. I refer for instance to the use of dialysis devices for patients with kidney conditions. It is of course optional in terms of how many dialysis units are available in each region of the country and in the absence of other technology.

A province makes a truly life and death decision when it chooses not to invest to ensure that enough of these equipments are available to those who need them.

Ms. Copps: Mr. Speaker, I must say I am surprised that not a single Conservative Member is interested in the health question, for it seems to me it is a very important issue.

Still I would like to speak to the education issue for a moment because we already know there have been repercussions in the post-secondary education sector. For example, we know that barely a few days ago a Supreme Court justice took what was an extraordinary step when he said that the post-secondary education situation in Canada is deteriorating to such an extent that we are falling behind among the most educated nations of the western world. I should like to ask the Hon. Member for Ottawa Centre (Mr. Cassidy) whether he has any suggestion, more precisely how these education budget cut-backs would affect the francophone community outside Quebec, especially for instance people who are now attending the University of Ottawa or other universities where full post-secondary education in French is available?

Will they be more or less severely affected by these budgetary cut-backs?

Mr. Cassidy: Everybody is affected. The University of Ottawa, for instance, which is an excellent institution and the only one to offer an outstanding program for the Franco-Ontarian community. Every other university in Ontario will be affected as well. In Ontario there are now discussions about plans for rationalizing post-secondary education services. What it boils down to is an attempt to make some of our institutions second-class universities. And why? Because the authorities have decided they will not have sufficient resources in the future to maintain the quality of all post-secondary institutions. And so, Canadians living in the area around Toronto or in the Kingston area, near Queen's University, will have access to an outstanding university, but the other universities will have to be downgraded to second class. That is something I cannot accept.

The University of Ottawa with its French program will certainly be affected. I would like to point out to the Hon. Member that last year, in Quebec, the University of Montreal had a deficit of $14 million and Concordia University had a deficit of $28 million. That is a lot of money, The combined deficit for all universities in Quebec is $80 million, and that is before the cutbacks that will be imposed by the Quebec Governement, if the province has no other option as a result of Bill C-96. I would like to recall the following statement in the

Conservative Party campaign book, and I will read it in English:

• (1600)

[*English*]

"We would return to the 1977 funding formula, though we cannot compensate the provinces for the 6 and 5 funding losses."

[*Translation*]

Everybody lost out as a result of the 6 and 5 financing formula proposed by the Liberals. The situation is worse now. The Conservatives promised the exact opposite of what they are doing. They promised regular consultations with the provinces on post-secondary education, another promise, Mr. Speaker, that has been ignored by this terrible Government.

[*English*]

Mr. Deputy Speaker: The period for questions and comments is over.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for York East (Mr. Redway)—Health—Presence of dioxin in vegetables, fruit and milk; the Hon. Member for Burnaby (Mr. Robinson)—National Defence—Request for publication of study on impact of shooting range proposed for Lac Saint-Jean region; the Hon. Member for Ottawa—Vanier (Mr. Gauthier)—Adminstration of Justice—Use of official language of choice—Supreme Court decision. b) Request that the government modify the law—Federal prosecutors to use official language of accused.

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-96, An Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the third time and passed.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I am pleased to participate in the debate on Bill C-96. It is very illustrative that in the dying days of this session of Parliament, with Members of Parliament having visions of their summer holidays dancing in their head, we are here debating an important piece of legislation that will be the legacy of the Conservative Government. If the Government has its way, the most important chapter of its brief time in office will not be the one about rotten tuna. It will not be the chapter about the Government's attempt to deindex senior citizens' pensions, as brutal as that was. It will not be the chapter about the globe-trotting cabinet Ministers gallivanting around Europe. It will not be the chapter about the resignation of the former Minister of Defence. It will not be the chapter that illustrates the resignation of the Minister of State for Transport. It will not be the story of the Minister of DRIE and whether or not he talked to his wife, and his subsequent resignation. It will not be the story of the presidential travelling style of the Prime Minister (Mr. Mulroney), the Hercules aircraft that floats along behind him with two vans stuffed full of video equipment to record his every utterance, be it in this country or elsewhere. It will not be the story of the largest personal tax increase in Canadian history that the Government has weighed down on the shoulders of hard-pressed Canadian taxpayers. The legacy of the Government will be none of those short, transitory, media-headline-grabbing items. The legacy of the Government will be the day that Members of Parliament allowed a Draconian measure called Bill C-96, the Bill before us today, to pass this place.

• (1610)

When the historians take that chapter down off the shelf and brush away the dust and try to understand what kind of Parliament it was, what kind of Member of Parliament it was that, indeed, Canadians sent to this place, that could have allowed such a Draconian, short-sighted measure to pass through this House, they will be wanting to know what it was the New Democratic Party of the day had to say, they will be wanting to know what it was the Liberal Party of the day had to say, and they will find a record of what we had to say. But it is tragic that they will not know what it was that Hon. Members opposite had to say.

It is worth noting that government Members are not standing in their places today to defend the Government's initiative that will see some $8 billion accumulating in the coffers of the federal Government. One would think that any time the Government could pass a financial measure to accumulate $8 billion in its coffers, Members of Parliament supporting the Progressive Conservative Party of Canada would want to stand in their places and bask themselves in the applause of Canadians saying, "what a brilliant measure they took". Not a single parliamentarian has the backbone, the intestinal fortitude, the integrity, to stand behind this Draconian measure; not one. So, we see a litany of New Democratic Party and Liberal Party speakers standing on their feet, talking, as we say in Newfoundland, to the wall, because there

is a wall over there that has been built under the Whip of a Party that has told its Members, "You shall not have a mind of your own. You shall play the game". So, is it any wonder that we hear back-benchers on the government side referred to as "surfers", those who surfed in with the tide and those who shall surf back out again in a few years?

The Government of Canada is saying it wants to save some money. It wants to reduce the deficit. It wants to restore fiscal responsibility to the federal Treasury. It told us when its Members were elected that it would identify fat in the federal system and would trim it. I have been standing in my place with bated breath waiting for some Hon. Member opposite to stand up and parade before the House and the people of Canada that long list of scurrilous fat that they have found in the federal system and describe how they have restored responsibility to the fiscal policy of the Government of Canada. What is the list? Health care, education, period. The Government of Canada is not cutting away fat. It is not even cutting away muscle. No, the blade has sliced down deep into the bone and it is bleeding away the marrow. Just as the marrow in one's bones is necessary to rejuvenate the body and keep it healthy, so too are adequate health care and education systems necessary to the body politic of this nation to keep us world-competitive.

The Government has found a new definition for fiscal responsibility. It is called transferring the federal debt out of Ottawa and on to the backs of the poorest provinces in the country. The Government has reduced the deficit by transferring its deficit and its responsibility on to provincial Governments. And, Mr. Speaker, there is not even a whimper from Hon. Members opposite. They do not have the courage to stand and speak their minds and defy this Bill. They do not have the integrity, if lacking the courage, to defy it, to stand and oppose it.

In my own Province of Newfoundland, with 30 per cent unemployment, a province that is one of the poorest in this country, citizenship, being a Canadian, already has two definitions. There is a first-class Canadian and a Newfoundlander. There is a first-class Canadian and a Cape Bretoner; a first-class Canadian and a Quebecer who lives in the Gaspe; a first-class Canadian and someone in Ontario who lives in the North. In my own province, where we fit into that category, Bill C-96 will cut $187 million out of the health and education system.

So that Hon. Members opposite are not carried away by the glitter of the chandeliers in this place, and by the splendour of the marble, and by the fine woodgrain on these lovely desks they provide us in this place, let me tell them what we mean when we speak of the education system in Newfoundland. We speak of a little school in the community of Flower's Cove. In order to ensure that a handful of handicapped students would not have to be bused four hours a day to receive an education, members of the community struck up their own concerned citizens committee to raise the funds to graft a little classroom on the side of an existing schoolhouse, doing the work themselves, to give 12 handicapped students the chance to grow up in their own community, the chance to be educated with their brothers and sisters. Why? It was because the Government of Newfoundland said, "The money simply isn't there".

In my own Province of Newfoundland, Memorial University has built a first-class medical school. It has been able to begin to develop world-class skills, and professors. That medical faculty has become nothing but a rating school for other institutions which are able to offer those same teachers a minimum of 25 per cent more in salaries, and they are disappearing off the island.

What do we talk about when we talk about health care? This morning in my constituency office, a gentleman called me, a Dr. Jacobs, who has only been in this country a handful of years and who has lived and worked in northern communities. He told me, "You must oppose the Bill because, my friend, in those northern rural communities the quality of health care that your constituents are receiving is already third rate, and that is in advance of the additional $187.7 million worth of cut-backs". This gentleman is a specialist who lives and works in Newfoundland, even though he receives substantially less in salary. He will stay as long as he is able to find the tools to commit himself, to dedicate himself to his field. He will not leap across the gulf in order to obtain a higher salary. But as a specialist he wants to know that the tools will be there in the hospital to serve his patients. This $187 million cut seeks to consign my Province, not only in terms of the medical care being offered and the quality of the personnel available but in the quality of the new technolgies evolving in the medical field, as a musuem piece of the health care system. That is not good enough.

• (1620)

What I find tragic is this feeling I have that we as Canadians are talking to a wall, those Members opposite who propose to see this legislation pass before the House adjourns this summer. I have the feeling that the words I have spoken, and the words spoken by the Premiers, by the Canadian Medical Association and by the Canadian universities, are nothing more than an echo that bounces unreceived off the walls of this Chamber. I say that because Members opposite are not listening. The price of listening is the exposure of raw nerves, because gentlemen opposite know that to proceed with this legislation which will cut $8 billion out of health and education services is to do a great and historical disservice to Canada.

It is a hell of a country we live in when we sit and realize that over five years $8 billion will be cut out of health and education facilities, and that during that same five-year period, because of a change in the Income Tax Act called the capital gains provision, $8 billion will be paid out to the wealthiest Canadians. Is that not an incredible paradox? In the same Budget in which the Government has indicated that it is seeking the $8 billion cut-back in investment in our youth, and for our sick and our senior citizens, it has announced an $8

billion give-away as a result of new capital gains provisions to our wealthiest citizens.

Mr. Scowen: That's b.s.

Mr. Tobin: If the Hon. Member believes it is b.s. then he should get on his feet. He should not sit and mumble behind his hands.

Mr. Scowen: I'm not mumbling.

Mr. Tobin: Your constituents sent you here to speak on their behalf in order to represent their views and interests, not to say behind your hand in a mumble: "b.s.". It is incredible that it takes a shotgun to wake up some of these people.

The hon. gentleman says that is b.s. The Premier of Ontario does not say it is b.s. He called it a breach of faith—that's b.f., not b.s. He also calls it something else. He says it is breaking a promise. The Minister of Finance for Quebec said that it is unfair to the provinces because they were counting on these amounts of money for the setting up of their programs. The Minister of Finance for New Brunswick, a good Conservative, said:

> It is unreasonable for the federal Government to think that provinces which have taken difficult measures to deal with their own financial situation can also be expected to absorb part of the problem at the federal level.

Mr. Keer, another good Conservative and Minister of Finance for the Province of Nova Scotia, another fellow shooting b.s. according to my friend, said:

> By cutting health and education spending, the federal Government is running the risk of creating two levels of health care and education in the country.

Mr. Vic Schrooder, the Minister of Finance for the Province of Manitoba, said that Mr. Wilson "made the wrong choices—the choices are basically to look after the people of the country or the corporations". He was referring to the tax breaks the federal Government has given business, and to the capital gains provision that matches precisely the amount of money that is being cut in education and health care.

We are taking money out of the pockets of the people in terms of health care and education and passing it over to the wealthiest individuals through the capital gains provisions instituted by the present administration.

Mr. Roger Hamel, another man shooting b.s., President of the Canadian Chamber of Commerce, has urged the Government to spend more, not less, on universities. He said that the business community is increasingly concerned that the squeeze on post-secondary education funding will make it impossible for universities to meet the demand for research and development. The President of the Canadian Association of University Teachers is opposed to this measure, as is the President of the Social Science Federation of Canada, as is the Canadian Medical Society.

That is not b.s. These are not people looking for today's headlines. These are people concerned about the shape the country will have tomorrow. They are saying to Members opposite that any time they attempt to balance the books of the nation by saying that to the young people—since that is who we attack when we see these Draconian measures imposed—that we have stopped moving forward as a country. They are saying that anytime we say to our young people that the Government has lost the will and, more important, the vision to invest in their future, and therefore the country's future, then we are moving backward. Anytime we say to Canadians, irrespective of where they live, that they are entitled to a first-class medical system which shall be approximately the same in every province, and then say that we can longer provide that, that we do not believe it, then we have changed the definition of Canadian citizenship.

When the Prime Minister during the course of an election campaign makes a commitment to invest more in our education system and says that he will respect funding levels for health and education he should keep his word. That is the kind of country I want to live in. I want a Prime Minister who will speak to us from his heart and not from a Hollywood script. I want to live in a country that says we can be among the very best of the nations of the world in the evolution of new technologies and that our people will have the basic raw materials to compete with the very best in the world, not a country that says the cost of investing in our young people is a cost too high. I want a country and a Parliament in which Members will occasionally find the courage to stand on their feet and oppose legislation which they know is not in the best interests of their constituents, which does not reflect their views and, more important, which will take this country down the road to mediocrity, both in terms of health care and in education.

Thus I appeal to Members opposite: Let us hear your voices. If you have the courage of your convictions then stand on your feet and we will find out whether or not there is a rational defence to be made of this Bill. If you have not the courage of your convictions, if you have forgotten already amidst the glitter, the chandeliers, the glow of the marble that surrounds you in this place and the cocktail circuit that swept you away from the concerns of your constituents back home, then go away from here. Do not cast a vote to pass this measure which you have not the courage to defend.

Mr. Deputy Speaker: Are there questions or comments? The Hon. Member for York East (Mr. Redway).

Mr. Redway: Mr. Speaker, as the Hon. Member and all his colleagues are aware, government Members have spoken many times in the past with respect to this Bill. The process that is going on here today is one of merely trying to filibuster the Bill.

I would like to put one single question to the Hon. Member. Is it more fair that the payments to the provinces from the federal Government for health care and post-secondary education be increased by 7 per cent when inflation is running at 12 per cent? That was the case when the former Liberal Government was in power, and the Hon. Member was a supporter of that Government. Is it fairer that these payments

were increased by 7 per cent when inflation was running at 12 per cent under his Government, or is it fairer that these payments be increased by 5 per cent when inflation is running at only 4 per cent, as provided by this Bill?

• (1630)

Mr. Tobin: Mr. Speaker, I am delighted that if I have done nothing else this afternoon, using my tongue like a blunt scalpel, I have obviously touched a nerve of at least one Conservative Member who has managed to find both his tongue and his feet.

Mr. Nunziata: And the courage.

Mr. Tobin: That is right, and the courage. I want to pay tribute to that Hon. Member for having found his tongue, his feet and his backbone all in one fell swoop. If more Hon. Members were to do that, we might be able to have a debate today rather than a continuing litany of some Hon. Members prepared to speak for Canada while others are prepared to bend to the whip of the Government opposite.

The Hon. Member asked a question which is totally warped in its approach to this problem. The Hon. Member talked about the inflation rate of the Canadian economy being 4 per cent and the rate of increase in transfer payments being 5 per cent. He was attempting to—listen to the thunder, Mr. Speaker. God has spoken. God is on the side of the people of Canada. He rumbles from above.

Ms. Copps: She.

Mr. Tobin: She rumbles from above, as the Hon. Member for Hamilton East (Ms. Copps) has said.

The Hon. Member knows full well that the rate of inflation as it relates to the cost of providing medical facilities in Canada is far above the rate of inflation in the economy. When we talk about the health and education systems, we are not talking about a series of transfer payments for welfare, we are talking about re-tooling and modernizing. We are talking about staying competitive in a vastly changing technological world. We are talking about keeping Canada relevant to the 20th century and that costs more than the rate of inflation.

The other thing I want to say is that the Hon. Member knows full well that the Government of Canada, through the Prime Minister, made a commitment to the people when the Prime Minister was seeking the tumultuous 211 seats that were delivered unto him. The commitment was not to cut back on education and health care.

Another commitment was made and that was that Canada would see a brand new day. There was going to be co-operation and consultation. The Prime Minister promised that he was going to consult, to talk, to reach a consensus and to develop compromises. He promised to talk back and forth with the provinces. He said that there would be no more confrontation. What do we have now? Every single province in Canada, regardless of its political stripe, is up in arms saying that the Prime Minister has not kept his word and that he is transferring the federal debt out of the federal treasury and onto the provinces.

Who created the debt? The Hon. Member supports an $8-billion tax giveaway through the capital gains provision to Canada's wealthiest citizens, but is defending this cut made on the backs of young people, the aged and the sick. He does this with a grin on his face. This is the vicious and cruel face of Toryism that has erupted in the dying days of this Parliament. It will not work. The legacy of this Government will not be rotten tuna, it will not be Ministerial resignations and it will not be the temerity of the Prime Minister. It will be this move to destroy education and health care and it will be a sorry legacy, indeed.

Mr. Hovdebo: Mr. Speaker, I wonder if the Hon. Member would project his mind ahead a few years. If we keep on with these reductions in increases, what will be the effect on medicare and education services in Newfoundland in the long term?

Mr. Tobin: Mr. Speaker, the Government is setting up, through Bill C-96, other user-pay legislation and the abandonment of regional development policy, two Canadas, the Canada that is within throwing distance of Ottawa including Montreal and Toronto and the other Canada where everyone else lives. The Government is saying to the people of Newfoundland, Vancouver Island, Prince Rupert and Gaspé that if they want to live in the North or the regions, if they want to make their homes there and if they want to raise their children there, the Government can no longer assure them through its McDonald's market-place mentality a basic level of services with the same rights and privileges as every other Canadian. The Government is telling these people that if they want to live in the outlying regions, they shall pay a price to live there. If they want to see the best that Canada has to offer and if they want to participate in the Canadian dream, they will have to live in Toronto, Montreal or Ottawa. If they want to participate in the Canadian nightmare in the making, then they should dare to live elsewhere in Canada.

The Government may not realize it because there are too many muted voices on the back-benches coming from these regions, but the setting up of two levels of education and health care, two levels of citizenship, will tear more at the fabric of confederation which holds Canada together than anything we saw during the course of the Quebec referendum campaign. Canadians expect certain levels of services, not always in jobs, opportunity, investments or otherwise, but in basic health care and education opportunities. They expect that there shall be only one level of Canadian citizenship. This legislation tells those who have to heal themselves and those who do not to rot away because the Government is balancing the books and that is much more important than investing in young people or looking after the aged and ill.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, you may have noticed that I hesitated to rise because of course

I was anticipating that a Tory would gather up his courage, rise to his feet and speak to the legislation that is before Parliament. However—

Ms. Copps: Shakespeare said to screw up your courage.

Mr. Keeper: They simply do not have the courage to face the issues.

Mr. Reid: Have you got anything to say about the Bill?

Mr. Keeper: I hear an echo from the far right corner of the Chamber asking me if I have anything to say about the Bill. I ask that question of members of the Conservative Government. Do they not have anything to say about this legislation? Have Conservative Members simply clammed up and decided that it is sufficient to be silent and to make decisions behind closed doors? Have they decided that this Chamber is to be ignored by members of the Conservative Government? Is that the reality?

Some Hon. Members: Oh, oh!

Mr. Keeper: I hear the dogs on the other side barking more, but they will not rise to their feet to engage in genuine debate.

Mr. Gauthier: No, mice.

Mr. Keeper: They will not take their turns in this debate to tell us why they are taking a knife—

Mr. Tobin: Mr. Speaker, I rise on a point of order. This is a serious matter. As someone who has long owned a pet dog, I feel that the Hon. Member has offended dogs very much with his reference to hearing the dogs over there barking. Dogs and I both resent the comparison he made between Conservative Members and long-standing friends of man—

Mr. Deputy Speaker: Order, please.

Mr. Nunziata: I rise on the same point of order, Mr. Speaker.

Mr. Deputy Speaker: May we return to debate with the Hon. Member for Winnipeg North Centre (Mr. Keeper)?

Mr. Keeper: Mr. Speaker, I hesitate to debate how best to describe silent Conservatives.

Mr. Tobin: Mice.

Mr. Keeper: However, I do have more serious points to make in this debate. We do know that Conservative Members are failing to meet the issue head on. They are failing to tell us why they have chosen to reduce the amount of funding which the federal Government plans to put into the medicare system. However, my fundamental point concerns the fact that the way in which we handle our medicare system is not only a matter of dollars and cents. It is also a matter of what kind of approach we take to providing health care. That element must enter into this debate if we are eventually to get a handle on the costs of medicare.

• (1640)

I should like to refer to a group of doctors from Ontario who I think are a good source of ideas and inspiration about how we might improve medicare rather than destroy it. The group to which I refer is the Medical Reform Group, a group of Ontario doctors who do not feel well represented by the Canadian Medical Association or by the Ontario Medical Association. Recently one of its members attended a public rally in Winnipeg dealing with the rising costs of medicare and with the fact that the Conservatives were cutting back on the financial contribution of the federal Government to medicare. Some fundamental points were made, one of which was that the Canadian medicare system was more cost-effective than the private health care system of the United States, because all insurance functions were under one roof and adminstrative costs, therefore, were handled more efficiently. A more important value of the Canadian medicare system is that it ensures access for all Canadians to medical care, whereas in the United States large numbers of people are not covered by its private approach to ensuring health services.

I should like to quote from the remarks of Dr. Michael Rachlis who spoke in Winnipeg at the April 3 rally which I mentioned. He said that there were at least 30 million persons in the United States who were not covered by its medical care system, whereas in Canada everyone was covered.

A great deal can be said about our medicare system, yet it can be improved. That is about what we in the Chamber should be concerned. We should be concerned about how to improve the medicare system rather than undercut it be withdrawing funds at this point. We need to identify some areas in which medicare could be improved, in which costs could be reduced in the long term, and in which we could get better value for our dollar.

Dr. Rachlis did a good job of identifying these areas in his address. He pointed out that clinical medicine was often unevaluated and that procedures which were used had not necessarily been tested as to effectiveness. He also indicated that inappropriate personnel were used to treat certain illnesses or to deal with certain health problems, and that it was often high cost personnel. As well, there is a concentration of doctors in urban centres which results in a distribution problem. For the medicare system to support increasing numbers of doctors, obviously it costs the public purse an enormous amount of money.

I should like to expand a little on each of those points. First I should like to give an example of clinical medicine being unevaluated. The doctor pointed out that a surgical procedure was developed in the 1970s which was supposed to prevent strokes. Thousands of these operations were performed all over the world. However, when a proper trial was conducted and reported on last year, the operation was found to have absolutely no benefit. The funds which went to this operation

can now go to other programs. However, how many other procedures are awaiting proper evaluation? There are innumerable procedures in clinical medicine which have not been scientifically evaluated. Doctors employ these procedures, and we as the public pay for them.

If we instituted a system whereby clinical medicine and the procedures involved therein could be scientifically evaluated, we could weed out ineffective procedures and thereby produce a savings for the public purse. We could come at the whole question of medical and health care costs from a different angle than that of the Conservative Government. It simply looks at the balance sheet of medicare—how much revenue can be collected from Canadians and how much money is being spent through the medicare system. It sees costs rising and puts a lid on it to reduce the amount of money intended to go into medicare. This is done in an unthinking way, which could and likely will damage the medicare system.

The Conservative Government should take a serious look at the delivery of health care services. It would see that indeed there is a need for some real leadership. The Government should examine how services are delivered and how they can be better delivered. I am not only referring to long-term savings as a result of a more effective delivery system, I am also referring to how we can ensure that people have the health care services they need. If the Government evaluated clinical medicine and the procedures thereunder, it would be a way of looking at costs from a rational perspective.

Dr. Rachlis made another significant point in his address to the rally in Winnipeg. It concerned the inappropriate use of high cost personnel. He said:

> We all know that we often consult a highly trained medical specialist when our real problems could be solved by a good chat with a friend or loved one. However, the major inefficiency in this area is the fault of the system, not individual patients. Specialists do things which could be done by family doctors. Family doctors do things which could be done by nurses. Nurses do things which could be done by unskilled personnel.

Another major area at which to look for cost savings in the health care system would be the appropriate use of personnel. Why pay for a doctor, who is the most expensive specialist in the health care system, to do something which a nurse or nurse practitioner could do? Why pay for a nurse to do something which a lay person could do? There are areas at which we could take a rational look in terms of the cost of the medicare system. In fact, if we examined the system from the point of view of appropriate use of personnel, we could in fact raise the satisfaction level of people working in the system. People do not want to do a job which does not use their skills appropriately. They only find satisfaction when their skills are being used effectively. That is another area at which the Government could be looking instead of approaching health care costs in an arbitrary fashion.

• (1650)

I have more data from the same source, Dr. Michael Rachlis, who indicates that a study was carried out in Burlington, Ontario in the early 1970s where patients were randomly assigned to receive their primary care from a family doctor or a nurse practitioner. There were no health differences in the people in the study. It was found that nurse practitioners could provide at least 25 per cent of the care provided by family doctors. Here is a case study which demonstrated that nurse practitioners could provide health services that are otherwise provided by family doctors, obviously at a more economical rate but still good health care. The study found that people did not suffer when being served by a nurse practitioner rather than a family doctor, so we need to examine how we use personnel in the medical system.

Another area in which we could take a reasonable and rational approach to costs in the health care system would be to look at the increasing numbers of doctors. We could make a case for a deficiency in the number of doctors in rural and remote areas where it is difficult to get doctors to go. Most doctors are in large urban centres.

To use Manitoba as an example of what is happening, there were 884 fee for service doctors in Manitoba in 1971 and by 1981 there were 1,147. That is a considerable increase in the number of doctors where the population has been stable. To quote other statistics, the physician population is growing six times faster than the population of Manitoba as a whole, and the ratio is the same for Ontario during the past year. How many doctors do we need? For what purposes can they most appropriately be used? We must recognize that services of a doctor cost the public a great deal. We can justify any increase in the number of doctors by citing the fact that the number of seniors in the population is increasing and requiring more doctors. But this is a rationalization. We need to take a closer look at the situation rather than doing broad rationalizations.

We need to examine the way in which the projections for the number of medical personnel are made. Doctor Rachlis does a good job in his address about the way we project the number of physicians needed.

Serious questions could be raised about the health care system. Serious questions could be raised relative to whether we are getting full value for our dollar in the health care system. The Conservative Government in the proposals put before this Chamber has done nothing of that. It has reduced the amount of money it is putting into the health care system.

What can Governments do? They could take a serious look at the health care system in the longer term instead of looking at it in terms of today's budget and today's objective of reducing the federal deficit. When you look at it solely from that perspective you are led to the conclusion that the amount of transfer payments to the provinces and the amount of money the federal Government puts into health care should be reduced. By doing that, you reduce the capacity of the system to innovate and change at a time when the system needs to be innovative and to have the capacity to change with the long-term view in mind.

In order to retool the health care system, so to speak, we need to invest in the short term. We need to put more money

into the system in the short term so that in the long term costs can come down. By cutting the funds going into the health care system in the short term we have no opportunity to innovate. We will be undercutting the health care system, the very system that has been so cost-effective up to now.

If we compare the effectiveness of the Canadian health care system with the American system, we can see clearly how much more cost-effective our system is than theirs. But if we now pull the rug out from under our health care system, we will endanger it and push it in the direction of privatization. Fears have already been expressed about this right across the country. Short-term cuts will push our health care system into the private sector. We will be raising the cost of health care in Canada and adopting the American approach. A larger and larger percentage of the Gross National Product and a larger and larger percentage of money from each citizen will have to go into health care. That will squeeze other items in the Budget, other kinds of services that people need, for example, post-secondary education.

What the Government needs to do is to take an intelligent and long-term look at health care. We need to ask how we can improve the system rather than taking an accountant's short-term look at health care. We must ask how we can better deliver health care, how we can more effectively deliver health care, not only in cost effectiveness but for the person who receives health care.

The Government has failed to do that. It approaches questions from an ideological perspective. The Government simply looks at things from the perspective of the deficit rather than looking at service, human need or the long term. If the Government looked at the long term, it could save the public dollars. If the Government continues with its short-sightedness, it will undercut the present system, which will mean increased costs for all Canadians.

We on this side of the House not only call upon members of the Government caucus to enter the debate but we ask them to enter into it intelligently and to start talking about the health care delivery system and what kind of impact the Government's actions will have on the system. Why does the Government not start searching for some alternatives, because some very real alternatives do exist?

Ms. Copps: Mr. Speaker, I was pleased to hear the Hon. Member for Winnipeg North Centre (Mr. Keeper) refer to the pilot program which dealt with the issue of nurse practitioners in Burlington, Ontario. I think he will know that that program, originally developed at McMaster University, was perceived to be the first prong of the development of an implementation of the report tabled by Marc Lalonde over a decade ago entitled *New Perspectives on Health Care for Canadians*. Unfortunately, that program suffered an untimely end because it was discovered that once these highly capable and highly effective nurse practioners graduated from McMaster University they were unable to get placements because of the traditional concern expressed by the "establishment" of the medical profession about permitting nurse practioners to take on more responsibility. That was so even though the figures showed that they were able to deal, in a cost effective way, with about 25 per cent of the problems which came through a doctor's door.

• (1700)

It seems to me that the solution is to change the role of the gatekeeper. As long as the focus of the gate keeping is tied simply and solely to the role of the medical doctor without expanding the team approach, as was suggested in the Lalonde report *New Perspectives*, we will continue to see very positive programs such as the McMaster nurse practioner program terminated because they do not bear out in reality.

It was rather sad that the nurse practioner program was only successful when the nurse practioners were working in northern areas where doctors did not want to go because they found that not being close to urban centres was not convenient for them. The studies showed that in most cases nurse practioners could do some of the jobs which were being done in a more costly way by physicians. However, they were not given the chance to do that because the traditional gatekeeper, i.e. the physicians, did not want to see their areas of authority encroached upon in any way. Therefore, that program was ultimately terminated.

Could the Member comment on how we need another report since more than a decade has elapsed since the Lalonde report was tabled and we have not seen a big change in the health care system?

Mr. Keeper: I appreciate the comments of my colleague. Marc Lalonde did make a genuine contribution to the health care debate in the country when he issued the *New Perspectives* report. I raised the issue of nurse practioners and the issue of the Medical Reform Group in Toronto and discussed how we can deliver health care in the country because I am sure that Canadians get tired of listening to debate in this Chamber and hearing the Government say that it is broke and the Opposition say that the Government lacks heart and does not care and should ensure that the system is adequately funded.

What we say is true. The Government does lack heart and demonstrably lacks foresight as well. However, I raised the issues I did because I wanted to point out that it is not only a question of dollars. It is a question of how we use those dollars. It is a question of leadership. The Government has demonstrated to the Canadian public that it lacks leadership, management capacity and competence. The Government bungles all over the place and it continually hits the headlines. The Government trips over itself in the way in which it handles issues. In the process of tripping over itself and concentrating on its image, with the Prime Minister (Mr. Mulroney) flying around with a plane full of video tapes behind him, the Government ignores the substance. It ignores the reality that there is need for real leadership to deal with the question of health care in the country.

The nurse practioners system was a way of delilvering situation is a good illustration. In his address Dr. Rachlis pointed out the problems with the health of native people. He said:

> The group of Manitobans with the worst health status is of course the native population.
>
> Their major health problems are infectious diseases and violence and accidents which are often related to alcohol. However, these are of course symptoms of social problems. Should we treat the problem of violent trauma with a new, sparkling emergency department or with social and economic programs?

The nurse practitioners were a way of delivering a service in northern communities to which we cannot get doctors to move. If we put in place regulations which say that doctors have to practise there for a period of time, they would scream "discrimination" or "violation of human rights". Yet, they stand as gatekeepers and do not allow the nurse practitioner system to develop.

I am calling upon the Government for genuine leadership. I raised the questions which I did in my comments to illustrate that there is a genuine need for substantive leadership. Someone must study the health care system and raise serious questions about how we deliver health care in the country *vis-à-vis* cost, provide long-term maintenance of the kind of health care system we have, and ensure that health care gets to the people. We must design the system appropriately so that it will get into northern and rural communities. Health care must be made available to the poor in our inner cities.

I call upon government Members to enter into this debate in an intelligent way and to rise to the challenge of the need for genuine leadership in the country in the health care field rather than simply cutting funding for health care and creating a polarized debate about whether or not we can afford a health care system. Let us face the real issue of how to deliver a health care system in the country which will be economic in the long term.

Ms. Copps: Mr. Speaker, I appreciate the Hon. Member's comments. I would like to correct one misconception which is on the record. The Medical Reform Group is not only in Toronto. There is a world outside Toronto. I happen to know some members from Hamilton, Simcoe and other places. Although Toronto sometimes thinks it rules the universe, we in Hamilton know otherwise. In any case, the Medical Reform Group is comprised not only of physicians, but also of other representatives of the health care community who are concerned about these issues.

I could not agree more with what the Member said about restructuring the way in which we finance our health care system. Some time ago the federal Government unanimously passed the Canada Health Act. All three Parties agreed that it was critical that all Canadians have universal access to health care. That access was being thwarted by a practice which was still occurring in some provinces, including the Provinces of Ontario and Alberta, that being the practice of extra billing. The Ontario Government decided to ensure that within the three-year period following the application of the Canada Health Act it would bring its laws into line with respect to extra billing—

Mr. Speaker: Order, please. I must interrupt the Hon. Member to advise her that the time for questions and comments is just about to expire. The rules do require me to guarantee the Member the right of reply. Therefore, I must ask the Member to allow the Member for Winnipeg North Centre (Mr. Keeper) to reply now.

Ms. Copps: May I just finish? I was just going to—

Mr. Speaker: We are out of time.

Ms. Copps: Does he have a comment?

Mr. Keeper: Mr. Speaker, I appreciate that it is a good rule that Members should have an opportunity to reply. Clearly, doctors in Ontario, at this moment at least, are following a path with regard to their policy on extra billing that undercuts a fundamental principle of medical care in this country, that being universal access. The Government is doing the same thing in a different domain.

• (1710)

Mr. Speaker: Order, please. I must advise the Hon. Member that the time for questions and comments has now expired.

Mr. Keeper: I just wanted to make the point—

Mr. Speaker: Order, please. I must advise the Hon. Member that the time has expired. Resuming debate.

Mr. Keeper: On a point of order, Mr. Speaker, I have just a brief sentence to add with regard to—

Mr. Speaker: Order, please.

Mr. Keeper: Why did you cut me off as soon as I mentioned the Government?

Mr. Speaker: Order, please. The time has expired. The Hon. Member knows that when the time expires, the time expires. The Hon. Member for Prince Albert (Mr. Hovdebo).

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I take this opportunity to rise in this debate and record the continuing disappointment of the citizens of Canada in the Government's neglect in not looking at our health and education systems and recognizing our tradition of continuously improving those services to all Canadians. For many years Canada has been working towards an equality in social services recognized as the best in the world. Equality in education means that every person in every part of the country has the same kind of opportunity to get the kind of education he or she wishes or can handle. Regardless of whether they live in Newfoundland or in Yukon, they will have the same quality of education as they would have had they lived in downtown Toronto or here in Ottawa. That tradition, which is part of the fabric of Canadian life, is being attacked by Bill C-96.

Federal-Provincial Fiscal Arrangements Act

I know the Government says that these measures represent a decrease in the increase, that the actual amount of money the provincial Governments will receive is increasing. However, it is not increasing as fast as costs are increasing. As a result, the quality of our education and health care systems will be reduced.

The result of this legislation will be that the provinces will receive less money than they have been counting on for education and health care. If the provinces decide that they have to put into health care and education money they had been collecting in taxes for other purposes, they will then be reducing other kinds of services. It is not a matter of this legislation affecting just health care or education. In fact, the whole fabric of social services in Canada is dependent upon the kind of sharing of costs established in the 1960s between the federal and the provincial Governments. That fabric is being torn.

This is also a matter of the Conservatives breaking one more election promise. They promised faithfully over and over again during the election that they would return to the 1977 funding formula although they could not compensate the provinces for the 6 and 5 funding losses. That was their commitment. They said they would institute regular consultation with the provinces as set out in the original agreement and reach a consensus on the nation's goals for post-secondary education. That was the promise. Yet instead of that we have the federal Government moving unilaterally with this legislation. I know Members opposite call it consultation, but this was done at the end of the federal-provincial conference and there was a straight statement by the Minister of Finance (Mr. Wilson) that the federal Government was going to start immediately to reduce the rate of increase of federal contributions. Cuts, decrease in the increase, or reduction in growth, whatever term you use it is one and the same thing, a substantial amount of money is being unilaterally chopped from the provinces.

As has been said many times, there are some provinces which may not be hurt that badly. Alberta, Saskatchewan, British Columbia and Ontario will notice the cuts, but they probably have the resources to compensate to some extent. However, many other provinces such as Prince Edward Island and Newfoundland have no way to raise the extra money they need to improve the quality of their health services or education, much less hold it at the present level. If you do not get the money you are expecting, you are bound to have to cut the quality of services.

In some ways what we have here is a matter of priorities. The future cost of medicare and higher education is being fixed at a level lower than that of the oil companies, investors, banks, and even the cost of new uniforms for the military. Those are the kinds of things the Government has made its priorities. In the next five years the Department of Defence will see, according to the budget papers, a 41 per cent increase in its budget, but health will receive only a 14 per cent increase. That seems to be the priority of this Government.

• (1720)

As I said before, it is not only the fact that they are getting less money, it has a domino effect on all of the services within the province. The Government is generating new funds by taxation by introducing sales tax and increasing the costs of access to the national parks; the cost of shipping, if Bill C-75, the Canada Shipping Act is passed; and the costs of inspection in agriculture and so on. These are new sources of revenue that the Government is tapping.

It is going to bring in, through these new sources of revenue—if we can believe the Minister of Finance's papers—over $35 billion per year by 1990-91. Only $1 billion of this, or 3 per cent, has been allocated for that sacred trust of health care and higher education.

As the Government increased the taxes by $35 billion it decided that only 3 per cent is going to go to health care and higher education. That is an indication of the priorities established by this Government.

What we are witnessing is the back door method of killing medicare and of reducing access to education to the point where some day down the road we will have a situation where medicare and higher education will be for the privileged in society only.

Tommy Douglas, when he spoke about the development of medicare in Saskatchewan, and many people, even in this House, who spoke of the development of medicare across the country, had a dream that no person in Canada would feel that they had to deny themselves medical treatment because of the cost. That has been an accepted principle by the people of Canada. What this Government is doing in this Bill is breaching that trust. The doctors themselves, who should be protecting medicare, who are out there fighting for extra billing, are breaching that trust as well. This Government is reducing the expected possibility that some day there will be no need to deny medical treatment to anyone because of cost.

If this Government expected, or felt that it had the responsibility, to ensure that medical treatment was available for everybody and that there was quality higher education for anyone who could use it and wanted it, then the Government would be moving in that direction instead of cutting off funds.

It is very important that we make sure that Canada does not become, like many other countries of the world, a place where health care and higher education is for the privileged few.

It is not surprising that in committee stage of this Bill the only organization that endorsed this Bill was the Canadian Chamber of Commerce. Only two provinces made presentations to the committee. New Brunswick sent a written brief opposing the Bill, and its Government passed a unanimous resolution urging the Government not to go ahead with the legislation. Manitoba appeared in person by sending its Health and Education Ministers to present their case and their opposition to Bill C-96.

We have almost every provincial Government in Canada expressing outright opposition to this approach and telling the Government that it is breaking a trust that it promised before being elected that it was not going to do this, that it would continue with the level of funding at the level it had been in 1977 by the same formula.

You also have every province saying that it does not have adequate funds in its Treasury to take the place of the increases that the Government is reducing. The provinces are going to have to take those funds away from other projects. The quality of life in our province, the quality of life in Newfoundland and Prince Edward Island, in Quebec and Manitoba, is going to be reduced because the federal Government is breaking its promise.

It is important to point out that the people of Canada are recognizing the direction in which this Government seems to be going, as expressed, I suppose, most vividly in the Nielsen report. Every area which is costing the Government money is being looked at, and either eliminated—without consideration for what it is going to do to the fabric of our society—transferred to some other body, or paid for by the citizens themselves.

The tendency for the Government to transfer the costs to another body is, I think, what the provinces are resenting the most. The fact that the deficit, which the federal Government created, is being transferred, not to the people who increased the deficit or who had a great deal to do with the establishment of the deficit, but to the provinces, which have, in most cases, been very careful about deficit funding. Most provinces do not have a large deficit at the moment, but are being forced by this Government, in its attempts to eliminate its deficit, into a deficit position.

What will the future effect be of less money being given to the provinces? It is going to be things like extra billing and hospital costs charged to the patients. The effect will be psychological as well as physical. People will begin to think that it is too expensive for them to get the kind of education or the kind of health care that they need. Perhaps the most important consideration is that the best economic asset for any country is to have a well qualified and well educated workforce. When the quality of higher education throughout the country is reduced, the effectiveness of the workforce diminishes, thereby lowering the chances of greater economic development. When one considers that economic development is the means by which to eliminate the deficit, the effect of reducing the quality and quantity of higher education will have the long-term effect of depressing the economy even further.

• (1730)

Mr. Rompkey: Mr. Speaker, I listened with interest to the Hon. Member's speech and I congratulate him for making the points he has made.

The Hon. Member talked about broken trust, unilateral abrogation of a pact between the provinces and the Government of Canada that was to last for a number of years, and he talked about the transfer of the deficit which shifts the burden of that deficit from the Parliament and the Government of Canada to the provinces. All of those comments are valid.

He also talked about the kind of pressure that would be put on certain provinces, such as mine, which has the least fiscal capacity and the highest taxation in the country. It has the lowest per capita income in the country. The result of shifting this additional deficit burden on to the province will make it virtually impossible for that province to react positively and make up the difference. The burden will ultimately fall on the students because the universities also do not have the financial resources to make up the difference.

The Hon. Member made a valid point that the Government is really imposing a burden on our young people, the group in our society that is least able to bear that burden and should not have to do so. This Act, as it affects post-secondary education—notwithstanding its effect on health care—will place an undue and unfair burden on our young people. It is those very people on whom we depend.

I want the Hon. Member to comment on one aspect which I am sure he has thought about but did not mention. What will be the effect of this Bill on the country as a whole? We have some excellent scholars, excellent teachers and outstanding students. However, the post-secondary education community, among others, has said that because of the parameters in which they have to work we are in danger of not only creating a second-class educational system, but a third-class educational system. The Hon. Member's colleague from Windsor commented on this aspect this morning.

I would like the Hon. Member to address the point raised in a recent book by three eminent scholars, entitled *The Great Canadian Brain Robbery*, that professors are escaping and students are leaving this country to go to the United States. Surely that has an effect not only on them, their parents and the job market, but on the country as a whole.

The Prime Minister (Mr. Mulroney) will be on television tonight to talk about trade. A component of that subject is national sovereignty. What does the Member think about the whole issue of national sovereignty and what effect this policy of the Government will have, not only on young people but on the very fabric of the nation itself in helping to give Canada an identity?

Mr. Hovdebo: Mr. Speaker, the Hon. Member raises a very valid concern about the effects of this Bill. Not only will we be cutting ourselves off economically if we cease to provide the best quality education to the greatest number of students, those students who do manage to get the education will be looking elsewhere for better opportunities. It was not too long ago that often we could not find qualified professors in our country because the quality and quantity of our education was not adequate. While we have been able to develop our own

quality educators lately, they have had no place to work and therefore have gone elsewhere for employment, quite often at salaries that are no better than ours. Many of these people are leaders in their professions who take jobs elsewhere and become citizens of another country. For every well educated leader we lose, we lose that much of our sovereignty and identity which those people give to us.

We can talk as much as we want about the economic effects of this Bill, but the fundamental issue is its psychological effect. If the young people in this country come to believe that Canadians are unwilling to give their youth a greater opportunity for quality education, the psychological effect of that will be carried forward into the next generation and the generation after that. It is a crime to allow our educational system, which has grown since the war to the point of becoming untouched by most countries in the world, to be so psychologically undermined that people believe it is not worth the investment and improvement. That is the message being given by the Government through this Bill.

Mr. Rompkey: A supplementary?

Mr. Speaker: We are ready for debate, but I will allow the Member a very brief question. There is less than a minute remaining.

Mr. Rompkey: Mr. Speaker, I appreciate the answer by the Hon. Member but will he address a further matter? I appreciate what he said about the brain drain, leadership and the fact that people are leaving the country.

If there is a cut-back in research in the sciences and engineering, surely this will not allow Canada to keep up on the leading edge of technology. Furthermore, a more serious consequence is that a reduction in research in the humanities and the social sciences surely does something to us as a nation.

Mr. Speaker: Order, please. I have to protect the Member's right to reply, with less than half a minute remaining.

Mr. Hovdebo: Mr. Speaker, at my own university in Saskatchewan, many of the professors at that university tell me that they have so many classes and so many students that research and writing have become secondary and they probably will not indulge in them in the next few years. That is a disaster.

Mr. Speaker: Order, please. Debate.

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, as the Liberal critic for the Secretary of State, and therefore, for post-secondary education, it is my task to try to call to the Government's attention its devastating policies with respect to our colleges and universities. I have criticized Bill C-96 above all as a move by the Government to abdicate its responsibilities to the provinces, students, or whoever, concerning the future of our youth and our nation. At a time when everyone is crying out that it is imperative that we do all we can to become more competitive and productive as a nation because of competition in the world, we find that the Government is taking us into circumstances where we must ensure that our ability to be competitive is very great, yet it is taking away our ability to compete by devastating the very underlying system which gives us that capacity to compete, namely, our educational system.

• (1740)

At every hearing we have had in committee, in terms of speeches made on behalf of the academic community of students or of those who are concerned about research, our ability to compete and the studies that have been made, the same report has been made to the Government. It is going in exactly the wrong direction. Not only is it going in the wrong direction, but it is one that is contrary to the policies that it espoused before the last election. It is contradicting its promises. It is going back on those promises. It is even breaking agreements it made with the provinces that, until March, 1987, there would be the same level of support for post-secondary education and health care. It broke that promise a year early. It is cutting back the increase to post-secondary education and to medical and hospital care down to 5 per cent, a cut of 2 per cent on what was supposed to have been added to make it possible to keep up with soaring expenses in these vital areas of our country's future.

At every stage, I have fought this Bill through the House. I have focused on the fact that it devastates the futures of our universities, our youth, our economic development. It seems to me that it is imperative that we try once again, in this very last-ditch effort, to call to the attention of the Conservative Party and to its Government in power the fact that the step it is taking now is retroactive. It is also retrograde. It is regressive. It is the three Rs, but the wrong three Rs. It is wrong for them to proceed in this way, and it is going to bring about lasting harm to our country.

I have appealed to the Government to reconsider its views because it is, in fact, going back on our young people. It has accepted policies which, for example, hold back not only on the the EPF transfers for post-secondary education, but also hold back on our young people by freezing the level of loans for our students, by cutting back on such programs as the Terry Fox Institute and the Youth Forum, by totally cutting out Katimavik, by cutting back by 40 per cent on the seats in the community colleges for training and retraining, by cutting back on the youth ministry itself, its budget, till it is simply nothing more than a PR stunt and not a ministry that has the funds or the staff to effectuate any kind of future planning and policies for our young people.

There is a whole list that I have just given, and many other things that I could have added, to show that the Government has gone backwards on its programs for youth, not forward, that it has undercut them, not helped them. Aside from devastating the programs on youth, it has also been cavalier and devastating to our programs on research. This has been almost equally serious.

There was a conference held in November, 1985, of academics from across Canada who gathered together to discuss the effects of cuts on university research; as they called it, chronic underfinancing. In an interview, Dr. Don Savage of the Canadian Association of University Teachers said, "If there is this demand across the border in the United States, that is, for scientists and engineers, we have been so niggardly in dealing with our own that they will think it is reasonable to go somewhere else". Dr. Stewart Smith, the President of the Science Council of Canada said in an interview that he expects "a brain drain could well occur in the near future. I feel that we will see a very, very large-scale movement, especially among our young scientists, in the next three years or so. I am really quite concerned about it. The universities are under siege". The federal Government is cutting down, in other words, on support. So expert after expert is trying to call the attention of the Government to the danger of its policies in terms of research.

Instead of building up our research, as it promised, to the level of 2.5 per cent of GNP, we are at the level of 1.3 per cent and definitely not increasing. That is a tragic attack on our future, when we see our universities, our colleges, our research, our development, being underfunded.

The simplistic explanation we are receiving, Mr. Speaker, which I assure Your Honour the provinces do not appreciate, is that we are trying to reduce the deficit of the federal Government. This means that it will pass on this deficit to the provinces, which is maybe a saving for the federal purse but not a saving to the taxpayer, because then he or she must still pay it to the provinces. The provinces will have to find the money or our educational system and research will suffer even more. Of course, some, again simplistically, say, "Well, let the students pay for more tuition, cover it with more tuition". There is no hope that students who are raising money for tuition fees could cover to match the kind of financial assistance needed to make our educational system function effectively.

So the Tory reply that this is a cut to the deficit that is needed is not a reply at all, because what it is merely doing is passing on this deficit to others. It is not providing us with the kind of educational system that this country needs.

I shall try one last time, on this third and final reading, to appeal to another area of concern that may persuade Hon. Members opposite, if they would listen, of the importance of giving the necessary support to our educational system. Bill C-96 undercuts the future of our colleges, of our community colleges, not merely universities. We may sometimes think,"The universities provide us with professionals who have big salaries—doctors, lawyers, dentists, architects—and why should we, as citizens, support those universities to such an extent? Let them pay for it". I do not agree with that argument, in any case, but let those who find that argument appealing, think about the fact that a cut-back in funds, or the lack of adequate funding for post-secondary education, means a lack of funding for our community colleges.

• (1750)

At a meeting of the legislative committee which was considering Bill C-96 a Mr. Gallagher of Vancouver came to testify. He is the head of the Association of Canadian Community Colleges. He made a very logical presentation in which he tried to appeal to the government members of the committee to listen to a rational argument as to why it is a short-sighted policy to cut back on our community colleges. He had this evidence to give:

> In 1985-86, almost two million adult Canadians will be served by a community college somewhere in Canada. This dramatic change in the structure and orientation of Canadian post-secondary education is a product of the special nature and character of these relatively new and vigorous "colleges".
>
> There are some 165 publicly-supported colleges in Canada, with a college system in each of the provinces and the territories. They fit into the educational mosaic of each jurisdiction in different ways: most are identified as community colleges or as colleges of applied arts and technology; the CEGEP system of Quebec is a partner in the movement; some colleges operate as institutes of technology or use some other official designation.

What Mr. Gallagher points out is that there are two million Canadians who benefit from this system of education, a system which depends on federal transfer payments for its existence. If it were not for the fact that the federal Government was transferring something close to $6 billion by direct and indirect funds to the system of education, mainly the post-secondary educational system, we would have no community college system and our universities would be devastated. I think all countries facing a competitive world understand the vital importance of a sound and advanced educational system. They understand the importance of keeping the people of their country at the highest possible level of training and retraining in terms of their readiness and excellence.

We appeal to the federal Government to understand that they must go forward into the future. The only way to do so is to strengthen our system of training and education for these two million people who use our community colleges. I should point out that this issue was eloquently addressed by Mr. Gallagher who said:

> These colleges have many common characteristics. They provide post-secondary educational opportunity for graduates of our secondary schools; about 20 per cent of college students enter directly from secondary school. They attract thousands of adults who have been away from formal education, some for considerable periods of time, and provide for them the opportunity to improve their academic qualifications, to acquire basic literacy levels, to learn new skills, or to enrich their academic, technical or professional experience. These colleges have a large percentage of full-time students but part of their distinctiveness is their substantial part-time enrolment of students wishing to retrain or upgrade their skills for improved employment opportunity and more effective citizenship.

For Canadians who may hear my voice, and for Canadians everywhere, whether they hear my voice or not, two million of them will be attacked by Bill C-96. They are the losers because this Bill is not adequate to meet the needs of post-secondary colleges. It does not affect just a few college students or a few university students studying for their medical degrees. It affects the average Canadian, two million of whom will lose as a result of Bill C-96 being pushed through the House without amendment, without change, without mercy and without vision.

Western Canada Drought

Our community colleges are in fact a brilliant, versatile and flexible way by which we can modernize our resources in terms of our people, by keeping up to the standards and levels of world-wide technology. Our colleges reach out to the average Canadian by providing an opportunity to upgrade their skills and abilities so that they can hold down and obtain jobs. To hold back on federal funding of post-secondary education as the Government is doing is to hold back on these Canadians. Ultimately, it will be a devastating attack on our people.

Mr. Gallagher also pointed out that:

Because of their responsiveness, the colleges have, particularly in recent years, become significant forces for economic development and revival at local, provincial and national levels. They have been identified in their own provinces as engines for economic growth rather than as institutions outside the mainstream of public concern.

The establishment of innovation centres to stimulate the economy has been a recent phenomenon in Canada. Many of Canada's colleges have turned their energies to innovation and the transfer of technology to the work place as part of their commitment to provincial and national economic development through entrepreneurial innovation.

Here is a Government which out of one side of its mouth talks about its concern for our entrepreneurial ability, about research and development, about being ready to face the modern world and compete, about having free trade so that we can obtain access to more markets and compete. At the same time, out of the other side of its mouth, it utters policies which take away that very ability we should have of being able to provide those entrepreneurial skills to Canadians to compete in this very competitive world. It makes no sense. It is a self-defeating policy. I suggest we should be moving in the opposite direction.

If this Government is to talk about cutting the deficit, then let it proceed with cuts in other areas. In terms of other priorities, there can be no greater priority than for us to train our people for employment and to make them resourceful, to give them the skills they need in order to compete and in order that our country can compete in the world and become a nation that will not feel threatened by trade barriers.

Our future hinges on research and development. It also hinges on a well educated and trained community of people. Community colleges train not only the average person to upgrade his or her skills as an adult but they continue to help throughout his or her lifetime. We no longer have an educational system in which a person exits at the end of grammar school, as was the case when our Constitution was first drafted. No longer do we have a system in which one exits at the end of high school. We now think in terms of ongoing education. Some call it recurring education, while others call it continuing education. We now understand that we have to have an educational system in place that will continue to educate Canadians throughout their lifetimes. We must understand that at no time do we come to the end.

In accordance with our Charter of Rights and Freedoms we see senior citizens at the ages of 60, 65 and 70 availing themselves of educational opportunities in our community colleges. It is true that they might not be able to put these skills to work in the workforce, but they are enriching themselves. They have a right to that education. The Government is not allowing the funds necessary to the provinces, as has been the case in the past, to be able to cope with the needs of our educational structure. By having a growth pattern of only 5 per cent per year more than what it was in the past—

• (1800)

Mr. Speaker: Order, please. I must interrupt the Hon. Member to tell him two things. It is now six o'clock and his 20 minutes have expired.

It being 6 p.m., pursuant to order made Wednesday, June 11, 1986, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*Translation*]

AGRICULTURE

SUGGESTED TABLING OF REPORT ON DROUGHT IN WESTERN CANADA

The House resumed, from May 20, consideration of the motion of Mr. Boudria, seconded by Mr. Foster: That an humble Address be presented to Her Excellency praying that she will cause to be laid before this House a copy of the report presented to the Prime Minister pertaining to the drought in Western Canada.

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, when the question of drought in the Prairies is raised, we cannot but be concerned about the situation facing farmers and livestock producers. The Government wants to solve this problem by means of concrete and direct measures.

As a first step, a task force was set up last summer to determine the extent of the problem and the impact of the drought. This vital task was entrusted to the Hon. Member for Assiniboia (Mr. Gustafson), Parliamentary Secretary to the Prime Minister. In fact, Mr. Speaker, a report on the subject is to be tabled shortly. Not long after the task force was set up, and as already mentioned by the Hon. Member, the Minister of Agriculture (Mr. Wise) announced a $48 million program to help Western livestock producers who were severely hit by the drought. Since producers in my riding were also affected by drought, and I know how serious this can be for Western farmers. It is expected that 500 farmers in British Columbia and 38,000 farmers in Saskatchewan and Alberta will be eligible for compensation. This covers direct assistance for 400,000 acres in British Columbia and 21.2 million acres in Alberta and Saskatchewan. The Government has decided to improve the lot of the many farmers who have suffered under very bad weather conditions during the last three crop years. The contribution will be in addition to $683 million in crop insurance payments paid to Prairie grain growers this year. About 88,000 farmers who insured their crops this year will be

able to benefit. These financial contributions, Mr. Speaker, demonstrate the federal Government's commitment to ensuring that the agricultural sector in Canada remains a viable and profitable industry. I am pleased to point out that today, the Minister of Agriculture announced the last payments provided under the Crop Disaster Assistance Program for Western farmers. This means that the balance of $64 million will be paid shortly to the farmers, a payment that covers an area of over 21 million acres. Farmers will be able to face the current crop year with more assurance and, of course, a better cash flow.

The Government has been able to face emergency situations whenever they arose. But of course, Mr. Speaker, ideally we need a permanent solution to the funding problem in case of disasters. This is why the federal Government has been making concerted efforts with the provinces of Saskatchewan, Alberta and British Columbia. Under a new crop insurance program farmers will benefit from additional coverage without having to pay a premium for 1986. The purpose of this is to eliminate the need for special assistance and set up an over-all assistance program. This is included in the third phase of a drought program recommended by the task force.

In recent years, Mr. Speaker, drought conditions have had devastating effects on Canadian agriculture, but steps have been taken to lighten the financial burden of producers. They are beginning the crop year with hope while getting ready to minimize the disastrous consequences of future natural calamities.

Mr. Speaker, ever since the Conservative Government took office in September 1984, several measures have been taken to help the farming community in both eastern and western Canada.

Mr. Speaker, I must confess to being very proud to belong to a Government which has decided to give priority to agriculture in our economy and to help needy farmers. However we know that agriculture is now in a transition period, and I am sure that more concerted efforts on the part of the provinces, the federal Government and all agricultural interests will go a long way towards facing up to the challenge of the future.

As you know, Mr. Speaker, in 1985 the American Congress passed legislation which may very well have an impact on our farmers.

When there is a drought or a disaster or, for instance, when as in recent days, the weather is unsettled . . . We heard a while ago that very strong winds are expected in the Ottawa Valley. I hope the farmers in the Petite Nation area and in the northern part of my riding will not be hit by that storm because we know how important this is and the crop insurance programs, and their various schemes are not that good for helping farmers. They want at the end of their crop year to reap benefits from their crops.

Mr. Speaker, I am pleased to take part in this debate.

I know that I only have ten minutes but I would like to say as a member of the Standing Committee on Agriculture, that I often meet with farmers in my riding. Besides, during the forthcoming months I intend to have action taken on behalf of the apple producers in my riding who came to ask the Minister for monies under a program. Of course, I entirely support them.

In 1983, there was a drought in my riding and no help could be provided. I am pleased to see that as far as the drought in the Prairies is concerned, our Government has already taken action.

[*English*]

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, the motion before the House requests the production of papers regarding the drought in western Canada, papers that were supposedly produced by the Hon. Member for Assiniboia (Mr. Gustafson) and presented to the Prime Minister (Mr. Mulroney) in order to determine the drought payments to be made across western Canada. The effect of this was acceptable in that farmers did receive some drought payments, but there are a great many people who are not particularly satisfied with the payments that were made. Several thousand of them have appealed the decision to make the payments that were made.

It is our understanding that the recommendations that were made to the Prime Minister and Cabinet regarding the drought payments indicated the need for larger payments than the ones that were made, but that is hearsay. In fact, we have become a little suspicious. After all the stonewalling that has gone on about producing these papers, we wonder if the Hon. Member for Assiniboia ever did write a report. We have no indication that he did. Obviously, the study should have culminated in a report, but after a while we become a little suspicious if we do not see some evidence that the report was ever written. Perhaps there is nothing to table.

Many years ago when the Liberals were in power, we were not promised too much regarding freedom of information and we did not receive too much.

• (1810)

For many years a great parliamentarian, the late Walter Baker, as a member of the Conservative Party when it was in opposition, campaigned in an attempt to establish the basic concept of freedom of information. He worried that perhaps we would get too much information, that we would be flooded with information, and that we would not be able to use it well. It seems as if the late Walter Baker did not realize that his own Party would be the obstruction in the possibility of obtaining too much information.

When it was in opposition, the Conservative Party promised to move very quickly into the area of freedom of information. Many past Members spoke eloquently in an attempt to convince the former Liberal Government that it should move in that direction. It is somewhat disappointing for Canadians

to be faced with a situation where the Party which supposedly was to give us freedom of information is stonewalling it.

We understand that the Hon. Member for Assiniboia made a number of recommendations in his report which were not listened to. If that is so, it is the kind of information that Canadians should know. If he did not make the report, from where did the recommendations come? Was $150 million recommended? Was the amount paid to the Government of Saskatchewan for drought payments part of the recommendations of the Hon. Member for Assiniboia? I understand the average payment was about $6.88 per acre. Is that the amount that was recommended, and is that what was actually paid? Canadians have the right to know these things.

I do not know why the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) moved his motion when he did. However, there is something to learn from the entire procedure. Those people involved in agriculture in Canada need a structure which is not quite as *ad hoc* as the present one to deal with drought and other disasters in the agricultural community. Perhaps the information contained in the report of the Hon. Member for Assiniboia, which was presented to Cabinet, would provide insight into the kinds of programs which could be put into place, programs which would not be *ad hoc* or contain disturbing features. I hope there will be some kind of guarantee to Canadian farmers in the future so that they can be assured of obtaining a good price for their produce. In the event of storms, frost, or any other disaster which reduces the crops of farmers, the Government of Canada should guarantee to make available funding so that they can at least survive.

Western Canada has some of the most efficient and most effective producers of agricultural products in the world. Many of them are having trouble surviving and are unlikely to survive a great deal longer, unless there is some kind of guarantee that they will receive a return on their production in the next year. Perhaps we should be travelling around to find out all the information we can. This would provide us with a better understanding of the continued cash flow problems faced by Canadian agricultural commodity producers.

We are really talking about two or three different things when we ask for these papers. First, we believe that the people of Canada have the right to a basic understanding of how great was the problem and how well the Government dealt with it. Second, in that the Government has espoused freedom of information, larger quantities of information should be available to help Canadians understand why the Government makes the decisions it makes. Third, we need to compile information and use it in such a way as to solve the problems caused by disasters so that farmers do not have to repeatedly go to the Government and ask for assistance. They should not have to tell the Government that they have experienced another disaster and do not have funds in their organization and therefore it will have to dip into the revenue fund.

The Government seems willing to pay for banks and trust companies when they get into trouble. However, when it comes to paying for 24,000 or 30,000 farmers who are in trouble year after year, it means that something is wrong with the system. We should take the information available to us and use it to ensure that these things do not happen continuously or do not happen in the future. I hope the Government will provide the report, if it is available, not only to Parliament but to the people of Canada.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I am pleased to follow the Hon. Member for Prince Albert (Mr. Hovdebo) whose speech improved as he went on. I agree with the last part of his speech. It is important for Parliament to come up with a better and more permanent solution to natural disasters as far as farming is concerned.

If we improved the crop insurance program by including a section which automatically insured farmers for natural disasters, it could be a solution to the problem of dealing with crop disasters and natural disasters each time they happen.

Many Members have visited areas stricken by drought. My constituency suffered as a result of the drought in Alberta. I think they would agree that we must direct our minds to improving the crop insurance plan so that it deals with disasters. We do not need a task force such as the one headed by the Hon. Member for Assiniboia (Mr. Gustafson) each time we are faced with a natural disaster.

I understand that Members of the New Democratic Party and the Liberal Party may be upset that they did not participate in the task force. I think the opportunity was given to them to participate. That is why they would like to see the recommendations that came forward. Of course the Government is going to comply and offer the papers to the Hon. Member and to Hon. Members of this House who have put forward the motion. It is important that we discuss for the future the recommendations and the experience we have had as a result of the serious drought that occurred in many areas of western Canada in the last three to four years.

• (1820)

There is no question that it is difficult today for farmers to work out a plan to survive on their farms if they are hit by a natural disaster. Commodity prices are so low that they are simply not covering the cost of production. No one can put away funds for future difficulties.

I can remember in 1955-56-57 that we were completely hailed out for those three years in a row. The farm, however, was able to survive because in previous years we were able to put away some money in the event of these kinds of disasters. Today in mine and my neighbour's operation that is simply not possible, nor is it possible to put aside any funds to replace machinery. That is how serious the situation is today in agriculture across Canada.

If a farm is faced with a natural disaster, as many prairie farmers have been for a period of one, two, three and in some cases four years, it becomes almost impossible to survive even with government programs. I agree that we have to work out

an adequate crop insurance program so as to allow farmers to survive drought, storms or any natural disaster that could completely ruin a crop.

Last year the Government responded with assistance through co-operation with the provincial Governments. They assisted farmers through the Livestock Drought Assistance Program which provided feed for livestock to the tune of some $48 million, or about $30 a cow. It was difficult for farmers to buy sufficient feed on that kind of money to winter an animal. We were fortunate in many parts of the prairies to have had a very mild winter this year. Just the same, it was a very stressful period of time for many of the cattle farmers in the drought area.

As well, we have to work out a better system through crop insurance. Creating boundaries within which people will be beneficiary of a drought program causes some problems. If you happen to live a mile or ten miles outside the boundary, you do not benefit even though you have been a victim of drought. This has caused much consternation through the two or three years of drought.

Last year's program at least addressed this problem somewhat by having an appeal board which allowed a group of farmers to appear to justify their right to a claim. In northern Alberta it was important that the program extended into March. Many farmers could not prove their difficulty because the crop was under the snow. Some 20,000 additional producers were able to take advantage of this program. We learned something as we went through that process. Surely we can put together something better than we have had in the past.

The Member asked how much the pay-out was for a farmer and he used the term $6.88 per acre. I do not think we worked out the exact amount per acre. The average pay-out per farmer was in the area of $3,800. That was assistance provided over and above insurance programs, such as the Western Grain Stabilization and others that zeroed in on the cost of production like the fuel subsidy program. This assistance, I know, was welcomed by many farmers even though, given commodity prices, it was not adequate to provide a very comfortable way of life over the last year for many of the families across the western Canada drought areas.

I agree that even though the Government and the provincial Governments are trying to be as sensitive and as flexible as possible, in the last year there were many difficulties. The review board, appointed to look at this whole problem in late April, examined the situation and allowed many others to participate, and that was important.

In April in the area of Athabasca, I was amazed to find a large group of farmers who were not aware that they could apply for an extension to disaster assistance, but we were able to get an extension by phoning the Department. I was pleased by the flexibility shown on the part of the PFRA at that time.

I am happy Members have asked for the papers, that they are going to be provided and that there is a real feeling we have to provide better assistance for drought and other natural disasters in the future.

Mr. Deputy Speaker: Earlier today a special order of the House suspended the hour for Private Members' Business for Friday, June 20, 1986. Accordingly, I am instructing the table that the item of Private Members' Business scheduled for that day in the name of the Hon. Member for Prince Albert (Mr. Hovdebo) be dropped to the bottom at the order of precedence.

[*Translation*]

Under Standing Order 52(2), the time allowed for consideration of this motion has now expired.

The Chair would like to indicate that in addition the Standing Orders allow at this time for a Minister of the Crown to speak for five minutes and for the mover to make an additional reply of five minutes after which the Chair will put the question.

[*English*]

If neither the Minister nor the mover of the motion wishes to speak at this time, the Chair will proceed to put the question.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I just want to take a few minutes to remind the House that, on November 25, 1985, I introduced the following motion:

> That an humble Address be presented to Her Excellency praying that she will cause to be laid before this House a copy of the report presented to the Prime Minister pertaining to the drought in Western Canada.

[*English*]

It has taken us almost six months to get to the point where we are today, six months of attempting to find out from the Government just what was in the report prepared by the Hon. Member for Assiniboia (Mr. Gustafson). Since the Government has already indicated that it is willing to table the report, we no longer have to ask the question that my colleague, the Hon. Member for Prince Albert (Mr. Hovdebo) was raising a minute ago as to whether the report existed or not. We already know the answer. There is some sort of a report that will be tabled in the House.

I only wish in the future when Hon. Members table motions for the production of documents, and these motions are tabled sometimes after documents are known to be ready to be distributed to all Hon. Members, that we will not have to wait for six months to get something that should be given to a Member for the asking.

I remind you, Mr. Speaker, of the commitments of the Conservative Party during the last election campaign when it said that the Conservatives would operate in such a way as to "ensure that access to information is implemented in the spirit and in fact." Of course the the Conservative Party was talking about the Access to Information Act. The principle is the same. If something is available within 30 days by going through access to information for people in the press and

others who wish to avail themselves of that process, I find it difficult to accept that an Hon. Member of this House would have to wait for six months, using the process of the House to obtain something that would take 30 days under an Act of this Parliament. I would submit that it would be far better if in the future the Government made it more expeditious to provide us with documents that can assist all Members of the House to do their work.

• (1830)

In conclusion, I thank Hon. Members who have spoken today and the Government for finally providing us with the documents for which we asked last November 25.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Lewis: Mr. Speaker, I rise on a point of order. There have been discussions among the Parties. I think you would find unanimous agreement of the House to pass Bill S-7, standing in the name of the Member for Cape Breton Highlands—Canso (Mr. O'Neil), through all stages. It would be sent to a Committee of the Whole House rather than a legislative committee as stated on the Order Paper. This matter would be disposed of by 7 p.m. this evening. If the matter is in fact disposed of before 7 o'clock p.m., we suggest that the House recess until 7 p.m. at which time we would resume with the business which was on the floor when Private Members' Business was called. I think you will find unanimous agreement of the House to proceed in that manner.

Mr. Deputy Speaker: Is there unanimous consent for what the Hon. Parliamentary Secretary has suggested?

Some Hon. Members: Agreed.

PRIVATE BILLS

[*English*]

ACT OF INCORPORATION OF PINE HILL DIVINITY HALL

MEASURE TO AMEND

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso) moved that Bill S-7, an Act to amend the Act of Incorporation of Pine Hill Divinity Hall, be read the second time and, by unanimous consent, be referred to Committee of the Whole.

He said: Mr. Speaker, I would like to thank the other two Parties for their agreement to allow speedy passage of Bill S-7. By way of explanation, this Bill is designed to amend the Act of incorporation of Pine Hill Divinity College in Halfiax. It is, in addition, designed to give the College greater flexibility with respect to the acquisition and disposition of property. Under the existing Charter that power is limited. I move this motion on behalf of the Minister of Supply and Services (Mr. McInnes).

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, on behalf of myself and my colleagues in the Liberal Party I wish to speak in favour of Bill S-7. It need not have lengthy debate in the House of Commons. The other House has discussed the Bill at some length. One of the purposes of this Bill is, as my hon. colleague in the Conservative Party has stated, to give a new French name to the college which will be *Collège de théologie* Pine Hill. Under the previous statute the college did not have a bilingual name.

I feel that this and the other measures in the Bill are very worth-while initiatives. They were brought to the floor of the other House by the Hon. Henry Hicks, Senator, representing the Province of Nova Scotia. My colleagues and I are in support of this Bill which was presented in the other House by our hon. colleague, a former Liberal Premier of that province. I take a moment to add that, Mr. Speaker, as I am sure you would want me to under the circumstances.

In conclusion, I would like to reiterate the support of our caucus for Bill S-7, which was brought to the floor of the other House and returned to this House earlier this afternoon.

[*Translation*]

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I would like to make a few comments on this Bill to explain matters to my caucus. I simply want to point out that it is a private Bill, not a public Bill, and that it deals with the interests of a specific institution and not the public interest. It is interesting to note that we have to come back to the House of Commons to give a French name to the French version of an Act dealing with a specific institution. This is interesting. I hope that there will be a more effective way of dealing with such matters in the future. Could we not pass a public Bill to settle this type of issue once and for all to avoid wasting the time of the House?

The other provision of this Bill would authorize the college to purchase and donate property. At the present time, it can only donate its property to someone else for $1. However, it is necessary for the college to be able to sell and purchase property for it to prosper. We support this Bill. In conclusion, Mr. Speaker, I hope that, in the future, there will be laws that allow us to deal more effectively with this type of matter without wasting the time of the House of Commons.

[*English*]

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: I declare the motion carried.

Motion agreed to, Bill read the second time and the House went into Committee thereon, Mr. Danis in the chair.

Clauses 1 to 3 inclusive agreed to.

Preamble agreed to.

Title agreed to.

Bill agreed to.

Bill reported.

Mr. O'Neil moved that the Bill be concurred in.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. O'Neil moved that the Bill be read the third time and passed.

Motion agreed to and Bill read the third time and passed.

Mr. Deputy Speaker: Pursuant to order made earlier this day, this House stands adjourned for 20 minutes until 7 o'clock tonight.

At 6.40 p.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 7 p.m.

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the third time and passed.

Mr. Nunziata: Questions or comments, Mr. Speaker?

Mr. Deputy Speaker: There is a period for questions and comments, but the Hon. Member for Eglinton—Lawrence (Mr. de Corneille), who made the speech, is not in the House. Therefore, according to previous rulings by the Speaker, there will be no question and comment period. Resuming debate with the Hon. Member for Hamilton East (Ms. Copps).

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am glad we are back on the main business before the House. I realize that Private Members' Business is very important, but it was said by a number of spokepersons here today, and unfortunately we have not heard much from the Government side, that this legislation is probably the single most significant piece of legislation to cross the desks of all Hon. Members in the last two years. I am very happy to see the Minister of Finance (Mr. Wilson) in the House because he will remember some of the statements he made back in his lowly days in opposition.

I think, for example, back to March 24, 1982, when the then opposition Member for Etobicoke Centre was speaking about the then Liberal Government's decision with respect to Established Programs Financing. At that time he had some pretty strong words to say about the importance of sustaining a level of federal funding that would permit our colleges and universities and our health system to flourish. He said:

> Taking the action of unilaterally cutting the financing, which the government is now proposing, and then having some discussions with the provinces, surely puts the cart before the horse. We should be reversing this procedure.

Again, on March 23, 1982, in speaking about cut-backs to EPF transfers, the Minister said:

> The only sign it shows of cutting spending is by shifting the burden of the established programs funding on to the provincial governments. The provinces are now moving into a deficit position, a position which will make it more difficult for them to finance this shift in spending . . . That is not co-operative federalism. That is predatory federalism and it will not and cannot work in this country.

Yet we see tonight in its typical ramrod approach the Government, under the alleged leadership of the self-same Minister of Finance, is planning to move a motion which, in a predatory fashion, will cut back future increases in Established Programs Financing to the provinces by some $8 billion.

Those of us who had an opportunity during the small break a few moments ago to watch the six o'clock news will know that in Ontario the issue of health care is uppermost in the minds of many Ontarians. The Ontario Government, following the lead of a unanimous resolution called the Canada Health Act in the federal Parliament, moved to exercise its authority in the province to ensure that it is not penalized by a $15 million cut in funds which would have resulted if the province had not banned extra billing. The previous Liberal federal Government set the lead when, with the unanimous support of the Conservatives and the NDP, a motion known as the Canada Health Act was passed. That motion said to every single Canadian man and woman, regardless of provincial or territorial Governments, that they have a right to accessible and free health care in Canada.

Mr. Deans: Not free.

Ms. Copps: I think what highlights the history of concern in Canada is to look at the health care system as it has developed in the U.S., for example. There it has developed in a kind of piecemeal private sector fashion. Here in Canada we have developed a universally accessible system for all Canadians. Unfortunately, not only has the federal Government been strangely silent on the question of universal access in the Province of Ontario, but again it has said nothing when the Canadian Medical Association suggested to its members

across the country outside Ontario that they not submit bills to the Ontario Health Insurance Plan, but bill patients directly. We have not heard a peep from the Minister of National Health and Welfare (Mr. Epp), whose job it is to protect each and every Canadian.

If I am travelling in Manitoba, Alberta, or British Columbia, as an Ontarian I have the right to full access to services. In aiding and abetting the action we saw on the six o'clock news where medical doctors were accusing the Liberal Government of Ontario of neo-Nazism, carrying histrionics to an extreme, we see the federal Progressive Conservative Government following the lead of its counterparts in Ontario and remaining strangely silent. It has sat by while the provincial leader of the Conservative Party assists the doctors in trying to contravene a unanimous law passed by the federal Parliament under the leadership of the Liberal Government.

Those of you who were here in this Chamber at that time will remember the fight Monique Bégin had as the Minister of Health. She took the fight to the people and said that she fundamentally believed that Canadian men and women support the notion of equal access to quality health care. Yet we see tonight not only has this Conservative Government sat back and remained silent on one of the most important health issues facing the Province of Ontario, at the same time we see with this insidious legislation that it will be further cutting back on health and post-secondary education budgets across the country. In Ontario, as an example, a quick calculation will show that with the $8.1 billion being cut, more than $2 billion will be taken out of the health care and education budgets in Ontario. As a matter of fact, the provincial Liberal Government will be faced with having to recoup almost $3 billion in lost funds as a result of this Government's move to pay the deficit on the back of the provinces, the sick, and students who want to pursue post-secondary education but who may not have the financial means.

[*Translation*]

It seems to me, Mr. Speaker, that what we are dealing with this evening is the issue of universal access, not only to health care, but also to post-secondary education. We know that there is now such a crisis nationally in post-secondary education that, a few weeks ago, a judge of the Supreme Court of Canada stated that he was afraid that our system would continue to deteriorate if the federal Government maintained its intention to reduce its funding by $8 billion as proposed in this Bill.

[*English*]

"Universities desperate for money, Judge says". "Canada is on the verge of becoming a second-class nation because of a tragic under-funding of universities by federal and provincial Governments, Chief Justice Brian Dickson of the Supreme Court of Canada says". In an uncharacteristically blunt attack, Dickson told graduating students of the University of British Columbia—and we know the situation in British Columbia has not been a pleasant one for students of post-secondary education—"Canada must have good universities with outstanding teachers and world class research facilities. Second class funding of universities will inevitably lead to second class teachers, second class students and, ultimately, a second class nation." In this particular motion, in this particular Bill—

[*Translation*]

In Bill C-96, the federal Government is suddenly asking the provinces to pay, and Quebec will lose about $3 billion. Ontario will lose $2.5 billion. The amounts vary for the other provinces, but the effect will always be the same. We shall have to reduce our health care budget and the funding of our colleges and universities.

Mr. Speaker, I think that Judge Dickson was right to say that, if we continue to reduce university budgets, if we continue to make cuts in our education budgets, we shall end up with a second class nation.

Let us consider the work done by the previous Liberal Governments. They have provided Canada with a health care system unparalleled in the world. I think Canadian men and women are proud of it. We are aware that a few problems remain just the same.

In the excellent speech he made earlier, the Hon. Member for Winnipeg North Centre (Mr. Keeper) suggested that we might start dealing with the system's problems by referring to the prospective analysis made by Mr. Lalonde over ten years ago.

It is not merely a financing problem, as claimed by Ontario physicians, but also a matter of properly using our medical resources. In my opinion, this Government's challenge is not only to make cuts for the purpose of possibly reducing the deficit or transfering to the provinces its budgetary burden, but to move forward and show leadership to help enhance our health care system in Canada.

[*English*]

I do not see that leadership at the moment. What I see is a Finance Minister who is intent on passing along his deficit problems on to the backs of the poor and on to the backs of our senior citizens, who will undoubtedly pay the price with restricted hospital services and restricted access to medical care.

• (1910)

He is intent on paying the price on the backs of our young people who will find themselves with a situation in the nineties that was all too prevalent in the fifties, when only the children of the very wealthy had an opportunity to pursue a post-secondary education. The sixties and the seventies in Canada saw some tremendous social and economic progress. Two of the highlights of that period are, indeed, a first class world class universally accessible health care system, and an educational system at the post-secondary level which has been

admired by foreign governments and foreign visitors from across the world.

With this particular motion, which seeks to gut to the tune of more than $8 billion the inflationary protection that would have been accorded to provincial Governments to deal with the issues of post-secondary education and health, we see that the Government is not committed to providing leadership in these areas, but simply passing the buck.

Most of us will remember that when the Minister tabled his last Budget, he said, and I think it rang well throughout the chamber, "the buck stops here". Well, it is clear that the buck does not stop here. The Minister in his statement said that, in fact, the buck stops here. Quite clearly that is not the case, and that is why after debate upon debate I feel compelled to move a motion. That motion reads as follows:

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

Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Care Contributions Act, 1977, be not now read a third time, but that it be read a third time this day six months hence.

That is my motion, and I believe it speaks to the heart of the problem we are facing.

Mr. Deputy Speaker: The Chair finds the motion in order. Debate will proceed on the amendment. In the meantime, questions and comments.

Mr. Nunziata: Mr. Speaker, I assume I am asking questions of the Hon. Member for Hamilton East (Ms. Copps)?

You will note that we have been in the House since 11 a.m. and, with the exception of Private Members' Hour, we have been debating this particular piece of legislation. It is now approximately 7.20. Therefore, we have been debating this for about seven hours. You and I have both participated in this debate since it began today. We all know that there have been other occasions to debate this particular piece of legislation.

In the seven hours that we have been discussing and debating Bill C-96, not one single, solitary Conservative Member of Parliament has risen to make submissions. Not one single, solitary Conservative Member of Parliament has asked the following question, with the exception of the Member for York East (Mr. Redway). The question, although intelligently put, was more intelligently answered by my colleague, the Member for Humber—Port au Port—St. Barbe (Mr. Tobin). The question is: Why have the Conservative Members of Parliament not risen in their seat to defend Bill C-96?

As I pointed out earlier this day, it is obvious that Bil C-96 is indefensible. If it were, why then would the Conservative Members of Parliament not stand in their places to try to defend this Bill? That would lead one to conclude that the Conservative Members of Parliament who have been present today, and there are not many of them, do not support the Bill. So much for parliamentary reform.

I would submit that by not standing up and speaking to this legislation, the Conservative Members of Parliament are doing a very serious disservice to their constituents and, indeed, to their respective communities.

Liberal speaker after Liberal speaker has pointed out the inadequacies of this particular piece of legislation. They have pointed out that this legislation is regressive, it attacks post-secondary education in Canada, it attacks health care in Canada, and yet our submissions, our pleas are falling on deaf ears.

The Government is intent to pass this piece of legislation notwithstanding that group after group, and individual after individual at committee has spoken out against this legislation. I would like to ask my friend and colleague from the riding of Hamilton East (Ms. Copps) to indicate to the House her views as to why the Conservative Members of Parliament opposite are not speaking out. I note that the Minister of Finance (Mr. Wilson) has just entered the Chamber. I hope my friend, the Hon. Member for Hamilton East (Ms. Copps), will comment on this legislation that was introduced by the Minister and join me in challenging him to stand up during this most important debate and tell us why he believes that this legislation should carry.

• (1920)

Ms. Copps: Mr. Speaker, the Member for York South—Weston (Mr. Nunziata) is right on. We have not heard from government Members and I think the reason they have remained strangely silent on this Bill is that they are embarrassed by it. They recognize that what the Minister of Finance (Mr. Wilson) has done in one fell swoop is pass along an $8 billion problem to the provinces and territories. They know that it will result in a situation where health care will be offered on an unequal basis to the citizens throughout our country. The educational system at the post-secondary level will deteriorate from province to province and we will see a greater concentration of regional problems than we have already seen during the course of the present Government.

A third cause of some embarrassment to the Prime Minister and the Conservative cabinet Ministers who are telling the provinces that they should tighten their belts to the tune of $8 billion is that according to the most recent news from Ottawa, Conservative cabinet Ministers spent 53 per cent more on their personal staff last year than the Liberals did in their last full year in office. In fact, those figures do not include the staff of the Prime Minister (Mr. Mulroney) whose budget has jumped almost 50 per cent over the two year period, to $6.5 million. When one considers the number of political staff, the budget for the political staff of Conservative cabinet Ministers is $13 million compared with $8.6 million under the previous Trudeau Government.

I too would be somewhat embarrassed about going to the provinces and telling senior citizens and young people that they will have to tighten their belts and pay more for health and education while the Government is increasing its own personal

political staff by 50 per cent to 53 per cent, depending on the Minister. It is the same Government that is singing austerity across the country and telling senior citizens that they will have to accept cut-backs in the increase to their old age pensions and telling middle income and poor families that they will have cut-backs in the amount of family allowance they would have received because they are doing their bit to fight the deficit.

The deficit is being fought, but it is not being fought in the offices of cabinet Ministers or the Office of the Prime Minister, who has achieved an increase of almost 50 per cent in his personal political office staff. Furthermore, those figures do not include the cost of shuttling his film team from coast to coast in Hercules aircraft so that we may have capture for posterity the picture of our Prime Minister as he travels from West Coast to East Coast. According to the press reports, we see in one fell swoop that one particular junket cost the taxpayers approximately $40,000 in hotel costs alone, and we expect that the cost of the Hercules in the short term is probably closer to the $1 million that was quoted in last week's press. If I had that record I think I would also be a little embarrassed to speak out.

Mr. Deputy Speaker: Resumimg debate.

Mr. John Nunziata (York South—Weston): Mr. Speaker, I feel compelled to continue my submissions with respect to Bill C-96, but I am delighted that the Minister of Finance (Mr. Wilson) has entered the Chamber. I know that his staff has advised him about the nature of the debate that has occurred today. No doubt, the Minister is deeply chagrined by the submissions made on this side of the House.

Now that he is back in the House, I would like to ask him what he meant when he said in the House, on March 23, 1982, as reported at page 15758 of *Hansard*:

> The only sign—

The federal Government:

> —shows of cutting spending is by shifting the burden of the established programs funding on to the provincial governments. The provinces are now moving into a deficit position, a position which will make it more difficult for them to finance this shift in spending.

The Minister went on to say:

> That is not co-operative federalism. That is predatory federalism, and it will not and cannot work in this country.

I am sure that the Minister recalls his words. He was speaking four short years ago. What a difference four years makes. What a difference it makes to cross the aisle of the House of Commons.

Given that Bill C-96 has been presented for third reading today, one might question the Minister's sincerity. Of course, Members cannot directly question the sincerity, the integrity or credibility of a particular Minister of the Crown, but Canadians are asking tonight what the Minsiter of Finance meant four years ago when he said that predatory federalism will not and cannot work in this country. What did he mean four years ago when he said that it was unfair for the federal Government to transfer the task of deficit reduction on to the backs of the provinces in Canada? Obviously, the Minister of Finance was singing one tune in March, 1982 and is singing another tune today as Minister of Finance. Is it any wonder that the Conservative Government has literally and absolutely frittered away the support that it obtained in the election campaign of 1984? One of the reasons why the Government has so dramatically lost the mandate that was given to it two short years ago is credibility and trust.

Let me quote the Minister of Finance again, this time on March 24, 1982. He said, as quoted at page 15774 of *Hansard*:

> Taking the action of unilaterally cutting the financing, which the Government is now proposing—

Of course, he was referring to the Liberal Government:

> —and then having some discussions with the provinces, surely puts the cart before the horse. We should be reversing this procedure.

That is what the Minister of Finance said four years ago when he was in opposition. However, when he became Minister of Finance he decided to cut $8 million in federal transfer payments to the provinces for post-secondary education and health care.

What happened to the consultative process that the Minister spoke of when he was in opposition four years ago? What happened to the consultative process that was promised during the last election campaign? What happened to all those lofty pronouncements made in the days and weeks following the election in September, 1984? The Minister of Finance and others on the government side, including the Prime Minister, stood up in the House time and time again and said, with considerable satisfaction and considerable sincerity as we thought at the time, that because of the election of the Conservative Government Canada had entered into a new era, an era of national reconciliation.

The Minister said that Canada, in terms of federal-provincial relations, had entered a new phase where the provinces would be consulted before the federal Government took any action affecting the provinces. What did the Government do with respect to Bill C-96, given its promises during the election campaign and shortly after? Did the Minister consult with the provincial Governments and provincial Treasurers?

Mr. Wilson (Etobicoke Centre): Yes.

Mr. Nunziata: I think not.

Mr. Wilson (Etobicoke Centre): Well, you are wrong.

• (1930)

Mr. Nunziata: Was there a new ara of national reconciliation? One can hardly speak of national reconciliation when each and every one of the provincial Governments in Canada vigorously objected to this legislation when it was introduced in the House. Each and every one of those provincial Premiers,

Conservative and Liberal, have objected to the legislation along with hundreds of thousands of Canadians and dozens of special interest groups that have appeared before committee. However, the Government is intent on ramming through the legislation notwithstanding the devastating impact it will have on health care and post-secondary education in Canada.

Canadians are asking about the federal Government's priorities because it appears obvious, given its track record over the last two years, that the Conservative Government and the Minister of Finance, in particular, have misplaced priorities. The Minister of Finance of the Conservative Government is able to bail out banks in western Canada. The Government has been able to give away millions and billions of dollars to the wealthy taxpayers in Canada. It has been able to find sufficient moneys to give a $125,000 cash bonanza to Canadians, yet it is asking the provincial Governments to cut back in those two very crucial areas of health care and post-secondary education.

One would think, given the haste with which the Government is progressing with the Bill, that it has not considered the impact. Either it has not considered the impact of Bill C-96 or it simply does not care.

The impact will be devastating to the provincial Governments. The Government of Canada, through the Minister of Finance, is asking the provincial Governments to find an additional $8 billion over the next five years in order to maintain the quality of health care and post-secondary education that Canadians have learned to appreciate and expect. What it is simply doing is transferring the problem of deficit reduction from the federal Government to the provincial Government, but in so doing, it is attacking two very crucial areas. We in the Liberal Party will not sit idly by as the Government attacks the disadvantaged in society. Over the last two years, we have found that it has tried to reduce the deficit on the backs of the disadvantaged and the senior citizens, and all because of this paranoia with respect to the deficit.

We in the Liberal Party recognize, of course, that the deficit is a problem; but we believe that if efforts are made to control or manage or reduce the deficit, then it must be done in a fair and equitable way. It is not fair to try to reduce the deficit on the backs of those least able to defend themselves, but that is the Conservative way of thinking, that is the Conservative philosophy. They believe, as Conservatives, that the bottom line is the balance sheet. They believe that running the country is like running a business, that at the end of the so-called fiscal year, they must balance the books or show a profit. We in the Liberal Party believe that Governments are in business to serve the people, and we are here to ensure the best interests of the people of Canada. We as a Government will ultimately not be judged by whether the balance sheet balances at the end of the fiscal year. We as parliamentarians, as legislators, will ultimately be governed by how we treat the disadvantaged in society, the poor, the disabled, the unemployed, the young. That is how we as a Government will be judged. We are not here to serve the interests of Bay Street. We are not here to run the Government as one would run a business. Of course, we must be fiscally responsible in terms of our spending. However, if we wanted to, as a Parliament, we could eliminate the deficit overnight.

Mr. Forrestall: How would we do that?

Mr. Nunziata: That is possible, Mr. Speaker. The Hon. Member from Nova Scotia sitting opposite laughs and asks, "How could we do it?" It is quite simple. If one wants to eliminate the deficit overnight, all one must do is to eliminate family allowance payments in Canada, eliminate old age security payments, eliminate unemployment insurance, and not only would the deficit be reduced—

An Hon. Member: Just call in tax deferments.

Mr. Nunziata: —but a surplus would also be created. However, that is not what Canadians want. Canadians want and expect an unemployment insurance scheme in Canada. Canadians want and expect family allowance payments in Canada to assist those who are less fortunate than us. Senior citizens want and need old age security benefits. Canadians have come to expect and appreciate certain government programs that have enhanced, over the years, and will continue to enhance, the quality of life in Canada; so, we do not eliminate benefits like unemployment insurance or family allowance or old age security payments in order to reduce or eliminate the deficit.

To a large extent, the reason we have a deficit is that we have those very worth-while programs in Canada. The Conservative Government is absolutely paranoid with respect to the deficit. It is obviously prepared to do anything in order to reduce the deficit. In so doing, it is sending some very sad and unfortunate messages, to the young in Canada, for example. We have found, over the last two years, that the Conservative Government has cut a number of programs affecting the young. It slashed Kitamavik a number of months ago in order to reduce the deficit. Well, what type of message does that send to our young people? What kind of message, we ask, does that send to the hundreds of thousands of young people who are unemployed and unable to find employment? The young unemployed in Canada have been called the lost generation, and it is mainly due to the actions of the Conservative Government. What is important is to give the young in society an opportunity for the future. It is important to give them hope. However, the Government is not giving the young in Canada any hope, and without hope, there is no future.

• (1940)

What the Government is doing with Bill C-96 is telling the young people of Canada that post-secondary education is no longer important to the federal Government, or that it is no longer as important as the federal deficit. If it were as important as the federal deficit, the Government would not be cutting $8 billion in federal transfer payments, knowing full well that the effect of this cut over the next five years will be to

decrease the high quality of post-secondary education in Canada.

As I submitted earlier, we have a quality of post-secondary education and health care that is second to none in the world. We have a health care system and a post-secondary education system that is the envy of many countries and many jurisdictions. What the Government is doing by its actions through Bill C-96 is rendering our first-class system of health care and our first-class system of post-secondary education second-class, all in the name of reducing the almighty deficit.

Many individuals have spoken out over the last number of months with respect to Bill C-96. They have spoken out as well about the desperate need for money for our post-secondary institutions. In late May, Mr. Justice Brian Dickson, the Chief Justice of the Supreme Court of Canada, expressed his very deep concern with declining funding for post-secondary education in Canada. He said:

> It has been said by many people that education is too important to be left to educators. That may be true. But it is also true that education is too important to be left to Ministers of Finance.

In effect, what the Chief Justice is saying is that he does not trust the Minister of Finance to deal adequately with education and that, given the choice ,the Minister of Finance would rather decrease the deficit than increase the quality of post-secondary education. Mr. Justice Dickson indicated that Canada is on the verge of becoming a second-class nation because of the tragic under-funding of universities by federal and provincial Governments. Bill C-96 will simply exacerbate the problem.

I note that Your Honour is indicating that my time is up.

Some Hon. Members: Hear, hear!

Mr. Nunziata: In conclusion, the Hon. Member for Hamilton East (Ms. Copps) has moved a motion to suspend third reading of this Bill for six months. It is a worth-while amendment to the main motion before us. It will give the Government an opportunity to reconsider this ill-advised piece of legislation. It will give members of the Government an opportunity to try to persuade the Minister of Finance to understand the negative impacts of Bill C-96. It will give all Canadians more opportunity to try to persuade the Minister of Finance that this measure is unfair, unjust and inequitable. I urge Conservative Members opposite in the remaining few hours of this debate to have the courage to stand up and tell their Minister of Finance that this piece of legislation is ill-conceived legislation and that it ought to be withdrawn.

Mr. Deputy Speaker: Are there questions or comments? The Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins).

Mr. Hopkins: Mr. Speaker, I would like to ask the Hon. Member for York South—Weston (Mr. Nunziata) a question. How will these cuts over the next six years affect the total budgets and actions of the Government of Ontario?

Mr. Forrestall: Author, author!

Mr. Hopkins: I note that the Hon. Member for Dartmouth—Halifax East (Mr. Forrestall) is much better at speaking from his seat these days than he is from his feet.

Mr. Forrestall: Author, author!

Mr. Hopkins: The author is standing right here before you.

The Hon. Member mentioned many areas that will suffer, but he confined his remarks mainly to the areas of post-secondary education and medical care.

If the provinces are to turn around and find a total of $8 billion to make up the amount of money that the Government will not be transferring to them in the next few years for medicare and post-secondary education, then where will they find this money? In what areas will they have to cut back in order to find this money?

Mr. Nunziata: Mr. Speaker, I would like to thank my hon. friend and colleague for his question. It is an excellent question—

Some Hon. Members: Oh, oh!

Mr. Nunziata: —that is being asked by every provincial Treasurer in Canada and by every provincial Government in Canada.

I note that Conservative Members are taking particular delight in heckling. Yet they do not have the courage to stand up in their places to speak. At least Members on this side of the House—

Mr. Horner: They jump over their seats!

Mr. Nunziata: —stand up to express a point of view and to express an opinion with respect to Bill C-96. All Conservative Members of Parliament can do is to sit opposite and yap all night long. I simply consider the source when I hear some of the comments being made by Members opposite.

However, in reply to the question from my colleague, over the next five years the Province of Ontario will receive close to $2 billion less in federal transfer payments for post-secondary education and health care. In fiscal year 1986-87, there will be $114 million less. In the following fiscal year, 1987-88, the figure is $243.4 million. In the following fiscal year it will be close to $400 million less. In the fiscal year, following that, it will be over $500 million less, for a total of $2.9 billion.

If this legislation passes, and we hope that it will not, the provinces will have a number of very tough decisions to make. The Province of Ontario, for example, will find itself with $3 billion less than it otherwise would have had if the Government of Canada and the Minister of Finance had kept the commitment of the federal Government and if it had not reneged and breached a very fundamental agreement with the provinces. The provincial Governments will have to cut health care services, cut back in the area of post-secondary education or

they will have to raise taxes. Thank goodness for the Liberal Government at Queens Park. We know that the Liberal Government there is committed to an extremely high level of health care and post-secondary education.

I note that my time is up. In conclusion, it is obvious that Canadians in every region will suffer as a result of this regressive, harsh and cruel legislation. No institution will be spared the axe that the Minister of Finance has brought down on the budgets of provincial Governments. I hope that the Minister of Finance will conclude after the debate is over that this particular Bill should be withdrawn.

• (1950)

Ms. Copps: Mr. Speaker, I noted that the Hon. Member for York South—Weston commented, as did the Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins), on the fact that a number of Conservative Members are very happy to speak from their seats but do not want to rise to their feet. I wonder if the Hon. Member for York South—Weston could comment on the words spoken by the Hon. Member for Mississauga South (Mr. Blenkarn) back in the olden days when he was in opposition.

During the time of the six and five program, the Hon. Member for Mississauga South, the Minister of Employment and Immigration (Miss MacDonald), the Hon. Member for Wetaskiwin (Mr. Schellenberger) and the Hon. Member for Brandon—Souris (Mr. Clark) all spoke out very strongly in the House. Specifically, the Hon. Member for Mississauga South talked about the changes in EPF funding at that time as a result of the six and five program as being a breach of contract, a breach of agreement and even more than that, a breach of an understanding of where the country is going.

Mr. Forrestall: That's the mess you left us with.

Ms. Copps: Mr. Speaker, we hear the Hon. Member for Dartmouth—Halifax East (Mr. Forrestall) speak time and time again from his seat and he is doing so again. Why does he not rise—

Mr. Forrestall: I know what I'm talking about and you don't.

Ms. Copps: —to allow the people of Canada to hear what he has to say on this issue rather than heckling from his seat in a banshee-like manner.

Mr. Nunziata: She's sober.

Mr. Forrestall: What was that comment? That's the second time, John, and that's enough.

Ms. Copps: For instance, the Minister of Employment and Immigration, when talking about the six and five program, said that the consequences may not be readily discernible to the federal Government, but to the thousands of young Canadians in post-secondary institutions and to the hundreds of people who staff our community colleges and universities, the consequences are very clear and in fact are frightening.

I would like the Hon. Member for York South—Weston to comment on the words of these two Hon. Members who, when in opposition, had the courage to rise to speak out, but now that they are in government are strangely silent on an issue which will affect the transfer of $8 billion in federal funds to post-secondary education and health services across Canada.

Mr. Nunziata: Mr. Speaker, is it any surprise that those two Hon. Members, and Conservative Members in general, are not speaking out? When they were in opposition, they made quite a number of statements by which they were not prepared to stand or to defend. Now that they are in government, a silence has fallen over the Conservative benches. None of them have the courage to speak to this legislation.

That leads me to question why those Hon. Members are here in the House of Commons. What purpose do Conservative Members of Parliament serve in the House of Commons? They are certainly doing a disservice to the House and their constituents by not participating in this debate. If they do not agree with what we are saying, rather than sitting in their seats and yapping like dogs in heat, they should have the courage to rise. I would respect them if they rose in the House and expressed a point of view. Even though I might disagree with what they say, I would respect them for having the courage to rise to defend what they are doing. However, not one of those guys across the aisle is prepared to rise to defend Bill C-96. They are a bunch of cowards.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, earlier I quoted the statement made by the Minister of Finance (Mr. Wilson) in the House on March 23, 1982, and indeed I think it bears repeating tonight. On March 23, 1982, the Minister of Finance said the following:

> The only sign—
>
> The federal government.
>
> —shows of cutting spending is by shifting the burden of the established programs funding on to the provincial governments. The provinces are now moving into a deficit position, a position which will make it more difficult for them to finance this shift in spending . . . That is not co-operatie federalism. That is predatory federalism and it will not and cannot work in this country.

I noticed that as I was quoting him, the Minister of Finance left the House. I hope he will return. The other point I wanted to make—

Mr. Forrestall: You're the only Liberal in the House.

[*Translation*]

Mr. Deputy Speaker: Order, please. The Hon. Parliamentary Secretary to Minister of Finance (Mr. Vincent) rises on a point of order.

Mr. Vincent: Mr. Speaker, because the Hon. Member has sat long enough in the House—maybe too long—he should know our Standing Orders. If he knew them, Mr. Speaker, he

would be aware that he is not allowed to make reference to hon. members being present or absent.

Mr. Deputy Speaker: The Hon. Parliamentary Secretary's point is well taken. The Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins) has the floor. Debate.

[*English*]

Mr. Hopkins: Mr. Speaker, there is another statement that was made, and I do not have it here, but I know it so well that I do not need to read it. That is the promise the Prime Minister of Canada (Mr. Mulroney) made to several thousand people in my constituency during the last election campaign dealing with the Atomic Energy of Canada Ltd. community at Chalk River.

Mr. Horner: What's that got to do with it?

Mr. Hopkins: The relevancy is this: we are dealing with a Government that is lacking in credibility because it makes statements and then turns around and does the exact opposite. Today the Minister of Finance is doing the exact opposite of what he stated in the House in 1982. He is turning around and doing the very same thing he said Conservatives would not do as a Government.

The Prime Minister told Atomic Energy of Canada Ltd. that not only would he retain its level of funding but indeed he would attempt to improve it and allow for further research and development. What did the Prime Minister do? The Minister of Finance helped him live up to his statement by cutting $100 million out of the budget of Atomic Energy of Canada Ltd. Not only that but it is going to end up costing 550 positions—

Mr. Forrestall: What is the relevancy?

Mr. Hopkins: Education enters into high-tech industries. If they wanted to be relevant, Mr. Speaker, government Members would not have made any one of those 338 promises that were made during the last election campaign. Even the promises they made not to do things are now being broken.

The Minister of Finance did indeed say in the House loud and clear and with a great deal of pride that the buck stops here. However, the buck stops here for the wrong reason. The buck stops here because the federal Government is shifting its responsibilities on to the shoulders of provincial and municipal Governments. That is wrong.

Mr. Forrestall: Do you want to know where it started, Len?

Mr. Hopkins: Instead, they have no trouble whatsoever, if I may continue to speak above the din of those who speak from their seats—

Mr. Forrestall: It goes back to Otto Lang and some of the others.

Mr. Hopkins: In all fairness, Mr. Speaker, I think you should be calling for a little order here.

Mr. Forrestall: You don't like that, do you, my dear friend? You don't like the truth. It hurts a little bit.

Mr. Hopkins: They bail out the banks to the tune of $1 billion. They cut the provinces back by $8 billion over the next six years. They break their promises to the provinces and to Atomic Energy of Canada Ltd. They slash the National Research Council. To a very large degree they are great educational and research facilities.

• (2000)

What is the Minister of Finance doing with medicare? He is cutting back on federal contributions to the provinces. I am one of those people who would be quite happy to see the federal Government being responsible for the medicare program across the country, if such an amendment to our Constitution were possible. Then the buck would have to stop here, and the Government would have to carry its load for the provinces of Canada.

Other speakers have mentioned that this piece of legislation will create different levels of medicare across Canada. To a large degree the quality of medicare at the provincial level depends upon the financial ability of the provinces to pay. However, the federal Government has levied heavier taxes than we have seen in years, if indeed ever, on to individual Canadians. It has levied taxes on small business, and those taxes will grow. In the crunch, the federal Government has actually levied more taxes upon the very sources upon which the provinces will in turn have to depend to obtain more money to operate the medicare and post-secondary educational systems. They will have to make up for the money the federal Government will not transfer to them in the next six years. For example, the Province of Ontario will lose nearly $3 billion in transfer payments between now and 1992. It is passing the buck to the provinces by forcing them to increase their taxes.

I predict that the cut-back in transfer payments to the provinces and to the territories will mean, somewhere down the road, it will be necessary to appoint a commission similar to the Rowell-Sirois Commission which was appointed in 1937. The Rowell-Sirois Commission studied in depth federal-provincial financial arrangements in Canada and came up with some excellent recommendations. It is probably the best quality report in this area which has ever been produced in Canada; many reforms came out of it. The day will come when we will rise again in the House of Commons to debate amendments to Bill C-96 as a result of an in depth report of a future commission on federal-provincial financial arrangements with the provinces. I also believe that it will be necessary to amend the legislation to balance provincial finanances which are being destroyed by the Bill before us today.

Many students are graduating from our universities today. In fact, many older people are returning to university for additional training in technical areas, arts, professions, and trades. They realize that they need additional upgrading and training. Indeed, there are those who will need future retraining in our educational system. The responsibility to educate all

Canadians places a large burden upon our provinces. However, we in the Parliament of Canada have a responsibility for employment. The provinces will tell us that they have a share in that responsibility as well. If we are to accept responsibility for the employment of Canadians, it would be irresponsible for us not to put enough federal funds into education to keep our institutions going, to keep providing quality teaching, and to put quality students out in the world who can face the challenges of today. If there are to be jobs for these people when they leave university, then we will need development, development, and more development.

There will be fewer jobs in Canada because the Department of Regional Industrial Expansion has been cut to shreds. It does not have the capacity to produce local industries to help regions as it has in the past. The Government is more interested in building up the greater metropolitan areas or cities of Canada than it is interested in the regions of Canada. If the Government continues with this procedure, we will continue to be a nation in existence 100 miles north of the Canadian-American border. We have to do better than that.

One of the main concerns raised by the provinces in this debate was that the federal Government should review its priorities. On the one hand it reimbursed the uninsured depositors of failed banks to the tune of $1 billion. It also exempted capital gains from taxation, which favoured the wealthy. It gradually stopped taxing oil and gas in the producing provinces and increased RRSP deductions. On the other hand it is cutting back on health care and post-secondary education.

Many people realize that Bill C-96 is one of the most serious issues to have come before the House of Commons. I am only sorry that there will not be more debate on it today. It shows that the Government with its huge majority is willing to ramrod the legislation through the House and that it could not care less about provincial medicare programs or post-secondary education. If there ever was a time in Canadian history when educational institutions needed considerable money to keep pace with modern day technology and to update their institutions, it is now. It is a very costly process but a very necessary process in terms of investment in the future of the country.

Earlier today I mentioned that the biggest issue at stake in the Bill is the lack of credibility of the Minister of Finance. In the past he placed statements on the record of the House, and then he turned around and did the very thing he said he would not do. At a time when the Government is on everyone's back asking them to save money and to cut back, at a time when it gives less money to provincial educational and medicare programs, it is flying Hercules aircraft with camera crews to make movies of the Prime Minister. It is trying to advertise at public expense in order to wallpaper over the major problems its financial policies are indeed creating.

• (2010)

The Conservatives promised the provinces one of the greatest honeymoons in Canadian history if they were ever elected to power. Once elected to power, they turned on the provinces. One of the first things they did was to cut transfer payments to the provinces. They are not gaining anything, and the sad part of it is that the country is not gaining anything by this process because someone will have to pay the bill. If it is not the federal Government then it will be the provinces, and if the provinces cannot afford to pay then it will fall on the municipalities, and if they cannot do so then the local taxpayers and the municipalities will have to pay higher taxes on property. It goes right down the line. There is no stopping. Contrary to what the Minister of Finance said, the buck does not stop here, it just sinks to the lowest level of Government in Canada.

We have seen and I have seen personally the promises made by the Government that have affected my own region of Canada drastically. I have mentioned the cut-backs in the Department of Regional Industrial Expansion, a Department which has had a great success story in eastern Ontario and in many areas of western Quebec. We have seen the Prime Minister welsh on his promise to retain funding for one of our greatest success stories, the high-tech industry in Canada, Atomic Energy of Canada. One of the Prime Minister's first acts was to cut its funding by $100 million. Today, in all the discussions about nuclear energy, I often wonder how many people realize that the cobalt therapy cancer treatment unit was developed at Chalk River, Ontario. There are several of those units and they are doing tremendous work. Medical radioisotopes are being produced by Atomic Energy in great amounts and are being sold abroad. There are many applications to the industry which many people do not realize because there is an emotional debate going on about nuclear energy itself.

It is unfortunate that that type of debate should be heightened by the Chernobyl accident because that incident has no relationship whatsoever to the operations of the Candu reactors in Canada. It is unfortunate that in this day of higher education and social services such as medicare the real nuclear debate in nuclear arms is leading people to turn away momentarily from the nuclear industry because they are so concerned about the international scene. With advanced education and with more money provided to our universities to train engineers nuclear energy will become more important for the future and be much better understood. Hopefully by that time, Mr. Speaker, we will have a Government that has some credibility, a Government upon which we can depend to keep its word. The Prime Minister and his friend Ronald Reagan will have lots of time after 1988 to make movies because they will not be there.

Mr. Redway: Mr. Speaker, I have two questions that I would like to put to the Hon. Member, but I would like to comment first. As you know, Sir, as the Hon. Member knows and as I know this is the thirteenth day of debate on this one

Bill. The Bill has gone through first reading, second reading and we are now in third reading in this House. The Bill was also discussed in committee. On second reading the Bill had 10 days of debate. Ninety speeches were given in those 10 days of debate on second reading. We are now on third reading and this is the third day of debate. The Hon. Member who just spoke was the thirty-second speaker during those three days.

Ms. Copps: And we have more.

Mr. Redway: On this Bill so far we have had 13 days of debate in the House and 122 speakers. The Hon. Member for Renfrew—Nipissing (Mr. Hopkins) has spoken twice in the debate today. First, could he point out to me one submission, one comment, one iota of information he gave in his second speech that was different in any way from the first speech he made in the House today on the same topic on the same Bill?

Second, the Hon. Member talked about credibility, fairness and changes in funding to the provinces. Could he tell me whether he believes that it is more fair for the Government of Canada to increase transfer payments for health and post-secondary education to the provinces, as we are talking about in this Bill, by 7 per cent, annually when the inflation rate was 12 per cent annually, as was done by the former Liberal Government of which he was a member and supporter, or is it more fair to increase both payments by 5 per cent when inflation is running at only 4 per cent as is being done through this legislation? Those are the two questions I have for the Hon. Member. First, can he point to one single piece of information in his second speech that he did not give us in his first? Second, is it not more fair that we should be increasing payments to the provinces at a greater rate than inflation rather than a lesser rate the way his Government did?

Mr. Hopkins: Mr. Speaker, I thought when the Hon. Member rose that he was going to ask me a very difficult question. I want to thank him for the almost free ride. He asked me what I said different tonight to what I said earlier today. I mentioned a number of things tonight. I predicted that with this new federal-provincial financial system in operation it would only be a matter of time before we would be appointing another very high profile commission, in Canada such as the Rowell-Sirois Commission which was appointed in 1937 after five years of Government by R. B. Bennett.

I mentioned many good pieces of legislation and the reforms that came out of that commission. I suppose it was a matter of some concern to the Hon. Member on the Government side that I brought the Prime Minister's credibility into the debate again tonight. I make no apologies for that. I will continue to bring the Prime Minister's credibility and lack of it into every speech I make as long as I am in this House. I will do that because he made a promise to all my constituents on which he turned a complete flip-flop. The Minister of Finance made a complete flip-flop on the statements he made in this House, as demonstrated by the Bill we are considering today.

• (2020)

We all fully realize that you cannot apply a general rate of inflation to medicare and post-secondary education. Both medicare and post-secondary education costs in the country normally increase more quickly than the regular rate of inflation. I do not think the Hon. Member is looking at this very realistically. Over the next six years the Government will take $8 billion away from the provinces of Canada.

The Member obviously supports that action. His constituents will be complaining to him that they are paying higher property taxes because their municipalities cannot afford to pay the bills any more because the provincial Government has to put more of its money into post-secondary education and medicare. There is not a government supporter in the House who should complain one bit when any provincial Government increases taxes after supporting this legislation. They are in fact forcing the provinces to increase their tax bases. The Member's question underlines what every government Member is thinking about, that is the bottom line, which is what obviously counts to them rather than the humanitarian aspects.

Ms. Copps: Mr. Speaker, I appreciated some of the very personal comments that the Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins) made with respect to the broken promises of the Government in his area. I would like him to elaborate in one specific area. I have a number of relatives in the great and good town of Eganville in the Ottawa Valley. I know that the Valley is presently facing some very unique problems with respect to the need for health care services and, in particular, the need for chronic care services. Some of the smaller communities of Ontario have aging populations relative to other parts of the province. Could the Member tell us what effect he thinks the cut-backs in health care will have, particularly in the more isolated communities like Eganville which have a very large elderly population?

Mr. Hopkins: Mr. Speaker, I thank the Hon. Member for her question. She obviously understands rural Canada a little better than some of the authors of this legislation. Hospitals such as those located in Barrys Bay, Deep River, Mattawa, Renfrew and the two in Pembroke are fortunate to have a Liberal Government in Ontario that is looking after them extremely well. The Minister of Education is our provincial member and he understands the situation very well. Recently he was able to open new facilities at one of those hospitals.

The new Government in Ontario has introduced, for the first time, a helicopter ambulance service which will be very useful in rural areas such as that. People in my area are saying how different it is with the new Government in Ontario, the popularity of which is sky-high and which is doing a fine job even though it is a minority Government. The Government in Ottawa has the biggest majority in Canadian history and cannot seem to get its act together to do anything right. Its credibility is slipping away more and more as it deals in legislation such as that before us today.

I would like to make one last comment to my Conservative friend who questioned me a while ago. Although this debate has gone on for several days, if he figured it out he would probably find that it would average out to about $1 billion a day that provincial Governments are going to lose through this legislation. It is no wonder the Government does not want us to discuss it.

Mr. Lewis: Mr. Speaker, I rise on a point of order. May I suggest that the Hon. Member started to debate at five minutes to eight.

Mr. Deputy Speaker: I did not get the point of order.

Mr. Rossi: That's not a point of order.

Ms. Copps: We didn't call quorum when you only had three Members in the House so you had better be nice.

Mr. Forrestall: Do your thing, Sheila.

Mr. Hopkins: I started at five to eight and it is now 27 minutes after eight, but other people have spoken in between and asked rather lengthy questions so I am quite in order, contrary to what the Hon. Member said.

Mr. Deputy Speaker: The Chair is willing to give 30 seconds to the Hon. Member to conclude. We will then proceed with debate.

Mr. Hopkins: Thank you, Mr. Speaker. I simply want to conclude by saying that I hope my Conservative colleague who questioned me first is not suggesting that a Bill which deals with this amount of money should be pushed through Parliament quickly. That shows a total lack of confidence in Parliament. I do not think that should be the case at all. Members should be allowed to discuss this. When the Hon. Member for Yukon (Mr. Nielsen) was on this side of the House, he always said that money went through the House too fast. He said he still believes that and I am glad because we feel that we should debate issues which deal with large amounts of money in which the futures of every province and the territories of the country are involved. As long as that is the case, we will be on our feet talking about it and trying to bring better things to bear than the Hon. Member who asked the question.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, this evening I would like to take part in the debate on the motion presented by the Hon. Member for Hamilton East (Ms. Copps), asking the Government to postpone passage of the Bill for six months so that the Government can call a conference of First Ministers. At the conference, discussions would be held to find a solution and draft a fiscal agreement between Canada and the provinces. This agreement would have to be the result of a consensus, an agreement everybody can live with, and at the same time should give the Government a chance to show that it believes in what it promised, which was consultation and co-operation with the provinces. If Bill C-96 is allowed to proceed, however, the Government will never be able to keep its promises.

Mr. Speaker, perhaps it would be useful to remind Government Members what their promises were with respect to payments to the provinces.

At a meeting of the Quebec Conservative Caucus held in Sherbrooke on July 26, 1984, the Progressive Conservative Party promised the following, and I quote:

"To observe the federal obligation to finance health care in the provinces under the established programs financing system and provide additional funding for the provinces on a parity basis, to establish or expand programs that are recognized, at a national conference of Health Ministers and health care professionals, as being most likely to improve the general health of Canadians and thus limit the cost of the system in the long term."

It was on that same occasion, on July 26, 1984, that the present Prime Minister, with his hand on his heart, promised he would never tamper with social programs. And we all know what happened in the May Budget and how he tampered with our social programs, and of course we all remember all the demonstrations on Parliament Hill, when for the first time in Canadian history, our senior citizens, our neediest senior citizens came here on Parliament Hill to tell this Government that it had reneged on its promises, and we must not forget Mrs. Denis, who said: Goodbye, Charlie Brown, we'll remember you.

It was on that same day, Mr. Speaker, that the present Prime Minister promised to defend the footwear industry and said he would go and see his friends in the United States, to protect our jobs in the Canadian footwear industry. We all know what happened last November: he abolished footwear quotas and the remaining few will soon be abolished as well.

Again that same day, Mr. Speaker, July 26, 1984, the Progressive Conservative Government made a promise during its 1984 election campaign: an increase in research and development expenditures to 2.5 per cent of the Gross National Product, and I quote this promise word for word: "Our commitment respecting research and development is a basic element of our over-all socio-economic development program. We firmly intend to double the research and development budget by increasing it to 2.5 per cent of the Gross National Product." So of course this past weekend we all read in the newspaper about the way it is keeping this promise, precisely by imposing severe cut-backs to small businesses which specialize in research and development.

Well, Mr. Speaker, I should like to speak more directly to Bill C-96 and mention how the provinces have reacted. Ontario Premier David Peterson said, and I quote: "This shortage of revenues for the provinces will lead to fewer services". There will be fewer hospital beds, warns the Ontario Premier who also believes that provincial community colleges and universities will decrease enrolments by 75,000 in 1990.

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Mr. Speaker, 75,000 fewer students in community colleges and universities is a lot. If we want to compete, if we want our young people to be well educated, how are we going to sell our products and services to the Americans? How can we believe all the nice things the Prime Minister has been telling the nation this evening if, for example, the funding of our community colleges and universities is drastically reduced?

Mr. Speaker, another reaction of the provinces was expressed by Ontario Treasurer Robert Nixon:

• (2030)

[*English*]

"There was uniform opposition to Ottawa's plan." He was referring to all provincial finance Ministers. "Nobody thought it was a good idea." Justice Dickson described Mr. Wilson as intransigent. That was reported in the Montreal *Gazette* of December 14, 1985.

[*Translation*]

In Quebec, Mr. Speaker, the present Minister of Finance, Mr. Gérard-D. Lévesque said, and I quote:

[*English*]

"It is unfair to the provinces, because they have been counting on the amounts agreed to in the Accords."

[*Translation*]

Mr. Lévesque reminded Ottawa that provinces in general had shown a high degree of discipline and restraint in controlling their expenditures. He invited Ottawa to look at its own backyard to see how much it could itself reduce its own expenditures. Richard Hatfield, the New Brunswick's Premier, said: "I will have no choice but to increase extra billing on health services".

John Baxter, The New Brunswick Minister of Finance, said:

[*English*]

"It is unreasonable for the federal Government to think that provinces which have taken difficult measures to deal with their own financial situation can also be expected to absorb part of the problem at the federal level." He also said it is essential that the burden of the deficit be spread fairly across all regions of Canada. What the federal Government is doing does not ensure such fairness in the sharing of the burden. Mr. Kerr, Nova Scotia finance Minister, said every province made it clear that there is probably nothing more important to deliver to Canadians than health and education. He said by cutting health and education spending, the federal Government is running the risk of creating two levels of health care and education in this country. Mr. Vic Shroeder, Manitoba finance Minister, said the Minister of Finance made the wrong choices. The choices are basically to look after the people of the country or the corporations. He was referring to tax breaks the federal Government has given business.

[*Translation*]

Mr. Speaker, practically all provinces disagree with the Conservative Government's Bill C-96.

My colleague for Hamilton East has just introduced a motion to allow the legislation a six months hoist. This would enable the Minister of Finance (Mr. Wilson), who is in this House, the Right Hon. Prime Minister (Mr. Mulroney) and the entire Conservative Government to convene a First Ministers' Conference to sit together, to look for a reasonable solution and to make sure our health and post-secondary education programs are well structured so that students, our young people and our senior citizens can live in peace in a country like Canada.

Mr. Speaker, in order to show that this Government was committed to listen, to practice open government, to listen to the people, I would like to read a few comments from interest groups on that problem of transfer payments to provinces.

Mr. Roger Hamel, Chairman—

[*English*]

Mr. Roger Hamel, President of the Canadian Chamber of Commerce, urged the federal Government to spend more on universities. He said the business community is increasingly concerned that the squeeze on post-secondary education funding will make it impossible for universities to meet the demand for research and development, or even to provide adequate basic instruction for students. Mr. Ed Anderson, President of the Canadian Association of University Teachers, said that proposed federal cuts to post-secondary education could place a university education beyond the reach of many students. Further slashes in university funding could spell hard times for higher education in Canada, resulting in higher tuition costs, program cuts and faculty reductions. The federal and provincial Governments have a moral obligation to give every student in the country at least the opportunity to attend university. Without an educated population, Canada is going to be hard-pressed to cope with the rapid changes in our increasingly technological world.

[*Translation*]

Dr. Donald Sauvé, President of the Canadian Association of University teachers, told us: "Such a measure would lead to reductions 20 times as large as those made by the Liberals, which Conservatives fault at the time."

Mr. Speaker, I am pleased to see the Minister in this House, and I would like to quote, if he remembers, from what he had to say on March 23, 1982, and I would like to know what difference there is today!

He said: " The only sign it shows of cuttings spending is by shifting the burden of the established programs funding on to the provincial governments. The provinces are now moving into a deficit position, a position which will make it more difficult for them to finance this shift in spending. That is not co-operative federalism. That is predatory federalism, and it will not and cannot work in this country." If this could not work in

March 1982, how could it today? Will the Minister of Finance rise in the House and explain why what he said in March 1982 is no longer true in June 1986?

Moreover, two days later, more specifically on March 24, 1982, the same Minister stated: "Taking the action of unilaterally cutting the financing, which the Government is now proposing, and then having some discussions with the provinces, surely puts the cart before the horse. We should be reversing this procedure." What is he doing today, Mr. Speaker? After only four years, the only thing that has changed is that he was sitting before in the Opposition, and now he is sitting on the Government side. That is the only change.

Now that they are on the Government side, everything that Conservatives had said at the time they were sitting in the Opposition no longer applies. All the promises, Mr. Speaker. What has happened to all that? That is what the Canadian people are wondering. I think one should be realistic. Conservative Members should not be nervous when polls indicate that Canadians no longer trust them. It was their policy which caused Canadians to believe that they could have their cake and eat it too. Now that they sit on the Government side, they do exactly the opposite.

I should like to refer to what the National Federation of Nurses had to say about this bill, and I quote:

> We are quite concerned about the Government's unilateral decision to restructure the financing agreements. There is neither consultation nor consensus when one party makes the decision and others just have the right to react.
>
> It seems to us that the Government has now eliminated the superfluous and is now attacking the necessary; if cuts continue and if the growth of federal transfer payments keeps slowing down, we strongly believe that our health care system will deteriorate.

This is from the National Federation of Nurses, Mr. Speaker. Let us now look at what the Canadian Federation of Students says:

> Limiting the increase of provincial transfers for established program financing as proposed in Bill C-96 will only aggravate the underfinancing problem which is already so much in evidence in Canadian post-secondary teaching institutions.
>
> What worries us in this bill is that it attacks a phony problem, because if the provinces do not respect the agreements, the amounts which are allocated to them cannot be reduced. A distribution method should be implemented to achieve this type of result.

There are many more, Mr. Speaker, and I could continue for a long time.

Let us be realistic. The Government has now undertaken negotiations. Tomorrow, free trade negotiations will begin in the United States. How can we initiate such negotiations in the belief that we can compete with the Americans if, at the same time, we reduce the funds which would allow our universities to develop research programs and to offer the best professors, the best services and the best equipment available so that the new generation will be able to produce goods and services and sell them, not only to the United States, but throughout the world, and be really competitive and have a healthy and prosperous economy?

Mr. Speaker, by reducing university financing, we are going against what we are trying to do, and Canadians will come out the losers, not only because the Government was unable to plan the free trade negotiations and started off on the wrong foot, but also because it is reducing at the same time the financing available to our universities.

Second, we are concerned about the elderly. We all agree on the figures. Neither the Government nor the Opposition can question them. It is obvious that the number of elderly will increase in the future. We shall therefore need more hospitals, more beds in our hospitals and more costly equipment. If the Government reduces provincial transfers for health care services, how can we meet this objective? How can we tell our senior citizens not to worry, that they will have a stable future because we can take care of them, when we are reducing the funds available to the provinces?

Mr. Speaker, we have proposed a six month hoist of this Bill to give the Government an opportunity to sit down with the Premiers and find an answer which will not penalize our senior citizens or tomorrow's generation.

• (2040)

[*English*]

Mr. Nunziata: Mr. Speaker, I note again that the Conservative Members of Parliament are not rising to defend Bill C-96.

Mr. Valcourt: Call a vote and then you will see. Vote on it and then you will see where we stand.

Mr. Deputy Speaker: The Member for York South—Weston (Mr. Nunziata) has the floor.

Mr. Nunziata: Mr. Speaker, I note that the Member for Madawaska—Victoria (Mr. Valcourt), who has been in the House all day today, is indicating that we will know where the Conservative Government stands when we vote on the matter. We know what the legislation is all about. we are simply asking that he stand up and tell the people of Madawaska—Victoria why the federal Government is proposing to cut, over the next five years to the Province of New Brunswick, $229 million in federal transfer payments.

Mr. Valcourt: Because the Liberal Government bankrupted the country.

Mr. Nunziata: The Member shouts from his seat, but he does not have the courage to stand up to defend this Bill. I notice behind him the Member for Capilano (Mrs. Collins), who as well has been here throughout the day, and yet has not had the courage to stand in her place to explain to her constituents in Capilano, and, indeed, to all the residents of British Columbia, why the federal Government over the next five years is cutting $935 million in federal transfer payments for post-secondary education and health care. I notice the Member for Essex—Kent (Mr. Caldwell) is here this evening as well. One would ask why he has not stood in his place to explain why the federal Government is cutting $2.9 billion in

federal transfer payments to the Province of Ontario? I notice the Minister of Finance (Mr. Wilson) here and the Minister of Employment and Immigration (Miss MacDonald), neither of whom have stood in their place to try to defend this legislation today. The Minister for Northern Affairs is here, yet he has not found it—

Mr. Deputy Speaker: Order, please. I would just like to remind the Hon. Member that we are not supposed to refer to the absence or the presence of specific Members in the House. The Member for York South—Weston has the floor.

Mr. Nunziata: Mr. Speaker, I will not refer to their presence in the House because it is just as well they were not here over the course of the last 10 hours. I have been in the House for 10 hours straight and there has only been one Member, the Member for York East (Mr. Redway), who has stood up to speak. I will not comment any further on the fact that government Members are not responding to this legislation. It is obvious that they are embarrassed by the legislation and cannot defend it. It is equally obvious that they are doing a very serious and profound injustice and disservice to their respective constituencies in their respective regions of Canada.

• (2050)

Constituents of Conservative Members throughout Canada are asking where their Members of Parliament are and why they are not standing up to speak in the House of Commons.

Mr. Tobin: Did they elect them or was it a bad dream?

Mr. Nunziata: Was it a bad dream on September 4, 1984? One would think that those parliamentarians would stand up to speak. We on this side of the House may disagree with what Hon. Members opposite may say, but at least we would respect them for saying something about this legislation rather than saying nothing.

On a number of occasions my hon. friend has spoken forcefully and vigorously, with considerable eloquence and passion about this Bill. Is he aware that at committee stage of Bill C-96, every person, group or organization that appeared before the legislative committee considering Bill C-96 objected to its passing? These groups include the Canadian Medical Association; the National Federation of Nurses; the Canadian Nurses' Association; the Canadian Federation of Students; the Canadian Health Coalition; the Canadian Union of Public Employees; the Canadian Teachers' Federation; the Canadian Hospital Association; the Canadian Association of Optometrists; and the list goes on. Is my colleague aware of that fact and, if so, will he comment on why all these groups would find it necessary to oppose the legislation in such a vigorous and forceful fashion?

Mr. Gagliano: Mr. Speaker, I thank my colleague for his question.

Mr. Forrestall: Read on.

Mr. Gagliano: My hon. friend already listed the groups which appeared before the committee. However, one that I find very appropriate is the National Federation of Nurses. They state: "It is alarming to us that this Government has unilaterally determined what the funding arrangement will be. Surely consultation and consensus cannot occur when a decision is made by one group and the other affected by the decision can only react to it."

Mr. Forrestall: What are you reading from?

Mr. Gagliano: They continue: "As far as we can see, all the fat has been trimmed to the bone. In fact, we think we are into the marrow and if the continued reduction and slowing of growth in federal transfer payments are allowed to continue, this system is going to haemorrhage and we firmly believe that." That is a very clear statement from the National Federation of Nurses.

Mr. Forrestall: Who wrote it?

Mr. Gagliano: The Hon. Member is asking me what I am reading. I am reading from the Minutes of the Legislative Committee on Bill C-96. Maybe you should go and read it so that you can understand what you are in a rush to vote for.

Mr. Deputy Speaker: Order. I cannot hear what the Hon. Member is saying.

Mr. Lewis: It is just as well.

An Hon. Member: Do not worry, you're not missing much.

An Hon. Member: Question.

Mr. Deputy Speaker: Order, please. There is one minute left in the question and comment period.

Mr. Tobin: Question?

Mr. Deputy Speaker: A short question for the Member for Humber—Port au Port—St. Barbe (Mr. Tobin) followed by a very short answer by the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano).

Mr. Tobin: Mr. Speaker, it seems to me that the Speaker of the House of Commons would be interested in seeing democracy served, even when some Members of the House fail to appreciate their responsibility to come here and represent the views of their constituents, and to have what it takes to find their feet, their heart and some intelligence and stand up and say to their constituents why they take certain actions.

I think that we should give thanks here that Members such as my colleague are here all day long, prepared to speak on behalf of their constituents, and more important, prepared to speak on behalf of those disenfranchised constituents who sent 211 Conservative Members of Parliament who deem it their own responsibility to check and see when the Government Whip tells them to vote and to say: "Which way sir? Aye, aye", and to vote.

Does my colleague and friend believe that the people of Canada expect parliamentarians to be here, even if it is nine o'clock at night, to try and stop this Draconian measure? Is he as committed as I to take every legal parliamentary action possible to bring this sleeping giant dictatorship of 211 Members to its senses?

[*Translation*]

Mr. Gagliano: Mr. Speaker, I would like to thank my colleague for his question. You are indicating that I should be very brief. I shall therefore say simply that I shall certainly be here even if we have to stay here all night, all day tomorrow, all week or even throughout July. We shall always be available to fight for the interests of Canadians

[*English*]

Mr. Deputy Speaker: Resuming debate.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, in the interest of democracy and hearing two different points of view, I would like to take my seat and give Members opposite a chance to stand. Is there any one of you who has the courage and the backbone to stand?

An Hon. Member: He resumed his seat. Next speaker.

Mr. Tobin: Debate, Mr. Speaker.

Mr. Deputy Speaker: Order, please. The Member has the floor. Does he wish the floor for debate?

Mr. Forrestall: No. He had it.

Mr. Tobin: Yes, I do. More than I wish to have the floor this evening—

Mr. Forrestall: You made your speech.

Mr. Tobin: —more than I wish to take an opportunity to speak on behalf of the people of Newfoundland who sent me here, I wish that I could understand what keeps Members opposite in their place when we are debating a measure before Parliament that will take $8 billion from the health care system of this country and $8 billion from the educational system of this country. I am mesmerized by the notion that Members of Parliament would be sent here collectively by millions of Canadians to speak on their behalf and, despite a direct challenge to stand and address this issue, they would sit like surfers. They surfed in on the tide and they will surf out with the tide.

Bill C-96 does not involve a government attempt to simply balance the books or make the fiscal position of the Government more attractive to the Auditor General at the end of the year. That is not what Bill C-96 is about. The few pages of legislation is not simply a document drafted by government bureaucrats in order to put legislation before the House.

Let us put a face on Bill C-96, which I believe can best be done by Justice Hall when, in the course of undertaking his review of Canada's national-provincial health programs in the 1980s, provided us with a simple but eloquent reminder of why Canadians supported the concept of medicare. Medicare is under attack by this legislation. Mr. Justice Hall said that: "The trauma of illness, the pain of surgery, the slow decline to death are burdens enough for the human being to bear without the added burden of medical or hospital bills, penalizing the patient at the moment of vulnerability." He said that the Canadian people determined they should band together to pay medical bills and hospital bills when they were well and income earning.

• (2100)

Health services were no longer items to be bought off the shelf and paid for at the check-out stand, nor was their price to be bargained for at the time they were sought. They were fundamental needs, like education, which Canadians could meet collectively and pay for through taxes. I think Mr. Justice Hall in his own eloquent way has reminded us—even a number of years ago, from the transcript of his report—what we are debating tonight. Bill C-96 is not a Bill about meeting the bottom line. It is not a Bill about the Minister of Finance (Mr. Wilson) being able to report to Canadians that by transferring the federal debt on to the shoulders of the provinces he has lowered the deficit.

Bill C-96 goes to the heart and soul of the fabric that keeps this country together. Canadians, no matter where we live in this land, no matter what our differences in language, culture, tradition, geography or economic opportunity, believe there are certain fundamentals that bind us together, make us a nation, give us a sense of identity. We feel that no matter where we live, we are Canadians, be we Canadians in Newfoundland on the bill of Cape St. George, be we Canadians on the coastline of British Columbia and Prince Rupert, be we Canadians in Gaspe or northern Ontario, be we Canadians in Winnipeg or Toronto.

There are a number of things that bind us together, that we hold in common and that we treasure. What we think defines us as Canadians is the expectation, no matter where we live, no matter what our circumstance, no matter what our income level, of receiving through our Government, through our collective will, a first-class and adequate level of health care service. That is one of the things that holds us together. Despite our economic circumstance, despite the potential of our own particular town, we have the expectation of receiving, as a result of our common will, something that we have developed in this country, the opportunity derived from the best education system that Canada can offer. Both of those things that we hold dear are directly under attack by Bill C-96.

It has been said many times that the measure of any community and, in the larger sense, the measure of the whole country, is the way in which we treat both our young people and our senior citizens. In terms of how our young people and senior citizens have been treated in this country, Canada can hold its head high among the nations of the world.

I say that the actions of the Minister of Finance, in seeking to balance his books on the backs of our young people and our senior citizens—

Mr. Nunziata: Shameful!

Mr. Tobin: —are shameful, indeed, and will not allow this country to hold its head high among the community of nations. This Bill is an action that says to our senior citizens who have paid their dues, who have built this country for us, who have provided us with our resources, the infrastructure, the quality of life we have today, that as they enter their declining years, the system they built and fashioned for us, their sons and daughters, their grandchildren, can no longer afford them at this time in their lives. So, the Government will cut billions away from the health care system and, whatever happens will happen.

It is a Bill that says to the young people of Canada, to those upon whom we will depend to stay competitive in an increasingly competitive world, one where technology erupts and evolves daily, where the jobs of today become extinct tomorrow and we must stay on the cutting edge of new technology, that Canada no longer believes in itself. If we cannot believe in those people who shall follow to take up the reins of responsibility of citizenship where we have left off, then we no longer believe in ourselves or in this vision that has been passed on to us by those who have gone before.

Tonight we saw the Prime Minister of Canada (Mr. Mulroney) on television, talking about free trade.

Mr. Kilgour: I rise on a point of order, Mr. Speaker. The Hon. Member spoke earlier today and, with great respect to him, it seems to me that the rule of relevance should exclude the sort of tangent he was following if the debate is to have any meaning here, Sir.

Mr. Deputy Speaker: The Hon. Member for Edmonton—Strathcona (Mr. Kilgour) would appear to have a valid point of order, but the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) had not finished his sentence. I presume he will bring it close to the Bill. If not, of course, it would be out of order.

Mr. Tobin: But of course, Mr. Speaker. Once again, your wisdom, your experience and your calm nature has set an example for Hon. Members who would hastily jump to their feet at the first mention of their own Prime Minister. I do not know why it causes such an excitable reaction on the benches opposite. As I was saying, if the Hon. Member follows this in a coherent, logical manner, he will see the relevance to Bill C-96.

Tonight, the Prime Minister of Canada was on television for an address to the Canadian people about free trade. He used some important language tonight, some very symbolic language. He said that by the time this negotiation is over, for the first time, we will truly have "a level playing field". What does that mean and how is it relevant to Bill C-96?

The expression "level playing field" is an American expression. Those are the words Americans use every time they suggest that Canadian industry or society is somehow subsidized and that until Canada gets rid of those subsidies, we will not have a level playing field of trade between Canada and the United States. What speaks well of the level of civilization in Canada—at least up until the introduction of Bill C-96—is that we provide the sick or aged among us with the best medical care this country can offer, irrespective of their economic circumstances. That does not happen south of the border.

There is no medicare system south of the border. There is no guaranteed, right of citizenship south of the border that if one's father, mother, child or spouse becomes ill that that member of the family will receive the best medical attention available unless, of course, one is able to dig one's hands into one's pockets to produce the cash. That is what separates us, at least in that field, from the United States. Of course, if one is to take the Prime Minister seriously, that after free trade negotiations we will truly have a level playing field, then one can only assume that Bill C-96, with all of its tragic implications and the Draconian nature of the Bill, is part of the levelling out of the playing field.

The desire of the people of Canada to have a medicare system, that quality of life for all citizens, represents a bump on the American view of the economic field. We do not say to our fishermen, *vis-à-vis* the American fishermen, "If you are ill, cough up the cash, wipe out this year's catch, this year's earnings, and we will fix your problem. If not, my friend, wait in line".

When I hear that kind of language, which is American language, not Canadian language, "We are going to develop a level playing field", I begin to wonder how much of the legislation of the Government of Canada—be it Bill C-96, be it the cost recovery provisions of Bill C-75 or be it Bill C-88, severing off CN Marine and user-pay on the ferry systems of Atlantic—Canada—is part of the cake the Prime Minister is baking with his friend, Ronald Reagan, who did not pay attention to the recipe and threw in some shakes and shingles, unannounced to the Prime Minister.

• (2110)

It is just as the Prime Minister in his comments on free trade tonight introduced the people of Canada to a concept that they heretofore—at least up until the last election campaign when he sought his mandate—had not heard about. He did not campaign on it. It is suddenly the quest for the Holy Grail, the life of Brian. It is the "Monty-Python-on-the-Rideau Theatre". It is suddenly his *raison d'être*. Just as the Prime Minister did not tell us in seeking our votes last time around that that was his mandate in life, so too the Minister of Finance (Mr. Wilson) has a 360-degree object in his mouth called tongue which has the ability to flip-flop before the floor of the Parliament of Canada.

Any Member of the House who has done the slightest amount of research on this Bill will know what the Minister of Finance said on this subject. He sits silent right across from me, providing the example for his colleagues in caucus to sit silently, prepared at any moment when I stop speaking to jump to their feet and say: "Aye, aye, sir," to the skipper to pass this Bill. Only a few years ago, and in advance of the last election, in another life, the present Minister of Finance said the following in the House of Commons on March 24, 1982. This is from the Official Report, not the unofficial report, not hearsay, but the actual verbatim words of the Minister of Finance as he stated them in the House of Commons. Mr. Speaker, pick your ears up. Get ready. It is a darned good thing that the Speaker is sitting down because the same Minister who proposes Bill C-96, cutting back health care and education today in this House, ever-ready to find his feet at the moment it comes to vote, said:

> Taking the action of unilaterally cutting the financing, which the government is now proposing, and then having some discussions with the provinces, surely puts the cart before the horse. We should be reversing this procedure.

The Minister complained that undertaking this kind of action was putting the cart before the horse. I say to the Minister that to stand in his place on March 24, 1982, and make that kind of statement, and to come to the House today as Minister of Finance with Bill C-96, one would need to have the face of a robber's horse, irrespective of the cart. He would need to have a nerve like a toothache. We have been waiting patiently, diligently, hopefully, to see the Hon. Member find his seat, his knees, his backbone, his courage, his integrity, to come to his feet and to explain to us what great transformation has taken place that has caused such a complete turn-around on the position he was articulating in this House a scant few years ago.

Mr. Speaker, if you did not believe in the philosophy of reincarnation when you came here, you will surely believe in it now, having sat through some of the speeches of Hon. Members. Some of these Members have callouses on their tongues. Having sat through some of the flip-flops made by Members opposite, and in particular Ministers, you now believe in the philosophy of reincarnation, Mr. Speaker. The Minister of Finance, according to his own philosophy, has been reincarnated as a Canadian—is it ogre? I read my little girl fairy tales from time to time. There is a character who is a big, mean, nasty, brutish, insensitive character who is not aware of the ramifications of his actions.

Mr. Nunziata: The troll!

Mr. Tobin: Mr. Speaker, I want to say to you that I would much prefer this evening to be home with my little girl. She is five years old and, traditionally, I try to get home and read her a bedtime story. I am sure in the final analysis, given the will of this brutal majority, this reckless majority, this out-of-control majority, this insensitive majority, this dictator-like majority, that it may be just as well I did stay home because they will finally have the Bill. Ordinarily, I would like to stay home and read her her story.

The reason I am not there is that while she will miss my story-telling talents this evening, I am here trying to ensure, not for tomorrow's headlines and not for today's—there is much too much of that type of concern in this place—that down the road as she goes through what is now Canada's educational system that the quality of the system shall be retained. I do this so that when she is 10 years old, 15 years old, 20 years old, this country will not have stripped away from her before she was old enough to realize it the great heritage that our fathers and forefathers built and passed on to us.

In conclusion, I believe that we have been passed a great gift in our health system and in our education system. It was passed to us with no strings attached, bar one. That is the responsibility to enhance, to protect those great gifts, and to pass them along to our children. That we surely cannot do if Bill C-96 passes this House.

Mr. Deputy Speaker: Are there questions or comments? The Hon. Member for York East (Mr. Redway).

Mr. Redway: Mr. Speaker, as the Hon. Member knows, I have repeated this question previously to other members of the Opposition and, indeed, to the Hon. Member himself earlier today when he spoke on the same subject and gave the same speech. This is the thirteenth day in which the House of Commons has debated Bill C-96. In fact, the Hon. Member's speech was the one hundred and twenty-fourth speech that was given in relation to this Bill.

Mr. Nunziata: How many Liberals and how many Tories?

Mr. Redway: As I indicated, the Hon. Member has spoken at least twice in the debate, once earlier this morning when his remarks were very similar if not identical to the remarks he has just made. I would like to put to him the same question. I am sure he will agree that if he can make the same speech twice in the House of Commons on the same day, then I can put to him the same question in the House of Commons on the same day. Unfortunately, the Hon. Member was unable to answer my question this morning. Having had some time to reflect, perhaps he will be able to answer it now.

Is it not better that the transfer funding for health care and post-secondary education to the provinces be increased by a greater amount than inflation, as this Bill and this Government is doing, than was done by the previous Liberal Government which transferred payments which were actually 5 per cent less than the rate of inflation? Is that not a better way of doing it?

Mr. Tobin: Mr. Speaker, the Hon. Member points out that this is the thirteenth day of debate and that mine was the one hundred and twenty-fourth speech. When the history of this time period is written, these days will be called "13 days for Canada". When the index is filled in with respect to who stood up during those 13 days for Canada—and I suspect it will be 14, 15 and 16 days—with some distinction the Hon. Member will be able to say that while he was not able to defend this

measure or speak to it, and while he was not able to explain the measure, he was able from time to time to make an otherwise boring echo which came back on those who have already convinced themselves of the Draconian measure of this Bill and that he was available from time to time to provide some colour commentary. For that I congratulate him, because his colleagues opposite have not been able to find an enlightened, energetic heckle. I congratulate you, my friend, for finding your feet and your courage and, if not as is otherwise the case, your intelligence in posing such a question.

Mr. Redway: Let's hear the answer.

Mr. Tobin: Is it not better than something that is recorded in the history books? First, the Hon. Member is trying to give the impression to the people of Canada that the rate of inflation for the country as a whole, 4 per cent, is the equivalent rate of inflation, both in health and in education.

Mr. Redway: Prove that it is not.

Mr. Tobin: The Hon. Member would be the first to admit that that is absolutely wrong. He would be the first to acknowledge that in our education and health care systems, the cost of moving with evolving technology, retooling and staying relevant to the big world is significantly higher than 4 per cent.

• (2120)

The Hon. Member asks me to prove that he is not right and is implying that as a Liberal, I am disagreeing simply to be difficult. The Hon. Member himself would acknowledge that the Tory Government of New Brunswick opposes this measure. The Hon. Member would acknowledge that the Socred or Tory Government of British Columbia opposes this measure. The Hon. Member would acknowledge that the Government of P.E.I. which was just swept out as the first victim of Mulroneyism—sorry, Prime Ministerism—opposed this measure. The Hon. Member would admit that the Minister of Education in Nova Scotia under Premier John Buchanan, a Tory, opposes this measure.

I am not opposing this measure just to be difficult. I am opposing it for the same reason the Canadian Medical Association and nurses' associations oppose it. I oppose it for the same reason those organizations that speak on behalf of doctors and hospital administrators oppose it. I oppose it for the same reason students oppose it. I oppose it for the same reason 20-pages-worth of responsible, credible, important contributors to society oppose it.

I would say to the Hon. Member—

Mr. Deputy Speaker: Order, please. I would like to fit in at least two questions.

Mr. Allmand: Mr. Speaker, in examining this Bill and the cuts that are contemplated in it, it appears to me that the burden of providing health care and education services will fall even more heavily on the less well-to-do provinces. Since the Hon. Member comes from Newfoundland, I wonder if he could comment on how these cuts will impact on the Atlantic provinces.

The cuts are bad for all the provinces, but it seems to me that they will be particularly harsh for the have-not provinces that need federal transfer payments. Ontario, Alberta and British Columbia have been objecting to this measure as well. Perhaps the Hon. Member could comment on how this will, to an even greater extent, provide for inequalities between provinces. Has the Hon. Member looked at that at all?

Mr. Tobin: Yes, Mr. Speaker. The Hon. Member who asked me a question a short while ago said that I am making the same speech I made this morning. Of course, that is not true. He inadvertently left some misleading information on the floor of the House of Commons. This morning I dealt almost exclusively and in great detail with the impact of this Bill on my own Province of Newfoundland. In the Province of Newfoundland, those cut-backs will amount to $187 million; in the Province of Nova Scotia, $282 million; in New Brunswick, $228 million, in P.E.I. with a scant 125,000 people, $40 million.

The example I gave this morning bears repeating and it is that in Newfoundland, the health care system is already so strapped because of the high level of unemployment and the fiscal constraints on the provincial Government, which cannot handle the cut-backs, that in order for a group of parents from the community of Flower's Cove to develop a classroom for handicapped students so they would not have to travel an hour and a half by bus to be educated, the parents organized the community and raised funds in order to graft on to the side of the existing school a classroom for 12 handicapped students, almost without the consent of the provincial Government. The parents did this as a way of forcing the school board to hire a teacher so that these students could be educated in their own community. That is an example on the education side of the current pressures that are being felt by the province and the boards of education and how they affect people.

On the medical side, a colleague of mine, Dr. Jacobs, who has lived and worked on the northern peninsula in the small rural communities, called me this morning to speak about Bill C-96. He has been a Canadian for four years and in that four years has come to respect, admire and love this country. His words to me were quite simple. He said: "For God's sake, man, we have already developed a second-class Canadian citizenship in the communities of the northern peninsula with respect to health care, so stop this Bill". I hope that in some small measure, this will contribute to the understanding of Hon. Members of the reality of these cut-backs in rural communities.

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, as many Hon. Members have stated already, the purpose of this Bill, no matter which way one looks at it, is to cut federal funds for education and health care

in the provinces. These cuts will amount to approximately $8.2 billion once the Bill is passed between now and 1992, some six years. As a result of this Bill, the provinces will receive $8.2 billion less than they would have received for health care and education.

We in the Liberal Party have opposed this Bill at second reading stage, in committee and at report stage and now we are opposing it at third reading stage. We have moved a motion that this Bill be not read a third time until six months hence, a way of trying to postpone the implementation of this Bill at least until that time.

The Hon. Member from the Conservative Party who just asked a question stated that this Bill has been debated for 13 days and consequently that should be enough. We all know that in a Parliament such as this in which the Government has 211 Members and the Opposition only 70, we cannot win any votes but we can, through debate in the House, bring issues to the attention of the public in an attempt to formulate public opinion on these issues.

I must say that with so many issues before the country and with the Government creating new issues that did not even exist before, it is sometimes difficult to penetrate the public consciousness, and for that reason we must continue this debate. We must continue this debate so that Canadians will know what is happening with respect to education and health care services. We know that the Government does not respect Parliament. It would just as soon see that we did not debate these issues at all but closed down. However, government Members do respect public opinion polls.

I am not afraid to state very clearly in the House that I do not expect to convince government Members through debate but I do hope that through debate, my colleagues and other members of the Opposition will make members of the public aware of what is happening so that they will react by sending letters and making phone calls and responding to the many polls that are taking place. In this way, the Prime Minister (Mr. Mulroney) and the Cabinet will finally start to listen.

When the Government introduced this Bill, government Members did speak at that time. They said that the Bill was required in order to deal with the terrible deficit. Of course action should be taken to deal with the deficit, but there is no way that that action should fall on our health care and education systems. The deficit became a serious problem many years after we implemented programs to assist post-secondary education and health care.

• (2130)

We had our hospitalization system and programs for assisting provinces in post-secondary education for many years, and there was no problem with the deficit. The programs which are being cut in Bill C-96 are not the cause of the deficit. More than that, during the election campaign, the Prime Minister and the Conservative Party pledged that social and health programs were a sacred trust which would not be cut back by them. However, what do we see?

While they are cutting back on education and health care, they are providing $500,000 capital gains exemptions to their friends, the big investors. The Prime Minister is also providing for posterity by having a Hercules aircraft tailing him across the country with cameras to take photos and videos of him at $40,000 per crack. That was not done before; it is an additional expenditure.

Over the weekend we read in the newspapers about increases in the staff of Ministers as a result of the Freedom of Information Act. The figures released by the President of the Treasury Board (Mr. de Cotret) show that the over-all cost of Ministers' staff is $42.9 million in the 1985-86 fiscal year. That is up 17 per cent from 1983-84. However, they spent 53 per cent more on their personal political staff last year than did the Liberals in their last full year in office. Of course, that sort of thing is going on at all levels. While they are cutting back on education and health care, Ministers' offices are becoming bigger. Instead of executive assistants, they have chiefs of staff earning up to $70,000 per year. Also, offices are being opened up in Vancouver, Montreal, and other cities so that Ministers can put up their feet and make their telephone calls. That was never done before. I understand that the Government is about to rent space in one of the most expensive buildings in Montreal. It only has one Minister in Montreal, the second largest city in the country, and he is not very visible. The Government is opening a large office down there like the one in Vancouver so that other Tory Ministers can come to Montreal and carry on their business in that way. That was not necessary in the past; it was not necessary under the former Liberal Government nor under the former Conservative Government of the Secretary of State for External Affairs (Mr. Clark).

We have had $1 billion bail-outs for depositors in banks and the $56 million for new uniforms for members of the Armed Forces. While those sorts of things are going on, the Government cuts the rate of growth of moneys for education and health care.

Of course the deficit has to be dealt with, as I said. The negative approach of the Government in cutting health care and education will not really reduce the deficit. What will reduce the deficit is a growing and vibrant economy. Essential to a growing and vibrant economy is a dynamic post-secondary education system. The strength of a growing economy is in the ability of our citizens to deal with the problems of a modern technological age, in the ability of our citizens to produce research and development and new products, and in the ability of our citizens to deal with entrepreneurial problems in a new and dynamic way.

Education is paramount if we are to have a growing productive economy. It is a growing productive economy which will return more moneys to the Treasury and bring down the deficit, even without raising taxes and without cutting programs. It could be that certain programs should be cut, but

not education and health care. In effect, the Government is not even cutting the deficit in this way. What it is doing when it cuts educational and health care programs is transferring the deficit to the provinces. Once it cuts the moneys which go from the federal Government to the provinces to pay for education and health care, everyone knows that education must be kept at a level which will keep us competitive with the United States, Western Europe, Japan, and so on. Someone will have to pay for education and health care, and it will be the provinces. Unfortunately it will almost be impossible for the Maritime Provinces, the Province of Manitoba, and the Province of Quebec. Perhaps Ontario, Alberta, and British Columbia in its best days can keep up, but it will be very difficult for the poorer provinces without that required money from the federal Government.

Fees are already being raised by universities because of the cuts. The provinces cannot provide more money to their universities, colleges, and technical schools. The people who wish to attend those institutions have to pay out of their own pockets, and many of them cannot. Students are hoping to obtain summer jobs to pay their fees and their room and board expenses, but it does not look good in many cases. What is happening? In effect, we are returning to a day which we thought we had left many years ago when university education becomes accessible to the rich and those with money but not so accessible to those without money, especially those from poorer provinces.

The government measure in respect of health care is occurring at a time when those people who are over 65 years of age are becoming a greater percentage of the population, when our population is aging and consequently there is a greater demand upon the health care system. I should like to quote what Justice Emmett Hall said when he spoke about health care. I think all Hon. Members of the House recognize Justice Emmett Hall, through his royal commission report and his review of the medicare system, as one of the leading experts on health care in Canada. He argued the following:

—that the trauma of illness, the pain of surgery, the slow decline to death, are burdens enough for the human being to bear without the added burden of medical or hospital bills penalizing the patient at the moment of vulnerability. The Canadian people determined that they should band together to pay medical bills and hospital bills when they were well and income earning. Health services were no longer items to be bought off the shelf and paid for at the checkout stand. Nor was their price to be bargained for at the time they were sought. They were a fundamental need like education, which Canadians could meet collectively and pay through taxes.

That is the system which we in the House put in place in 1966. By the way, it is now being threatened in Ontario by its doctors. The doctors of one of the richest provinces in Canada are bucking the medicare system and are insisting upon extra billing. We are fighting against a Bill which would cut back moneys to the provinces to help pay for post-secondary education and health care.

As other Hon. Members have said already, our only hope with Bills such as this one is that Canadian public opinion will come to bear on the Government. We cannot win any vote against this massive horde on the other side and surrounding us on both sides over here.

Mr. Wilson (Etobicoke Centre): Does that give you a real warm feeling?

Mr. Allmand: They are not bad fellows as individuals, but when they get together and stand behind these policies, it is hard to take. Our only means of fighting back against this kind of a Bill is to continue the debate until it penetrates the public consciousness as to what is happening. I will repeat what I said at the beginning. As a result of this Bill, more than $8 billion less will go the provinces for education and health care by the year 1992. That is a tragedy and a shame for a country that is trying to keep pace with others in this competitive technological age.

• (2140)

Mr. Marchi: Mr. Speaker, I listened to the speech by my hon. colleague, the Hon. Member for NDG—Lachine East (Mr. Allmand). I was struck by the articulation of his commentary concerning the drastic and Draconian cuts that the health and educational services will have to absorb under the Tory regime. I was struck also because, as we travelled throughout the country and talked to various Canadians from all walks of life from all regions, there were two elements in the federal-provincial domain which people treat as sacred. They are the two elements by which we can measure how progressive Canadian society is; on the one hand, how we treat our young people, *vis-à-vis* education, and on the other, how we treat our elderly *vis-à-vis* health care.

All ages of Canadians need to have access to the health care system. It is obviously understood and accepted that the older one gets, the more one needs medical services. It is a dichotomy that in Bill C-96 we are hitting two very crucial elements, the two extremes of Canadian society, the young and the old. I would like to ask my hon. friend about some comments from the Canadian Federation of Students. Tony Macerollo on behalf of the Canadian Federation of Students concentrating on the youth aspect said:

Limiting the growth of EPF transfers to the provinces as outlined in Bill C-96 will amplify the underfunding problems that have become evident at post-secondary institutions across the country.

Our concern with respect to this particular Bill is that it attacks the wrong problem, in that if the spending arrangements are not being carried out in the appropriate manner by the provinces, the funding cannot be cut back. A method of allocation has to be put in place that is going to ensure that kind of accountability.

My colleague from Montreal is also the critic for employment programs. We have heard the Government talk about education as being the key to tomorrow's society, as education being the key to the development of young people so they can seize the opportunities that will be theirs tomorrow. how will this bill affect the evolution and development, if you will, of those young people as they enter the 21st century as leaders of Canadian society and how will this type of Bill reflect and retard that crucial and important process?

Mr. Allmand: Mr. Speaker, there is no doubt that the cutbacks under Bill C-96 will affect students, universities, professors and programs at the universities. Those will be the direct effects of the cuts under this Bill. The Government may see that because that is a direct result, but why can the Government not see that by doing what it proposes, not only does the Government affect and hurt students, the professors, the universities and colleges, but the Government will also affect the entire economy? Employment will be hurt in Canada. If the key to a growing economy in a modern technological age is know-how, then the only way to get that know-how is through higher education.

Look at a country like Switzerland, which has virtually few resources, few mines, little water but yet a very strong economy because of a highly skilled labour force in engineering, in banking, in finance, in chemicals and so on. It is able, through that highly skilled labour force, to have an economy where the rates of unemployment and inflation are both under 5 per cent.

If we do not do something concrete in productivity, we will be very short-sighted in the long run because the U.S., the common market, Japan and the emerging countries will move ahead if we do not keep up with them, especially in the area of skilled professional and trades people. This sort of thing is wrong in every aspect. It is my opinion that not only should we be not cutting back, but there should be a substantial increase in training and education moneys if we are really interested in dealing not only with the deficit, but to bring Canada back to a position of a thriving and productive economy.

Mr. Hopkins: Mr. Speaker, I have a question for the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand). The Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) talked about the level playing field that was mentioned on television tonight concerning trade talks. He described it as being a situation that all things being equal, there will be equal opportunity on both sides of the border for trade. Does the Hon. Member for Notre-Dame-de-Grâce—Lachine East see anything of a level playing field under Bill C-96? Here we have a Bill that deals with the 10 provinces and the two Territories. We suppose that with the level playing field everyone across the country will have an equal opportunity.

Does the Member see the Government through Bill C-96 giving all citizens equal opportunity in medicare and equal opportunity in post-secondary education? Does the Member really think that there will come a time as a result of legislation, such as this, that we will need another high level commission such as the Rowell-Sirois commission to look into federal-provincial financial arrangements to get a better deal for the poorer provinces of Canada and equality of education for places like Ontario which pays the biggest bill?

Mr. Allmand: Mr. Speaker, it is difficult to know despite the Prime Minister's remarks tonight what he still has in mind when he talks about free trade. If he has in mind a comprehensive free trade agreement, that will mean American professionals and trades people will have access to jobs in Canada.

If we go ahead with Bills like Bill C-96 and continue in this direction, Americans will be better trained and better educated than we will. Not only will the Americans be taking over our businesses, but they will be taking over our jobs. Unfortunately, we will have Canadians without training or the professional know-how that Americans will have. We will not have a level playing field. It will be a bumpy playing field for Canadians and a pretty smooth playing field for Americans. The only way Canadians will be able to compete as skilled employees with Americans is by a high powered efficient education system. This Bill will bring us in exactly the opposite direction. It will hurt Canadians competing with Americans for jobs on this so-called playing field.

Mr. Nunziata: Mr. Speaker, I would like to congratulate my hon. friend and colleague for his submissions here this evening. I have a question for him. For the life of me I cannot understand the motivation behind Bill C-96. I have tried to understand why the Government is trying to cut back $8 billion in federal transfer payments to the provincial Governments. The only answer I come up with is that the whole purpose behind Bill C-96 is to reduce the national deficit. It is obvious to me that the Government does not understand the impact of withdrawing $8 billion in federal transfer payments to the provinces over five years.

• (2150)

Can the Hon. Member speculate as to why the Government is doing something which is almost universally opposed? Speaker after speaker today have condemned the legislation. Individual after individual and group after group that appeared before the committee objected to this legislation. Why is the Government insisting on passing legislation which will have a devastating impact on Canadian society? What, in his view is the motivation?

Mr. Allmand: Mr. Speaker, I agree with the Hon. Member that it is hard to understand the rationalization behind the Bill. I can only speculate that when they were sitting around the cabinet table deciding how to cut the deficit, they considered different items. While they were handing out $500,000 tax exemptions to those with capital gains and bailing out those with large deposits in banks, they picked on education and health care to cut. The only rationalization I can give is that the people who were sitting around the cabinet table do not understand the ordinary man who has to deal with the problems of health care and education, nor do the people who support the Party.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please.

Mr. Allmand: They are obviously the kind of people who can afford to go to Harvard—

Adjournment Debate

Some Hon. Members: Order!

Mr. Deputy Speaker: Order, please. I am sorry to interrupt the Hon. Member but the period for questions and comments is over.

[*Translation*]

Mr. Carlo Rossi (Bourassa): Mr. Speaker, I welcome this opportunity to take part in the debate on Bill C-96, because the federal Government claims that under the provisions of this Bill, it is protecting the provinces against inflation. However, as the Nielsen Report pointed out, the cost of health care and post-secondary education is expected to rise faster than inflation and our economic growth.

Mr. Speaker, I wanted to rise at this stage in the debate to explain to Quebecers that the cutbacks resulting from this Bill will most certainly affect Quebec. Over the next five years, Quebec will lose $2.83 billion. In 1986-87, $82 million; in 1987-88, $174 million for the province of Quebec alone; in 1988-89, $277 million; in 1989-90, $389 million;

In 1990-91, Quebec will lose $512 million and in 1991-92, $647 million. This adds up to a total of $2.83 billion for the province of Quebec and Quebecers.

When the federal Government claims that Bill C-96 protects the provinces, I wonder whether cutbacks totalling more than $2 billion afford any particular kind of protection to the province of Quebec.

Mr. Speaker, that is why as a Quebecer and as the Member for Bourassa, I strenuously object to cutbacks of this kind.

Mr. Speaker, if we go back to what was said by the Quebec Minister of Finance when he brought down his Budget for 1986-87, he said the following: Transfer payments to the provinces do not lie at the root of the federal deficit, because these transfers have remained constant in relation to the Gross National Product for several years, while other federal expenditures represented a growing percentage of GNP. And the Minister of Finance went on to say: "That the federal Government is transferring its deficit to the provinces."

Mr. Speaker, indirectly, that is certainly quite true, because the federal Government is cutting more than $2 billion in transfer payments to the provinces over a period of five years.

The Minister went on to say: "The federal Government has again decided to sidestep real negotiations with the provinces."

Mr. Speaker, this Government has always claimed it wanted to negotiate with the provinces and has always claimed it was listening to the provinces. Well, they certainly did not listen to the Province of Quebec when they deciced to make a drastic cut of $2 billion without consulting anybody. I am not the one who is saying this, Mr. Speaker, those are the words of the provincial Minister of Finance.

He went on to say: "The federal Government is making incoherent budgetary decisions by reducing its participation in health care and post-secondary education while allowing a gradual exemption on capital gains and gradually withdrawing from the oil and gas taxation field in the producing provinces."

Mr. Speaker, the federal cut-backs will make interprovincial disparities even worse since a $1 per capita cut in a rich province does not have the same impact as a similar cut in a poorer province.

Mr. Speaker, the Government of Quebec was forced to introduce a surtax on corporate income. Why? Again because the Province of Quebec did not get the more than $2 billion it was entitled to. It had to raise the employer's contribution to the health care fund and increase the tax on capital so as to offset the federal cut-backs in established programs financing.

Mr. Speaker, I am talking about $82 million. Yes, $82 million for this year alone.

With respect to equalization, Mr. Speaker, as a result of the federal Government's failure to provide at least 95 per cent of the funds due for 1984-85, the Province of Quebec lost $66 million. They talk about negotiations, Mr. Speaker, but if they had negotiated they would surely have found a solution.

Mr. Speaker, the Conservative Government . . . Members opposite are signalling that I should stop. True enough, Mr. Speaker, perhaps it would be better to stop, for we have a lot to tell them about negotiations—

Mr. Deputy Speaker: Order, please. The Hon. Member has 13 minutes left.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

HEALTH—PRESENCE OF DIOXIN IN VEGETABLES, FRUIT AND MILK

Mr. Alan Redway (York East): Mr. Speaker, last month a member of the City of Toronto Department of Health, Katherine Davies, with the assistance of funding from the International Joint Commission, prepared and published a report dealing with the chemical content of a typical basket of fresh produce from southern Ontario. In that study she found that typical food basket contained dozens and dozens of toxic chemicals, including DDT, PCBs, and dioxins.

She found as well that pesticides which had been banned in Canada by the federal Government some 10 or 15 years ago were identified in those fresh fruits and vegetables in such a way as to indicate that either they were still present in our environment after 10 to 15 years, or, alternatively, somehow or other they were coming through the atmosphere and there was a fall out in our countryside which was causing this chemical

contamination. She found that most of the toxic chemicals are in vegetables, milk, eggs and meat, with only a very small part in fruit. On the other hand, she found that dioxin, which is one of the most deadly of all man-made chemicals, was found mainly in fresh fruit.

Traces of the deadliest variety of dioxin were found in milk and leafy vegetables. The level of toxic chemicals found in those foods was 80 times higher than the Ontario guidelines say is safe for consumption. She found there were more toxic chemicals in food than there were actually in water. She found, as far as human exposure to toxic chemicals from these sources was concerned, something in the order of 86 per cent was from food, 11 per cent from water and 3.5 per cent from the air we breathe.

The study is alarming. It is actually frightening when one thinks that every day of every week of every month each of us are consuming fresh fruit and vegetables from our countryside which contain these high levels of toxic chemicals. One environmental commentator indicated that perhaps an apple a day, which we used to think would keep the doctor away, may very well see us end up in a cancer ward.

The study pointed out that Ontario fruit and vegetables are no different from fruit and vegetables anywhere in the world. In fact, if we suddenly went off the consumption of Ontario fruit and vegetables and started eating imported fruit and vegetables, we would be exposing ourselves to the same toxic chemicals and perhaps worse. It was suggested, for example, that by eating pears imported from Mexico we would be exposing ourselves to DDT, which is legal there.

What all of this seems to show is that no matter what we do in the way of banning toxic chemicals, no matter what we do to try and prevent their impact on us, there is a form of international pollution; that we have a great circulation of air carrying these pollutants with a fall out that lands right on top of us here in Canada.

• (2205)

I think this was probably brought home to us most dramatically by the recent events in Chernobyl in the Soviet Union. There we saw the nuclear power plant disaster having an impact, not only in the Soviet Union itself, but in eastern Europe, northern Europe, western Europe and, to some extent, even in North America.

It is becoming clear that there is a circulation of air masses causing a fall out which can occur anywhere in the world. This is going to have an impact on what we eat and the toxic chemicals in our food chain. What is it that we can do about this? I hope tonight perhaps we will have some answers from the Parliamentary Secretary. It seems to me there are at least two things we should be doing ourselves. First, we should be carrying on a much more sophisticated and careful monitoring process to make sure that we know what is going into the foods that we are consuming.

The Department of National Health and Welfare and the Department of the Environment do a certain amount of this now. It seems to me that with these new findings from the Davies report we should be doing more and more of this type of research.

The second thing, of course, is to have finally enacted in this country some environmental control legislation. That has been promised by the Minister of the Environment (Mr. McMillan). It was promised some time ago but we have yet to see it. I hope tonight the Parliamentary Secretary will tell us exactly when we are going to have that legislation introduced to Parliament.

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, the Member for York East (Mr. Redway) has shown a continuing interest since becoming a Member of Parliament in matters concerning the environment. I am pleased to be able to respond to his concerns, which have been brought about because of a report which was released the week ending May 17, which revealed very low levels of various chemical substances, including dioxins, in foods collected in the Great Lakes area.

This report relates to a study conducted by Doctor Kate Davies of the Toronto Department of Public Health. Doctor Davies reported her findings on May 19, 1986, at the World Large Lakes Conference held at Mackinac Island in Michigan. Thus, there may well be questions of concern by the public as to whether or not dioxin contamination of the food supply is increasing, and if food represents a hazard to public health.

At the outset, it is extremely important to emphasize that Doctor Davies' study and other studies, including those conducted by the Health Protection Branch of the Department of National Health and Welfare, do not imply any imminent hazard to health.

A draft of the recent Davies report has been examined by officials in the light of existing data from branch food monitoring programs. Staff have been unable to confirm the high levels of dioxins and furans reportedly found in fresh fruit and vegetables.

The Health Protection Branch has been monitoring the food supply across Canada for over 10 years, and it has been doing this to detect the presence of pesticides and related compounds such as PCBs, dioxins and furans. Our data indicates that the levels of these substances in the Canadian food supply are no different than those reported in other parts of the world. In addition, results of monitoring food at the retail level in Ontario do not differ from those in any other region in the country.

Thus, consumers should continue to eat fresh fruit and vegetables and other foods without fear. Indeed, the hazards associated with avoiding such nutritious foods are potentially far greater than any risks resulting from exposure to low levels of these chemical contaminants.

Adjournment Debate

Several aspects of Doctor Davies' study also warrant further comment. First, the study was intended to identify the major routes of human exposure to certain chemical contaminants, including dioxins. The results are in general agreement with the Health Protection Branch's findings that food is a major route of exposure. The actual levels of dioxins reported in the various foods analysed in this study must, however, be interpreted cautiously. Officials have advised that the number of samples analysed was extremely small, and in the case of fruits and vegetables, samples were not washed prior to analysis as would normally be done in the home.

In conclusion, these factors taken together with other available information, support the view that the reported results for dioxins in produce may be too high and not representative of actual levels in such foods as consumed.

[*Translation*]

NATIONAL DEFENCE—REQUEST FOR PUBLICATION OF STUDY ON IMPACT OF SHOOTING RANGE PROPOSED FOR LAC SAINT-JEAN REGION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, the Minister of National Defence (Mr. Nielsen) is taking steps to expropriate some 130 kilometres of land in the Saguenay-Lac Saint-Jean region in order to provide for a shooting range for the F-18 bomber. In spite of massive local opposition to that militaristic move, the Conservative Government will not reconsider its decision. The Coalition against the Shooting Range includes more than 85 organizations, of which 14 municipalities, 7 regional school boards and the Quebec wing of the New Democratic Party.

The development of that training area was the subject of a campaign by the Minister of National Defence, the Secretary of State (Mr. Bouchard) and the local Conservative MPs. Far from defending the interests of their constituents and their communities, those Members actively supported the interests of the military establishment. In 1984, for instance, the Secretary of State said he saw no reason to proceed with the plans if citizens in the area opposed it. But that same Secretary of State has now flip-flopped. He is warning citizens that if they oppose the development of that shooting range, they will jeopardize the whole base and the many jobs that depend on it. That kind of political blackmail is totally unacceptable and is a terrible insult to the population of the Saguenay-Lac Saint-Jean region.

The Coalition against the Shooting Range is fighting that proposal for two basic reasons: (1) An important question of principle—peace. This probably would be the first time in Canadian history that a shooting range would be developed in peacetime. Citizens in the area feel that this is a disheartening precedent. The funds allotted for the project should rather be used for civilian purposes—education, health care, child care and social services. They should be invested in the community to enhance its social and economic development. (2) The democratic, popular will. Surveys show that two citizens out of three oppose the shooting range.

• (2210)

I, for one, have tabled in the House of Commons petitions with over 3,000 signatures against this project, not to mention that the Government never consulted the citizens of the area but presented his proposal as a "*fait accompli*".

For months the Government had been asked by the Coalition to make the impact study public. Now, after much dillydallying and foot-dragging, it has finally made it public. Unfortunately, we find that it raises quite serious questions.

The study covers only an area of 80 kilometers, while the F-18s need for training an area of 200 kilometers. Over half these missions will have longer ranges which puts in question the study's basic assumption. The bombers' flights would take place over a fairly extended area, something untouched by the impact study.

People wonder also whether these F-18s will be armed with nuclear missiles such as the Bomarc. By the way, two F-18s crashed recently in Alberta and one in Prince Edward Island. The Coalition feels that these operations are carried out over an area too close to the human habitat.

The Federal Government's impact study has not even convinced the Quebec Government, which is seeking further information on the reasons which have convinced the Federal Government that it would save $8 million by choosing the Bagotville site.

To conclude, Mr. Speaker, NDP supporters in Ottawa and Quebec, together with the Saguenay-Lac Saint-Jean people, demand that the Conservatives abandon this project. They will be able to build this shooting range only by disregarding the wishes of the people in the area. On the other hand, this project will have repercussions on the local fishing and hunting tourist industry and could put at risk the lives of thousands of area residents.

The Secretary of State's political blackmail is unacceptable in this Parliament: Let us not take hostages the residents of that area. The Secretary of State's threats should not force them to renounce their principles. NPD supporters insist that the Government abandon its militaristic option and listen to the Saguenay-Lac Saint-Jean residents. Their message is loud and clear: No shooting range either here or elsewhere!

• (2215)

[*English*]

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I wonder if, just at the very outset, I might call upon the Hon. Member not to be quite so alarmist. There is no suggestion that any use of this or any other range existing in Canada would involve the use of nuclear weapons and, to suggest so, is quite irresponsible. Indeed, it is alarmist. I think the Hon. Member has been around here long enough to know that that is just a little bit irresponsible of him.

As usual, the Hon. Member for Burnaby (Mr. Robinson) is quick to criticize even though he has very little understanding or knowledge of the issue at hand. At the time when the Hon. Member made the point that the study on the impact of the shooting range proposed for the Lac St. Jean region was not yet public, the fact of the matter is, it had already been given out by the Base Commander of CFB Bagotville. In fact, as soon as he requested it directly from the Associate Minister of National Defence (Mr. Andre), a copy was sent to him.

As the Associate Minister said in the House on March 25 and again on April 11, negotiations between the federal Government and the provincial Government of Quebec for a suitable location are now taking place. We are confident that these negotiations will be successful. Indeed, the land involved is part of the Crown lands of the Province of Quebec, so the decision ultimately rests with the Government of Quebec.

Environmental concerns have been paramount in our search for a suitable location for this range. The Government and, indeed, the people of Canada, consider military forces to be essential for the preservation of our national sovereignty and for our contribution to world peace through deterrence. It is essential that military personnel be properly trained and their equipment tested in order to meet Canada's defence objectives. An air weapons range in this area would be an essential training facility and a cost effective means of developing and maintaining the necessary capabilities.

Once again, I would call on the Hon. Member to be careful about the use of his language. The suggestion concerning the use of nuclear weapons in this area is quite, quite irresponsible.

[*Translation*]

ADMINISTRATION OF JUSTICE—USE OF OFFICIAL LANGUAGE OF CHOICE—SUPREME COURT DECISION. (*B*) REQUEST THAT THE GOVERNMENT MODIFY THE LAW—FEDERAL PROSECUTORS TO USE OFFICAL LANGUAGE OF ACCUSED

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, recently, the Supreme Court of Canada ruled, and these are my own words, that any citizen may use either French or English in Parliament and in our federal courts, but has no right to be heard in his own language. In my humble opinion, Mr. Speaker, this is clearly a step backward for linguistic equity in Canada, and will create many problems in the years to come.

By its restrictive interpretation of certain clauses, based on the political compromise that lay at the basis of our language legislation and on the distinction between language rights and the right to a fair trial, this judgment, in my view, limits the scope of the constitutional protection granted to the country's language minorities.

On May 6, I therefore put a question to the Minister of Justice (Mr. Crosbie), which was whether in practice, his Government would adopt a policy whereby the official language of a citizen would be used both in criminal proceedings and other spheres under federal jurisdiction, such as expropriation proceedings, immigration, the Combines Investigation Act, the Immigration Act, the Customs Act, and so forth.

The Minister answered that there would be amendments to the relevant legislation before the year was out, and he gave me the assurance that his Government would make clear that the use of both official languages would be treated equally in federal courts.

The Minister also gave me the assurance that his Government had done everything it could to improve bilingual services in the courts, including opening language training to both provincial and federal judges.

[*English*]

The Supreme Court interpreted the court clause of Section 133 of the Constitution Act of 1867. This provides that either of our languages, English of French, may be used by any person or in any pleading or process in or ensuing from any court of Canada established under this Act, or in or from all or any of the courts of Quebec. In *Société Acadienne du Nouveau-Brunswick*, the Supreme Court interpreted similar language in Section 19(2) of the Charter of Rights. Despite minor variation of language, the Supreme Court ruled that Section 133 and Section 19(2) "are of the same nature and scope", and I quote that from page 6 of that decision.

● (2220)

These provisions obviously give a right to speak either official language in federal, Quebec and New Brunswick courts. The question raised in each case was whether the right to speak imposed duties on the state to facilitate that right. In *Société Acadienne du Nouveau-Brunswick*, the question was whether the right to speak either official language implied a right to be heard and understood by the court in the language spoken. In *MacDonald*, the question was whether the right to speak either official language in court implied a right to receive court documents in the recipient's official language.

The Supreme Court ruled that the constitutional right to speak either language is limited and specific. It is the right of the speaker only; it gives no right to be understood or to receive court documents in the official language.

Because the Supreme Court ruled that constitutional provisions to speak in the legislatures or the courts are rights of the speaker only, and do not impact on the hearer or recipient of documents, the following, in my opinion, now applies. According to the court, there is no right to receive court processes in the official language of choice. Court clerks and judges may issue summonses or other procedural documents in the language they choose, regardless of the language spoken by the person to whom the document is addressed. Second, there is no right to a translation of a summons or other court document. Third, the state has no duty to guarantee that speakers in court will be heard or understood in the official language of choice, or to facilitate the right to speak either English or French.

Probably the most significant impact of the *MacDonald* and *Societé Acadienne Nationale du Nouveau-Brunswick* cases is the new approach to constitutional provisions for official bilingualism that the Supreme Court now takes. The court held that Section 133 of the Constitution Act, 1867, and Sections 17 to 19 of the Charter, are a "constitutional minimum". The court denied that Section 133 is part of any coherent scheme or system of official bilingualism, even potentially. The Supreme Court of Canada will interpret these provisions literally and narrowly. The court will not use a "dynamic and progressive" interpretation to protect official language communities. The court will be stingy. It follows that legislatures and administrations are entitled to interpret present constitutional guarantees for official bilingualism literally and narrowly as a minimum.

Bilingual services in quasi-judicial provincial agencies are not necessary, contrary to the advice of constitutional lawyers prior to these cases. At all points where questions are raised whether a particular program or service has to be provided in the minority language, legislatures and administrations can feel justified in erring on the side of stinginess, since that is the approach the Supreme Court will take on review.

In my humble opinion, to rule as did the Supreme Court of Canada—I am paraphrasing again—that a person has the right to use either French or English in our Parliament and federal courts, but that same person has no right to be understood—the right of interpretation is at odds here—is a significant set-back to language equality in Canada and will create numerous problems over the next few years.

The minimum this Government can and should do is, first, to seek immediately an amendment to our Constitution with provincial concurrence to give it real teeth.

Second, it should study carefully what kind of legislative schemes can be put in place to overcome the difficulties created by the Supreme Court decision so as to give real equality of status to official languages.

Finally, there is the whole question of language of work in the Public Service which requires urgent action in the wake of the Supreme Court's decision. Since the court has effectively removed the teeth from Section 16 that some proponents thought that section contained, we should consider a special task force to study and solve this important question, that is, language of work in the Public Service.

I deplore that decision. I think it has set back language minorities and language in general by many years. I look forward to hearing the Parliamentary Secretary's response on this matter.

• (2225)

[*Translation*]

Mr. Bernard Valcourt (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I listened with much interest to the comments made by the Hon. Member for Ottawa—Vanier (Mr. Gauthier). I would like to give him a somewhat more detailed answer than the one the Minister of Justice (Mr. Crosbie) could give him when he first asked his question on May 6, 1986.

But first, the decision reached by the Supreme Court of Canada having been criticized I believe by minority groups across the country, it must be placed in context. Justices of the Supreme Court of Canada cannot be blamed for taking out the edge off Section 16, as the Hon. Member for Ottawa—Vanier puts it, when that edge never was there. It is not the responsibility of the Supreme Court of Canada to legislate by adjudication. That responsibility rests with of Parliament. This is indeed the reason why the Prime Minister, the Right Hon. Brian Mulroney, has ordered a full review of this Government's language policy, along with a review of the Official Languages Act.

Mr. Speaker, I realize the Hon. Member for Ottawa—Vanier was paraphrasing.

The Supreme Court of Canada did not hold that someone could appear before any Court, whether of federal or provincial jurisdiction, and not be understood in his own language. The ruling of the Court was that Section 16 and the Section in the Constitution did not give a person the right to require that the person hearing him should understand him in his own language. However, the system must not be ridiculed. It has always been the rule in common law that a person should be understood, and the Court did not address the question of the means by which someone was to be understood.

However, Mr. Speaker, the Hon. Member for Ottawa—Vanier (Mr. Gauthier) may be interested in knowing that, only two weeks ago, I was in Moncton, New Brunswick, for the annual meeting of the *Société des Acadiens du Nouveau-Brunswick*, and the two Leaders of the major political parties in the province agreed in principle to amend the Constitution to entrench the right of an Acadian and New Brunswick francophone to be understood in his own language before the courts.

This is already an important step, Mr. Speaker, and for the first time since it was adopted this Government has begun a review and thorough study of the Official Languages Act. Before year's end, amendments will be introduced to deal with the questions that were before the Supreme Court of Canada and other improvements will be made to the legislation so that English and French will indeed be the two official languages of the country, in the full sense of the words, and so that Canadians from every region of the country, at least in matters under federal jurisdiction, will be able to benefit from it.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Tuesday, June 17, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

INTERPARLIAMENTARY DELEGATION

PRESENTATION OF THIRD REPORT OF INTERNATIONAL ASSOCIATION OF FRENCH-SPEAKING PARLIAMENTARIANS

Mr. Nic Leblanc (Longueuil): Mr. Speaker, pursuant to Standing Order 101, I have the honour of tabling, in both official languages, the Third Report of the International Association of French-speaking Parliamentarians.

* * *

[*English*]

POINT OF ORDER

INQUIRY CONCERNING TABLING OF DIRECTIVES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I rise on a point of order. I wonder whether I could receive guidance from the Chair. Yesterday the House agreed to a motion presented by myself for the tabling of a document. I was expecting that the document would then be tabled this morning, and I notice that it has not been. Perhaps the Chair could assist me, so that I could find out just how we will be receiving the document on which there was agreement in terms of tabling yesterday afternoon in the House.

Mr. Speaker: The Hon. Member's point is certainly well taken with regard to the agreement yesterday. I presume the matter will be tabled when the matter is ready. Other than that, there is nothing more the Chair can do.

Mr. Scott Fennell (Ontario): Mr. Speaker, I believe the Minister is at a meeting right now and that as soon as he returns it will be tabled this morning, or just after Question Period.

Mr. Speaker: Therefore, I take it there will be a request later to revert to tabling of documents, as a result of that information.

Mr. Towers: Mr. Speaker, could I have unanimous consent of the House to revert to tabling of documents.

Mr. Speaker: There is a request to revert to tablings. It is so ordered.

* * *

CORRECTIONAL INVESTIGATOR

TABLING OF 1984-85 REPORT

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, on behalf of the Solicitor General (Mr. Beatty), I have the honour to table the 1984-85 report of the correctional investigator.

* * *

COMMITTEES OF THE HOUSE

FINANCE AND ECONOMIC AFFAIRS—THIRD REPORT OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour to present the third report of the Standing Committee on Finance and Economic Affairs, in both official languages. The report deals with the Economic Council of Canada. It makes recommendations in respect of how the council should operate and congratulates the Government on the appointment of Judith Maxwell as chairman of that council.

LABOUR, EMPLOYMENT AND IMMIGRATION—NINTH REPORT OF STANDING COMMITTEE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I have the honour to present the ninth report of the Standing Committee on Labour, Employment and Immigration, concerning family class immigration.

In accordance with Standing Order 99(2), I request that the Government make a comprehensive response to the ninth report. The report is long and complex. It deals with the whole issue of family reunification in Canada. However, its major theme is the suggestion that for high priority family reunifications, such as spouses and dependent children, we should be able to have a processing system which enables that reunification to take place in something less than two months in almost all cases, as opposed to the current seven months or eight months on average.

It also suggest that a new class be created called the assisted family class, which would encompass over age children,

married over age children, and brothers and sisters, and would make it easier for them to immigrate to Canada to join their nuclear family and to contribute, as they always do, to the making of this nation.

There are many other recommendations, but Hon. Members will have to read them.

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

* * *

[*Translation*]

PETITIONS

PROPOSED CONSTRUCTION IN BYWARD MARKET

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the honour to present in the House a number of petitions—

[*English*]

This petition is from some of my constituents and indicates that whereas the Byward Market is a prime heritage area and a tourist attraction in the national capital, and whereas the City of Ottawa is considering a proposal permitting construction of a 17-storey building in the heart of the Byward Market, they ask and pray for the House to call upon the National Capital Commission to state its position on the above proposed construction in the Byward Market, as they have in the case of Sparks Street and other places in the City of Ottawa in years gone by.

RIDEAU HALL—PUBLIC'S ACCESS TO GROUNDS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I also have some petitions to present from several hundred constituents and Canadians visiting the national capital region who object to the closing of the Rideau Hall grounds. As we know, the closing prevents many people from visiting and enjoying that public property. They pray that the House open that decision for consultation with citizens who are representative of a large and growing opposition to the closure of the grounds, in order to find a *modus vivendi* which will satisfy both government security measures and the right of the public to have access to the grounds.

NON-TRADITIONAL JOBS—ABOLITION OF PREFERENTIAL TILT

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I wish to present a petition which is signed by several dozen people, mostly women who are in a training course in Toronto for non-traditional jobs. Their petition objects to the fact that the 30 per cent preferential tilt for women entering non-traditional jobs, sponsored by community employment centres, is now being abolished. The petitioners are students and some of their professors who are concerned about it being abolished. It is my honour to present the petition on their behalf.

CLOSURE OF POST OFFICE—LAKESIDE

Mr. Bruce Halliday (Oxford): Mr. Speaker, I have the honour to table a petition from the residents of Lakeside in the constituency of Oxford. They object to the closure of the post office without consultation, as does their Member, affecting over 250 residents of that area. They feel they have obtained good service from the post office and its rural routes. They also feel that their community is about the same size as other communities which receive similar service.

Mr. Bradley: Mr. Speaker, I have the Government response to certain petitions, and if I could have unanimous consent to revert to tabling of documents for a moment, I would present it.

Mr. Speaker: We will revert, for the second time today, to tabling of documents.

* * *

PETITIONS

GOVERNMENT RESPONSE

Mr. Bud Bradley (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the response of the Government to the following six petitions: 331-529, 331-530, 331-535, 331-550, 331-559, and 31-575.

* * *

• (1110)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk).

Mr. Bud Bradley (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, Question No. 568 will be answered today.

[*Text*]

CANADIAN ARMED FORCES

Question No. 568—**Mr. Howie:**

As of January 1, 1986, by rank, what number of persons were serving in the regular force of the Canadian Armed Forces?

Hon. Harvie Andre (Associate Minister of National Defence):

As of January 1, 1986	
Total All Ranks	83,910
General	1
Lieutenant General	9
Major General	33

Brigadier General	81
Colonel	339
Lieutenant Colonel	1,027
Major	3,291
Captain	6,543
Lieutenant	2,082
Second Lieutenant	1,190
Officer Cadet	2,739
Chief Warrant Officer	877
Master Warrant Officer	2,362
Warrant Officer	4,737
Sergeant	10,356
Master Corporal	11,941
Corporal	20,671
Private (Trained)	5,099
Private (Basic)	9,739
Private (Recruit)	793

[*English*]

Mr. Speaker: The question as enumerated by the Parliamentary Secretary has been answered.

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

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

Some Hon. Members: Agreed.

* * *

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, when you call Orders of the Day, you will notice that the first item of business is Bill C-118. There have been discussions between the Parties and the motion indicates that there will be a reference to a legislative committee. There has been agreement between the Parties that we will deal with this Bill at all stages in the House, including Committee of the Whole and third reading. I think you will find unanimous consent for that.

GOVERNMENT ORDERS

[*English*]

CURRENCY ACT

MEASURE TO AMEND

Hon. Ray Hnatyshyn (for the Minister of Supply and Services) moved that Bill C-118, an Act to amend the Currency Act, be now read the second time and, by unanimous consent, referred to Committee of the Whole.

Mr. Speaker: Is that agreed.

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and the House went into committee thereon, Mr. Charest in the Chair.

Clause 1 agreed to.

Schedule

Mr. Rodriguez: Mr. Chairman, I want to ask the Parliamentary Secretary who is responsible for piloting this Bill through the House today to indicate to the House, and I want to have this on the public record, whether the Government has agreed to a public tender for the nickel blanks. Has the Government agreed to that?

Mr. Bradley: Mr. Chairman, I am led to believe that the Minister had negotiations with the Hon. Member for Nickel Belt (Mr. Rodriguez) pursuant to this topic. I am also led to believe, and I stand to be corrected by my hon. friend, that the Minister advised or showed him the public tender. It is my understanding that, yes, the blanks will be put to public tender.

Schedule agreed to.

Title agreed to.

Bill reported.

Mr. Hnatyshyn (for the Minister of Supply and Services) moved that the Bill be concurred in.

Motion agreed to.

Mr. Speaker: When shall the Bill be read the third time? By leave, now?

Some Hon. Members: Agreed.

Mr. Hnatyshyn (for the Minister of Supply and Services) moved that Bill C-118, an Act to amend the Currency Act, be read the third time and passed.

Mr. Bud Bradley (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I would like to take this opportunity to say a few words pertaining to Bill C-118. I believe my colleagues would like to say a few words as well.

This Bill is to amend the Currency Act. On March 25, 1986, the Minister announced in the House the Government's intention to proceed in the following manner with regard to a dollar coin. The coin is planned to enter circulation in January, 1987. The active withdrawal of the $1 bank note will occur in 1989 and be completed by the year's end. The initial mintage will be 300 million coins costing some $31.8 million to produce. The design of the coin will be the traditional Voyageur motif on the reverse and the Queen's effigy on the obverse. The mint's facility in Winnipeg will be used to strike the coins. I am pleased to announce that the total savings to the Government over a 20 year life span of the coin should amount to approximately $175 million.

There was some discussion as to why we should have a $1 coin. In reality I suppose there are two major factors; first, the

cost savings to the Government, and second, the convenience to consumers. I have already said in relation to the cost savings to the Government that over a 20 year life span of the coin there would be a savings of $175 million.

As far as consumer convenience is concerned, the sinking buying power of quarters, dimes and nickels makes it acceptable at this time to introduce a larger denomination coin. We are one of the few remaining countries in the western world that has not introduced such a coin. The assistance to transit commissions is without question. It is much easier to have $1 coins than $1 bills pushed in boxes. The coin operating machines will be greatly enhanced by this action. I suppose a simple example would be a cigarette machine that might sell cigarettes for $3. Instead of having 12 quarters being put in the machine, it would have three $1 coins. The other advantage to consumers would be that the coin weighs less than four quarters in people's pockets and purses.

Bill C-118 is an amendment to the Currency Act. It will lead to the introduction of a new $1 coin in January 1987. Although Canada has had a $1 coin since 1935, it was never fully circulated.

On February 14, 1985, using an Order of Reference, the Standing Committee on Miscellaneous Estimates examined the question of the new dollar coin. The following recommendations have been accepted: first, that there should be such a coin and that it should be struck by the Royal Canadian Mint; second, that up to $60 million collected from the issue of the new coin during the first five years be assigned to the Calgary Olympics; Third, that the new coin be eleven sided, weigh seven grams, have a diameter of 26.5 millimetre and a thickness on the struck edge of 2 millimetres; fourth, that the colour of the new coin be yellow gold; fifth, that the nickel in the coin be minted and smeltered in Canada; and sixth, that the composition of the new $1 coin be aureate bronze plated on pure nickel.

The Committee had much discussion. Many witnesses appeared. There were many good suggestions, many from my good friend, the Hon. Member for Nickel Belt (Mr. Rodriguez). As well there were many good suggestions from the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) along with the Hon. Member for Ottawa West (Mr. Daubney).

Concerns were discussed in committeee, concerns about the jobs in the bank note industry and in the nickel mining areas. There were concerns about excess coins in pockets and purses and a lot of concern about the acceptability of the coin.

• (1120)

I hope we have resolved the concerns with regard to jobs in the bank note industry. Our intention is to phase out the dollar bill. The withdrawal will occur during 1989. We hope this will give the bank note industry adequate time to adjust and relocate some of their employees and to increase the utilization of and demand for $2 bills. To illustrate that there would not necessarily be a flood of dollar coins, if someone bought a 50-cent chocolate bar with a $5 bill, they would receive two quarters and two $2 bills back. That would increase the acceptance of $2 bills mainly in western Canada.

The nickel mining concern was most strongly and vocally represented by my friend, the Member for Nickel Belt. I believe that has been resolved. The move to utilize Canadian nickel will be a boon to the mining industry in Canada. It is a new product made from Canadian raw materials whereas the dollar bill is made from American cotton.

With regard to the concern about excess coins in pockets and purses, as I said before, the new $1 coin weighs much less than four quarters. I believe we have met the responsibility for their acceptance. The shape of the coin is very attractive. It is just slightly larger than a quarter which is very acceptable. The soft yellow colour is also very acceptable. I believe we have met the concerns of the industries, most Members of the House and the consumers of Canada.

I was very pleased to work in committee with colleagues from all three Parties. It was a very amiable meeting. We came to a consensus. I would like to thank them for their co-operation and the suggestions they have given the Minister and the Department in that area. On behalf of the Minister I would like to thank all the members of the committee and all Members of the House. I wish those who use the dollar coin in the future all the best luck.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I welcome this opportunity, on behalf of my party, to take part in the debate on Bill C-118, an Act to amend the Currency Act.

[*English*]

I would first like to echo the words of the Parliamentary Secretary and congratulate members of all Parties for arriving at an all-Party consensus on this legislation. This Bill has the support of our Party. I will not speak for the third Party, but I know from many conversations with their critic that they too support this Bill.

There is a great need for a dollar coin. We are not striking a coin only to create employment in one region of the country, although that is a very desirable side effect. We are one of only very few countries which does not have a high value coin at this time. The largest coin we have in common usage is the 25-cent piece. As you know, it takes a number of those to buy just about anything, whether it is a soft drink or a package of cigarettes for those few people who still smoke. More important, it requires quite a few coins in order to use rapid transit, for example. It is in that particular area that I became very interested in the dollar coin.

The Regional Municipality of Ottawa-Carleton operates OC Transpo or the Ottawa-Carleton Regional Transit Authority. OC Transpo is constantly faced with the problem of sorting out large amounts of dollar bills. Many times the dollar bills

are damaged in the process of putting them in the change boxes. It is generally a very expensive proposition to keep our dollar bills in circulation. Due to the fact that you cannot buy much with a dollar bill they tend to circulate at a rapid pace which results in a very short lifespan.

As a result of adopting the dollar coin we must withdraw the $1 bill. A few complaints have been voiced to my office from people who are of the opinion that it will be difficult to manage with the dollar coin as opposed to the bill. I disagree with that view. First, the Parliamentary Secretary has very appropriately indicated that the weight of the $1 coin will be only slightly more than that of the present 25-cent piece and much less than two quarters. A person carrying seven or eight quarters in their pocket would find that those coins probably weigh three or four times what two $1 coins would weigh. Therefore, those fears are unfounded.

The Canadian people will very rapidly get used to the $1 coin. I am, however, a little concerned about the $2 bill. I am not convinced that in the long term we will get maximum use of the dollar coin as long as we retain the $2 bill. In my opinion we may want to withdraw that bill at some time in the future. However, this is a trial and error proposition and we will have to wait and see what effect the usage of the $1 coin will have on the $2 bill, particularly in eastern Canada.

I understand that there is almost a tradition in some parts of the country not to use the $2 bill. I noticed that in my travels in the western part of our country. It does not seem as though some Canadians like the $2 bill very much. On the other hand, in my riding they are used extensively. It is important to monitor that situation as it progresses. I am sure the Government intends to do so, but I thought I should bring it to the attention of the Parliamentary Secretary.

I would like to make one further suggestion to the Government. I have voiced this in the past. The reverse side of the $1 bill carries a picture of Parliament Hill as viewed from across the river in Hull. In my opinion it is a very unique and beautiful scene portraying the logging days on the Ottawa river with a beautiful view of Parliament Hill and a small tugboat. My colleague, the Hon. Member for Hull—Aylmer (Mr. Isabelle), brought this to my attention because that is the view of Parliament Hill from his constituency. Perhaps we could use a similar picture on another piece of currency in the future. I bring that suggestion to the attention of the Parliamentary Secretary and hope that he will bring it to the attention of his colleagues on the Government side.

It has been suggested that the obverse side of the $1 coin should carry an image of someone other than our present Queen. I do hope, and this is my own personal view, that the image of Her Majesty will remain on the obverse side of the dollar coin just as it is on the larger dollar coin currently in use. Perhaps the answer has been given in the past, it just escapes me at the moment, but I am wondering whether we will keep the existing dollar coin as well. Perhaps I could get an indication from that whether collectors will still want to purchase the low circulation larger dollar coin we have at present.

• (1130)

Finally, I want to speak very briefly to the design of our new coin. It is commonly referred to as the Susan B. Anthony design, which is of course the U.S. dollar coin. It is identical in size and shape to our new dollar coin. However, I do believe the Americans made two mistakes in the design. First, it is not gold-coloured. Secondly, I think they made the very serious mistake of not withdrawing their one dollar bill which resulted in the American consumer making very little use of the dollar coin. Our coin as proposed is quite desirable, not only for the reasons which the Parliamentary Secretary has outlined, such as its light weight which will encourage Canadians to use it, and its low cost resulting from its smaller size. As well, the people in the vending machine business, the amusement business, and rapid transit services, and others who use coins in machines, will find that the machine mechanism can easily be replaced, because a large number of vending machines are made in the U.S. and of course the use of the Susan B. Anthony dollar has already been accommodated in a large number of vending machines. As well, a large number of replacement parts are available at low cost, so we have been told.

To summarize, we will shortly have a new dollar coin. I believe it is an excellent design and size. It has a good, highly visible colour. It will also have an important side-effect of benefit to the City of Sudbury and the mines in that area. I know that my friend from Nickel Belt will be speaking on this matter, but I would also like to point out the contribution of my colleague from Sudbury who came to committee on a number of occasions to assist me in this process. He has shown all along a great interest in Bill C-118 and in the report of the Standing Committee on Miscellaneous Estimates which recommended the new dollar coin. Again I want to thank him for the very worth-while assistance he gave me on this issue. I also want to thank all Members of the House for the excellent co-operation we all received in this project.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I suppose it is only appropriate that the Member for Nickel Belt would support the move to a dollar coin. The coin will be made from 100 per cent Canadian nickel, mined, refined and processed in Canada. That is extremely important so I know that I am rather partisan when it comes to moving to a dollar coin which is going to use products from the Nickel Belt. I make no apologies for that. Nickel mining is one of the few industries in my riding. Therefore I had an axe to grind when the committee held hearings on the dollar coin. However, I put aside my partisan feelings about the benefits of a dollar coin made from nickel. In a very impartial way I examined whether this country should have a dollar coin.

Mr. Bradley: Look me in the eye when you say that, John.

Currency Act

Mr. Rodriguez: Mr. Speaker, I am looking the Hon. Member right between the eyes. I could not think of any reason why we ought not to have a dollar coin. I cannot imagine in a modern society, with vending machines and transit systems, having a dollar bill which is returned every six or seven months to the bank to be perforated and burnt. It seemed to me that a dollar coin, given its saving of taxpayers' money and conservation of resources, was an eminently wise move to make.

On a recent visit to the U.S. my friend from Glengarry—Prescott—Russell and I went on the San Francisco cable-car system. I had a $5 bill which I put into a machine to get a ticket for $1.50. I put the five dollars in and four coins fell out. I thought I was gypped until I looked at the coinage and, lo and behold, there was the Susan B. Anthony dollar coin. A vending machine is the only place where the Americans have been successful in circulating a dollar coin.

There has been a great deal of consumer resistance to the coin in the U.S. Much was made of that in committee. Arguments were made about why we ought not to move to the dollar coin. However, if you look at the Susan B. Anthony coin it is not coloured. If you place it beside a quarter you would have some difficulty distinguishing between the two, because it is only slightly larger than a quarter. In fact, there is a building in Washington where 600 million Susan B. Anthony coins are stored because they cannot be circulated. Given that experience, the committee recommended to the Government a gold-plated dollar coin. It just so happened that we had a proposal for the Government on a gold-plated coin. We called it Ni-gold. It was a process developed in the Nickel Belt area by Inco. Of course Sherritt Gordon had their bronze tin alloy plating, which was, of course, el cheapo. This Government, being moved by all sorts of economic ideas, wanted to save money and decided they would go with the aureate colour, while we in the Sudbury Basin were pushing for the Ni-gold process, which was a little more expensive but it was a better quality. In fact the aureate colour will oxidize as time goes on, whereas the Ni-gold maintains its gold colour. Anyway, the committee, in its wisdom, chose the aureate.

At that meeting also I accepted the compromise, and the proposal was that we would tender the blanks. We would put in the public tender for the blanks for the dollar coin. I felt at least Inco in the Sudbury Basin would have the opportunity to bid on the blanks. Sherritt Gordon would get to put the colour on, Inco would have the possibility of getting the order for the blanks. So we satisfied the west and we satisfied the east. We satisfied the producers in both communities at Fort Saskatchewan and in the Sudbury Basin. We came out of that meeting feeling great. Lo and behold when the Government made the announcement and decided to move to the dollar coin something happened. The Minister announced that Inco would get the order for producing the blanks and Sherritt would put the colouring on the coin. Then something happened, the big double-cross. It turned out that in fact Sherritt Gordon was going to get the supply of the blanks as well as the colouring, both. So the feeling and the understanding we had when we left the committee was thrown completely into confusion.

• (1140)

We came before the committee on Government operations, the Mint and the Minister, and we had a great to-do and harangueing about the double-cross. The Mint said this was a commercial operation and this was the best commercial way to do it, that Sherritt should get both the blank production and the colouring.

Well, where did that leave us? When I got back to my office after the meeting who was on the phone? The Minister was on the phone. What did the Minister say to me? He asked me if he could get my approval to put this dollar coin Bill through in one day. I said, "Mr. Minister, you know what you can do, go forth and multiply". I quoted right out of the scriptures, go forth and multiply. He said that I did not have to be crude, and I said he was crude down in the committee. He asked me what I needed and I said we have to do the fair thing. You put this out to tender, that is the fair thing.

So I am pleased today that the Minister has seen the error of his ways and the logic of our proposal, that it should be done on a tender basis, which is the process used by the Mint for the five-cent piece, the ten-cent piece, the twenty-five-cent piece and the penny. We were not interested in this little cabal and the right hand washing the left hand, and both becoming dirty. That is not what we were interested in. We were interested in fair competition for the blanks. I am pleased today, and that is why I am standing in my place, to support this Bill. I think the Minister was wise in recognizing the error of his ways and recognizing the logic of the argument.

The nickel that will be required to produce this dollar coin is five million pounds of nickel initially, and half a million annually after that. Now, you must understand in the Inco operation five million pounds is just about a week's production. So while it is not going to create a lot of jobs in the Sudbury Basin, and I want to make that crystal clear, what it does offer is the opportunity to stabilize the employment at the rolling mill in Walden. That rolling mill at the present time produces the blanks for the quarters. If Inco is successful in bidding on the production of the blanks we could stabilize the employment of the plant in Walden.

I am quite confident that the dollar coin will circulate. We were concerned about the workers at the bank note companies and the effects a dollar coin would have on their jobs. We should be concerned about that. We were satisfied that the gradual withdrawal of the dollar bill will allow the employment at those particular operations to stabilize.

There is a projection that the higher currency, the $20 bill, the $5 bill and the $2 bill may very well be increased in production in those denominations, which could help in the stabilization of employment at the bank note companies.

It seems to me that the $60 million seignorage on the dollar coin, which is designed and destined for helping in the

financing of the Calgary Olympics, was also a proposal and a decision of the Government which pleases me personally and pleases this party. It will go towards offsetting the costs of the Calgary Olympics. We think that that is an excellent suggestion. We also recognize that the Government stands to make a lot of money on the dollar coin down the road, because coins only go one way—they go out. Coins do not come back and get destroyed and new ones produced. Coins keep getting produced and they go one way. It is a constant revenue for the Government. We recognize that and, goodness knows, they need every penny they can make these days.

We are pleased in this party to support Bill C-118, and trust that it will get speedy passage through this House this morning.

Mr. Bradley: A question was raised by my colleague from Glengarry—Prescott—Russell, and I think I should take just a second, if I may, to clarify it. He asked about the replacement of the existing dollar coin. There are two coins at the present time, the circulating version, which is struck in pure nickel with the Voyageur design. This coin will be replaced by the new dollar coin. There is also a numismatic version for collectors that is struck in pure silver having a new design and theme each year. This coin will continue, and this year's theme is the hundreth anniversary of the transcontinental passenger train service.

Mr. John Nunziata (York South—Weston): Mr. Speaker, I am pleased to rise today to speak to Bill C-118. I do not intend to make lengthy submissions with respect to the legislation. My hon. friend and colleague for Glengarry—Prescott—Russell has already spoken on behalf of the Liberal Party, and I concur fully in his submissions.

We believe the time has come to introduce a dollar coin for a number of reasons. I suppose there would be those who would be somewhat reluctant to do away with the present dollar bill. We all grew up with the dollar bill but, for the reasons indicated by speakers for all three political parties, it is our view that the time has come to introduce the dollar coin.

I thought I would take this opportunity while we were talking about money to talk about the new $5 bill. I received a call in my office a number of weeks ago from a very concerned citizen here in Ottawa who indicated that he was looking at the new $5 bill that was introduced a number of weeks back to the market-place. He noted that the flag flying over the Parliament Buildings was not the Canadian flag as we know it. There was a concern that it might in fact have been the American flag flying over the Parliament Buildings. We considered this to be an item of national concern so we pulled out the magnifying glass and took a very close look at the flag flying over the old Parliament Buildings. We found that indeed it was not the official Canadian flag as we know it today flying over the old Parliament Buildings, nor was it the American flag. There were those who thought, given the cozy relationship between the Government of Canada today and the present administration in Washington, that there was some agreement to fly the American flag over the Parliament Buildings. We took a close look at what was flying—

• (1150)

The Acting Speaker (Mr. Charest): Order. I just want to draw to the attention of the Hon. Member for York South—Weston (Mr. Nunziata) that the Chair does have some difficulty with the pertinence of the Hon. Member's remarks to the legislation we are dealing with today. Perhaps the Hon. Member could tie it in with the legislation that the House is dealing with now?

Mr. Nunziata: I would be very pleased to do so, Mr. Speaker. Bill C-118 is an Act to amend the Currency Act, which I understand deals with all currency. It is my submission that it is incumbent upon the Bank of Canada and all the institutions of Government that deal with Canadian currency to ensure historical accuracy with respect to currency that is introduced or reintroduced into the Canadian market-place.

I am commenting in regard to the historical inaccuracy of the $5 bill. I hope that the Government and those involved will ensure that the $1 coin that is about to be introduced is historically accurate.

If I may carry on with respect to the $5 bill, we found that what was flying—

Mr. Bradley: Mr. Speaker, I rise on a point of order. I find the Hon. Member's remarks in the debate very interesting, but I think the House would agree that the debate is not necessarily about the Currency Act, but an amendment to that Act. I might point out that the amendment relates to the coinage, particularly the $1 coin—not the $5 bill.

The Acting Speaker (Mr. Charest): The Hon. Member for York South—Weston (Mr. Nunziata).

Mr. Nunziata: Thank you, Mr. Speaker. We found that what was flying over the Parliament Buildings, above the centre block, was the Red Ensign. As we know, the centre block of the Parliament Buildings burnt down on February 3, 1916. The official flag of Canada at the time was not the Red Ensign. The official flag of Canada from 1867 to 1945 was indeed the Union Jack, according to G.F.G. Stanley, who is a noted historian and world-wide expert with regard to flags. We referred to his publication, *The Story of Canada's Flag*, which pointed out quite clearly that the official flag was indeed the Union Jack. It was obvious that the flying of the Red Ensign over the old Parliament Buildings was an historical inaccuracy. I suggest that when dealing with any form of currency, whether it is a $1 coin or any bill, one should ensure that there is historical accuracy to the various designs that appear on the coinage or bills.

The House will note that with regard to the $5 bill there was a Canadian version of the Red Ensign which incorporated the arms of the four original partners of Confederation. That early version of the Red Ensign appeared as early as 1874, but it

was not until 1892 that the British Admiralty granted permission for the Canadian merchant ships to fly the Canadian merchant marine ensign. As Professor Stanley noted in his book, there was absolutely no authority given by the British Admiralty to fly it elsewhere than at sea. Therefore, if in fact it was flying anywhere other than at sea during the period we are talking about, then it was flying without official sanction or authority.

There is some evidence according to some historians that the red Canadian merchant marine ensign was flown from the central tower of the Parliament Buildings during the 1890s. Indeed, we are told that various versions of the Red Ensign were flown across Canada throughout this period. Once again, however, none of them carried any official sanction by the Parliament of Canada.

The historians in the House will recognize and recall that by the end of the 1890s there was a resurgence of British imperialist sentiment which resulted in the Red Ensign being removed from Canadian public buildings in favour of the Union Jack. After the First World War, the Red Ensign regained some of its lost prominence, and in 1924 the federal Government authorized its use at diplomatic posts outside Canada, as well as for the merchant marine. However, the Union Jack continued to wave over Parliament Hill. It was not until September, 1945, after the war, that the Union Jack was removed from Parliament Hill by Order in Council and replaced by the Red Ensign.

We are dealing with a period of time after 1945. The Order in Council read that the Red Ensign should fly until such time as action is taken by Parliament for the adoption of a national flag. As we all know, on February 15, 1965, the new Canadian Maple Leaf was proclaimed.

Mr. Boudria: By a Liberal Government.

Mr. Nunziata: As my hon. friend, the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) points out, the new flag was introduced by the Liberal Government of the time, headed by the late Mr. Pearson. Of course, at the time there was some controversy as to whether or not the new Canadian Maple Leaf should in fact be the official flag of Canada. There were those who argued at the time that the Red Ensign or some other version of it should be flown. In conclusion—

Mr. Clark (Brandon—Souris): Mr. Speaker, I rise on a point of order. Surely there is no relevance between the new Canadian flag, whatever its merits may be, and the issue which is being debated in the House today.

The Acting Speaker (Mr. Charest): It is my understanding that the Hon. Member for York South—Weston (Mr. Nunziata) is going to conclude his remarks.

Mr. Boudria: He is not convinced. You should say some more.

Mr. Nunziata: Obviously I have not convinced the Hon. Member. I was just illustrating, in terms of historical accuracy, that one should be careful.

There is likely a great majority of Canadians who would not be too concerned about the historical accuracy of our currency. I rose today to speak to Bill C-118, simply to point out that at times those who design our bills and our coinage have erred. With regard to the $5 bill, there was an error in the design of the visual depiction of the flag on the $5 bill.

In conclusion, I reiterate my support for Bill C-118 and encourage its early and speedy passage.

The Acting Speaker (Mr. Charest): Questions or comments? Debate.

[*Translation*]

Questions and comments. Debate. The Hon. Member for Saint-Denis (Mr. Prud'homme).

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, on June 3, 1986, I had the honour of tabling the following notice of motion in the House, and I quote:

> That, in the opinion of this House, the Government should consider the advisability of continuing to honour Canada's former Prime Ministers, through the minting of coins and the issuing of banknotes bearing their effigies, thus heightening the awareness of the Canadian people and particularly of young Canadians to Canada's history.

I also thought that a very distinctive way of honouring our former Prime Ministers was the suggestion I had made at the time to honour the Right Hon. John Diefenbaker by putting his head on the new $1 coin.

Since then, I have received many representations, both from Government Members and my own colleagues, and surprisingly, a flood of mail. Some people do not agree, but the vast majority, and especially new Canadians and young Canadians, have told me it was an excellent idea and that they had a few suggestions.

One of the many suggestions I received was that if we want to pursue this idea of Canadianization and heightening our awareness of our Canadian institutions, perhaps I should review my initial proposal and ask the authorities to make some changes on our coins to bring them more in line with Canadian history, and to put the Right Hon. John A. Macdonald, Canada's first Prime Minister, on the $1 coin and switch the Right Hon. John Diefenbaker to the new bill that is to replace our present $10 bill. And it was suggested that we also continue the Canadianization process started in the seventies on our $5, $10, $50 and $100 bills by honouring, for instance, the Right Hon. Lester B. Pearson and the Right Hon. Louis St. Laurent, and so forth. But it would have to be done gradually, without upsetting people who are very keen on this legislation, and without necessarily upsetting those who today are very emphatic about putting nothing on our coins or bills other than her Majesty the Queen of Great Britain, who is also the Queen of Canada.

Mr. Speaker, what has kept me going is that I realize that whenever changes are suggested, it causes a lot of problems. I will never forget the courage shown by Mr. Pearson when he talked about a distinctive Canadian flag for the first time, and this was in Winnipeg. I was the only Member with him when he first suggested that the time had come for Canada to have a distinctive Canadian flag. And he had not chosen the easiest spot to make this announcement, because we were in Winnipeg at the Annual Convention of the Canadian Legion. In fact, it caused such an uproar that we were in for a very stormy session. I think there were about five people who applauded: the Prime Minister's wife, his secretary, myself and two other people.

However, the concept gained credence, and gradually, everyone agreed that it was an excellent idea. Mr. Speaker, I am sure that if today we were to tell young Canadians about all the problems we had to overcome to have our own Canadian flag, and if we were to suggest changing it back to what it was before there would be a violent protest, because everyone in Canada is now used to this flag.

And that is why I suggest that we proceed with the Canadianization of our coins, because as I and thousands and millions of people see it, Canadians must be made aware of their institutions.

• (1200)

[*English*]

If we are to have a history of our country we must teach it to Canadians, to young Canadians and new Canadians. What a golden opportunity has been presented to us by Bill C-118, which will change the $1 bill, not by another $1 bill, but, rather, by a coin, so that it is new. Something new is about to take place. I will, of course, give my consent. I will, of course, with my Party, vote for Bill C-118. It is at this time when there is a change that we must consider what we can do to better enhance the word "Canada". This is not a lack of respect for what took place before. It is a suggestion for the future.

My first suggestion, as I was saying earlier, was to honour the Right Hon. John Diefenbaker, whom I had the honour to know. I received some surprising mail from both sides. People ask, "How can you, a Liberal, dare to consider a Tory proposal?" Well, my hon. friend from Hamilton knows that I was very close to the Prime Minister. I may not have agreed with him, but he was very close to me and I was very close to him. As I said in committee to the Minister of Supply and Services (Mr. McInnes), when the Prime Minister would speak in the House, his Secretary would call my office and say, "The Right Hon. John Diefenbaker is about to speak, Mr. Prud'homme"; and I would do likewise, but it was much more interesting for me to get to the House to listen to a great speaker. As I say again, I may not have always agreed with him, and he may not have agreed with me either, but it was something to hear the gentleman and his concept of Canada, and he always debated, with me, my concept of Canada, of slowly going toward full Canadianization of our institutions.

Now we have an occasion to honour another Prime Minister, and as I was saying earlier in French, maybe he should not be placed on the new coin. Maybe for historical reasons we should place on the first coin that will be minted, the first Prime Minister of Canada, Sir John A. Macdonald. Since the $10 bill will be reprinted, maybe the time has come to make a proposal to these people who should listen to the voice of Canada through us, because bureaucrats are very sensitive and they are good at putting forward proposals but they are not good at consulting parliamentarians. Therefore, as a parliamentarian, I am making a suggestion to them that we place Sir John A. Macdonald on the coin and then place John Diefenbaker on the $10 bill.

I know that some day many of my friends on the other side will propose that the time has come to also honour the Right Hon. Prime Minister, Mr. Pearson, a Nobel Peace Prize winner, and Louis St. Laurent, a great Prime Minister. I see that my friend from Hamilton is agreeing with me.

I know I have much support, as I have spoken with many Members of Parliament, from the majority and the minority, and from the Opposition, and it is a good step forward. It is a good concrete proposal. It is not an insult to anyone. I do not understand why, every time I speak of my kind of Canada slowly going toward total Canadianization of our institution, this should look like an insult to someone. Is it insulting Canada to have a Canadian Prime Minister? I spoke with many people, even many of the pages who are here, and they say it is a good idea, as the name is inscribed and this way the history of Canada can be intelligently taught. The problem, as I said on Friday during the debate on Africa, is that only Canadians do not know what Canada is all about. It is true internationally; it is true inside Canada. We must make an effort, slowly, progressively. I do not like revolution; I like evolution. I do not like insult.

We have a Royal Highness, our gracious Queen at the moment, honoured in so many ways. I see nothing wrong in honouring some of our Canadian Prime Ministers. Later on, we should also honour the first Canadian-born Governor General, Vincent Massey. And then the great, great Governor General, the second Canadian-born Governor General, Georges Vanier, should be honoured. I think we should continue on like this, but progressively, to intelligently teach new Canadians, who are here by the millions, and young Canadians. Everyone is using a piece of money, everyone is using coins and bills. One will look at the bill and ask, "Ah, who is that?" " Oh, that is Sir Wilfrid Laurier". "Ah, who was he?" "Prime Minister of Canada for 16 years, from 1896 to 1911, 15 years". Then they will ask, "Oh, who is that guy on the $10 bill?" "This was a great Prime Minister of Canada, the first Prime Minister of Canada, Sir John A. Macdonald. He was Prime Minister for a long period of time". One sees on a $50 bill a reproduction of Mackenzie King. People will ask: "Who is that man"? Mackenzie King was Prime Minister of

Canada for 22 years, the longest term served by any Prime Minister in the Commonwealth. This is the way to teach the history of Canada—slowly and progressively.

• (1210)

When one considers the $100-bill the same can be said. "Who is that Prime Minister"? The answer is that he is the Prime Minister who was in power during the First World War in which we lost 60,000 young Canadians whose names are insribed in a book in the chapel here in the Parliament Buildings. We turn over a new page of that book every day. This is how to teach Canadians the history of Canada. It is not so difficult.

Bill C-118 provides us with a golden occasion. It is a Bill on which we will vote and which will say to those who are doing the job that it is the wish of Canadians, and of Parliamentarians, that progressively and intelligently without hurting anyone's feelings that it be done. I know that some people feel very strongly about not having any change, while others feel strongly about having faster change, as I do. The Canadian way is always the middle of the road. There are those who do not want any change and those who are in a hurry for a change, such as myself. My response to that is, okay, if you take a step forward then I will take a step back. We usually meet in the middle. That is the type of proposal I like to make. I hope that my suggestions will be retained by those people responsible. Therefore we will vote in favour of the Bill.

The Acting Speaker (Mr. Charest): Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Motion agreed to and Bill read the third time and passed.

* * *

DUTIES RELIEF ACT

MEASURE TO ENACT

Hon. Walter McLean (for Mrs. McDougall) moved that Bill C-98, an Act to consolidate various enactments that provide for drawbacks, reductions, refunds and remissions of duties, other than export drawbacks for which provision is made in Sections 82 to 87 of the Customs Act, to amend the Customs Tariff and to repeal or revoke the enactments so consolidated, as reported (without amendment) from a Legislative Committee, be concurred in.

Motion agreed to.

Hon. Walter McLean (for Mrs. McDougall) moved that the Bill be read the third time and passed.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the Government is pleased to see the coming to pass of Bill C-98. It is long overdue and is very much welcomed by the business community in general, and by anyone who has anything to do with the complicated and difficult tariff structures which we have been faced with in Canada for many years.

Principally, the Bill amalgamates and consolidates a number of pieces of legislation, Orders in Council and different techniques that have been used for a long time to try to provide opportunities and to give relief to people who deserve relief from tariffs that have been imposed on a variety of goods that come into Canada. This also applies to goods that are not available in Canada or are brought into Canada and then exported again to other countries, or are brought into Canada and are processed and then exported. This Bill has brought together those disparate pieces from a variety of sources into one comprehensive piece of legislation. It is readily available to see and to take advantage of in an area in which often only experts could ferret out the necessary information and provide the opportunities that are now available.

In the 1985 Budget the Government made a commitment to relieve both paper burden and the bureaucracy that are associated with many Government activities. Bill C-98 is representative of the constructive efforts that have been made along that line. Indeed, there will be fewer costs of Government, there will be less paper burden for individual businesses with which to deal in individual cases and there will also, not insignificantly, be fewer costs to small business people who will be able to use this current vehicle. The cost that will be avoided will be that cost which is now caused by the payment of a tariff which is eventually refunded. Instead of having money tied up for a tariff or fee, that duty which is imposed now, in many cases that extra financial burden, will be relieved.

By way of example, and not to protract the discussion at all, one of the interesting and important things that happens with this particular piece of legislation is that there will be provided a list of machinery that is produced in Canada or available in Canada from Canadian manufacturers, and there will be a list of machinery that is understood to be unavailable. In this way an individual manufacturer or businessperson will be able to refer directly to this list to determine whether or not equipment is available. If it is on the list of non-available Canadian equipment supplied by Canadian manufacturers then that person will automatically have the right to avoid any duty or tariff that would be imposed on machinery imported from other countries. There are other examples, but I think that that is probably the most outstanding one. There is no need to explain further the obvious advantages of this particular piece of legislation.

In conclusion, this is really a good news type of Bill. My understanding is that the legislative committee, with the co-operation of members of both opposition Parties, has facilitated the passage of this in all ways. It was introduced in February of this year and it now comes to us for third reading. We look forward to its proclamation as soon as possible, with the continued co-operation of all members of all Parties.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, when this Bill came up for second reading we said we would make sure it would pass very rapidly. After reference to the legislative committee we simply asked for a letter from the Canadian Association of Customs Brokers confirming that the technical nature and the administration of this measure would not create more problems. We did get the CACB endorsement letter so we support this Bill and, as the Parliamentary Secretary pointed out, we hope it will be enacted at the earliest opportunity so that Canadians, industries and businessmen may benefit from it.

First of all, Mr. Speaker, this Bill implements the full consolidation of existing duty relief, reduction and deferral programs now included in legislation, regulations, decrees and ministerial orders.

As the Parliamentary Secrtetary said earlier, this Bill has very important provisions concerning machinery, among other things, and all machinery importers or exporters will be able to use it.

Personally I hope the list will be carefully drafted and contain enough specifications. I have in my riding a company interested in this matter, the *Vitrerie Bouchard*, which imported machinery, an oven to process glass, because all available information had indicated that it was not available in Canada. So the company had to pay customs duties, but when it applied for a refund it was told that the item could have been manufactured here. Unfortunately, there had to be some checking. A company claims it could have made the item, so the buyer asks for specifications to see whether it is possible to get what he wants and the company replies that it is not necessary, you have already bought the machinery, so why waste time. So there is no co-operation, yet the company was unfairly required to pay customs duties of $100,000 even though a manufacturer claims he could have made the machinery right here in Canada.

To protect our jobs and our manufacturers here in Canada, we need a more exhaustive list as a safeguard for companies which need to import machinery because it is not available in this country. Let us hope that the list will be complete and readily accessible to avoid setting up another bureaucratic structure to administer the whole thing, only to face a bigger problem than the one we have now after a year or so.

So on behalf of my Party I support this measure and I hope Canadian businessmen and industries will find it useful.

• (1220)

[*English*]

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is a pleasure to make a few comments regarding Bill C-98, a Bill which is essentially designed, not to introduce new legislation but to provide an opportunity for the Government to consolidate various enactments that provide for drawbacks, reductions, refunds and remissions of duties, other than the export drawbacks for which provision is made in Sections 82 and 87 of the Customs Act with which most of us are very familiar. I would like to make two points in this wrap-up third reading discussion.

First, I would like to point out the advantage of one of the provisions of the Bill, which is the requirement that the Government compile and provide specific listings of all of those items, primarily machinery and equipment, not available in Canada which can be imported duty free, and alternatively a list of the domestic manufacturers of machinery and equipment which had previously been allowed into Canada duty free. This will assist many manufacturers by giving a clear indication of which kinds of machinery and equipment on which they could expect a remission or other forms of duty relief.

According to the notes which we were provided at the introduction of the Bill this legislation will bring about the consolidation of existing duty relief and the reduction in deferral programs presently set out in various statutes, regulations, Orders in Council and Ministerial Orders. The purpose of all of this is, of course, to design a system to assist Canadian manufacturers in increasing their competitiveness in foreign and domestic markets.

One of the concerns we have regarding Bill C-98 is what it might do in support of certain kinds of initiatives that are being taken, not by the federal Government but by some provincial Governments, most specifically the Government of the Province of British Columbia. In the Budget Papers released with the May 1985 Budget there was a reference made that this Bill would be in direct response to the needs indentified by other Governments, particularly that of British Columbia which had urged the adaptation of customs procedures which would help attract new investment.

One of the concerns of an individual who was interested in manufacturing primarily for export was that there was a whole complicated system of various relief programs available to assist that entrepreneur, but it took a great deal of digging around, evaluating and analysing to find out just what was available. This Bill is a major step forward toward consolidating all of that information so that the exporter and manufacturer working together will have a very clear idea of what is available to help them develop industries for export competition.

Our concern, however, is that the Province of British Columbia wanted the federal Government to provide for this consolidation to enable it to proceed with its special enterprise zones program. The Province of British Columbia introduced Government Bill 49 entitled "Special Enterprise Zones and Tax Relief Act". Basically, the Bill offers special tax status to corporations investing in a particular zone, once it is identified, and certain tax benefits.

The main supporter of free enterprise zones or free trade zones is the federal Government. Without its participation very

little can happen in terms of creating an attractive environment for those who would take advantage of the benefits of these special enterprise zones. The provincial Government of British Columbia really needs the co-operation of the federal Government. It has now received that co-operation, to a point, through this process of consolidation.

The reason we are very concerned about what is going on in the Province of British Columbia and its commitment to special or free enterprise zones relates to what these zones will in fact do. A definition of a free or special enterprise zone is an area where closed shops and other restrictive practices of unions are prohibited, contributions by employers and workers to the Unemployment Insurance and Canada Pension Plan Programs are voluntary, minimum wage legislation is inapplicable, other regulations and controls are minimal and there are no local taxes. In other words, it would be the creation of an area in British Columbia that would ideally be a wage and regulatory-free zone where the most exploitive practices can be incorporated by industrialists, and I suppose that is the very bottom side of the capitalist system. That is what the Government of British Columbia wishes to do in certain areas, areas that are now in the process of being identified.

Our concern is that this particular Bill is a move to support, in a sense, that kind of activity that is taking place at the initiative of the provincial Government. However, that does not mean we will vote against this Bill or prolong it in the House. I suppose as long as the Government is prepared to use rather unscrupulous tactics, it can use any legislation to that end. I do not believe at all that that is the motive behind Bill C-98.

Just to summarize our position, the New Democratic Party certainly supports this duties relief Act. It is long overdue and has been in the process for many years, while the Government has brought together all of the various programs that provide some relief for exporters. However, there is one concern that needs to be put on the record, and that is that now that we are entering free trade talks, the point of which is to develop a level playing field on both sides of the border, there would be quite a dramatic impact on Bill C-98 if free trade were to become a reality. Many of the provisions of the Bill would be seen as being indirect subsidies to particular kinds of export enterprises. If free trade becomes a reality, the provisions of this legislation will become less significant.

• (1230)

This conclusion was provided by one of the studies of the Nielsen task force, specifically the one on management of goverment. On page 438 it was identified that these kinds of provisions would be put into some jeopardy if free trade arrangements in these areas were arranged with the United States.

I also want to flag another concern, which I encourage the Government to consider in subsequent legislation. According to a private consultant's study on free trade zones, prepared by Ports Canada, the various remission orders and drawbacks, which are referred to in Bill C-98, appear best designed to meet the requirements of larger established companies, especially those with a stable product line and a stable trading pattern. This finding was also supported by the Nielsen task force review which, in the management of government study, found that "large corporations tend to lobby more and receive special treatment on concessions more so than small business".

If we look back to 1983, we find that approximately 15,000 applications for duty remissions were received by the Government in that year, and that 85 per cent of those were approved, with the annual remissions totalling approximately $350 million. I do not think it would come as a surprise to anyone that larger corporations or larger experienced businesses would know the system or would be able to hire the necessary people to check out various remission orders and duty remission possibilities and make the appropriate submissions to government, whereas the smaller business or enterprise, the fledgling business, would have less opportunity in those particular areas.

In a sense, without intending to be so, Bill C-98 actually has a bias in favour of the large corporate sector once again. One would say that it is at the expense of the small businesses starting out in these manufacturing enterprises.

If we look at it in terms of regional realities in Canada, we see that Bill C-98 favours, in a sense, certain kinds of enterprises. The fact that it favours large corporate enterprises could mean that it favours central Canada as opposed to the regions or hinterland of Canada where smaller enterprises are getting into place today to play their rightful role in the international market-place. Without making a big deal of it, Bill C-98 has some discriminatory elements in it when it comes to the regional realities of Canada.

However, one has to say that it is long overdue. We have waited many years for this consolidation to occur. Certainly we are pleased that it is before us and will hopefully pass today.

Mr. Gurbin: Mr. Speaker, I should like to make a brief comment, not in any effort to engage in debate or take particular issue. I think the Hon. Member would note that certainly there was no motivation behind the Bill. Whatever are the merits or demerits of free trade zones, or whatever any provincial Government may have, as I think he admitted, there was no motivation behind Bill C-98 to effect those areas one way or another. If there is any trade relationship change between Canada and any other country, there could be potential impact in so far as any of the specifics of Bill C-98 are concerned. That speaks neither to the positive nor to the negative; the Bill was simply an amalgamation which it is hoped will improve the climate and opportunities for smaller businesses. Perhaps only larger businesses have access to the resources and expert advice necessary to work their way through the wrangle of information to take advantage of the opportunities as they now exist.

Mr. Riis: Mr. Speaker, I appreciate the interjection of my hon. friend. I agree with him 100 per cent in terms of his

observations. However, I urge him to make whatever representations are necessary to take steps again, so that particularly small flegling manufacturers interested in the export field are really considered when the drafting takes place. I assume the sophisticated nature of the large corporate sector prevails in all regions and with all businesses, and that we need to go an extra mile, particularly in some regions of Canada. We must take a special initiative to ensure that in fact they are well informed about the initiatives of the Government in this particular instance.

I appreciate the comments of the Hon. Member and urge him to do whatever he can with his Government and his Minister to ensure that small and medium sized businesses can take advantage of this provision.

The Acting Speaker (Mr. Charest): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to and Bill read the third time and passed.

* * *

PAROLE ACT AND PENITENTIARY ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-67, an Act to amend the Parole Act and the Penitentiary Act, as reported (with amendments) from the legislative committee.

The Acting Speaker (Mr. Charest): For the benefit of Hon. Members on all sides of the House, may I point out that the Chair has not yet come to a definite ruling on the report stage of the Bill. However, certain rulings are ready to be given, and I will proceed with those rulings immediately. Then we will proceed with debate on those rulings in order and come back at a later time to give a definite ruling on the whole report stage.

Motions Nos. 1A and 2 will be grouped for debate and voted on separately.

Motion No. 3 will be debated separately and voted on separately. Motion Nos. 8, 9, 10, 11, and 27 all deal with the Commissioner's role and therefore will be combined for debate. Since Motion No. 9 is consequential on Motion No. 8, a vote on Motion No. 8 will dispose of Motion No. 9. Motions Nos. 10, 11, and 27 will be voted on separately. Motions Nos. 13, 13A, and 14 will be debated separately and voted on separately. Motions Nos. 17, 18, 18A, 19, 20, and 20A will be combined for debate. Motion No. 17 will be voted on separately. A vote on Motion No. 18 will also apply to Motions Nos. 19 and 20. Motions Nos. 18A and 20A will be voted on separately. Motions Nos. 21 and 22 will be grouped for debate but voted on separately. Motions Nos. 23 and 23A will be the object of separate debates and separate votes. Motions Nos. 24, 25, 31, and 32 will be grouped for debate. A vote on Motion No. 24 will also apply to Motions Nos. 25, 31, and 32. Motion No. 26 will be debated separately and voted on separately. Motion No. 30A will be debated separately and voted on separately. Motion No. 31A will be debated separately and voted on separately.

Therefore, the House will now proceed to the debate on Motions Nos. 1A and 2, which have been grouped for debate and will be voted on separately.

Hon. Harvie Andre (for the Solicitor General of Canada) moved:

Motion No. 1A

That Bill C-67, be amended in Clause 2 by striking out line 25 at page 2 and substituting the following therefor:

"(4) On completing the first review of the case of an inmate".

Mr. Svend J. Robinson (Burnaby) moved:

Motion No. 2

That Bill C-67, be amended in Clause 2 by striking out line 27 at page 2 and substituting the following therefor:

"shall decide following a hearing held for that purpose".

He said: Mr. Speaker, before commencing my remarks in respect of Motion No. 2, I would ask that the Parliamentary Secretary to Solicitor General (Mr. Towers), who is present in the House today, take his opportunity during the course of the debate to explain those motions which are before the House in the name of the Solicitor General (Mr. Beatty), in order that we might have an opportunity to understand the purpose of the motions.

• (1240)

Having started myself, I will take this opportunity to elaborate on the purpose of this motion. I think that in future when there are motions grouped both in name and in the name of the Solicitor General (Mr. Beatty), I would ask that the Parliamentary Secretary to the Solicitor General (Mr. Towers) speak first so we might have an opportunity to respond to the amendments tabled in his name.

The motion which I am now addressing is a motion in my name which would amend Clause 2 of the Bill. It is the clause which deals with applications for day parole. It has been suggested by the Minister that in this clause there will be a mandatory requirement to review the case of all inmates for day parole at the earliest possible opportunity. That is set out in Clause 8(1) which reads:

Subject to sub-section (2), the Board shall review the case of every inmate who is sentenced to imprisonment in or transferred to a penitentiary for two years or more at the times prescribed by the regulations but not later than the day on which an inmate has served the portion of the term of imprisonment, as prescribed by the regulations, that must be served before day parole may be granted.

We have been told in the committee studying this legislation—and for those who are perhaps unfamiliar with the legislation I can clarify—that Bill C-67 with which we are now dealing is a Bill that would implement the principle of gating,

as it is known euphemistically, as well as deal with the question of one stop mandatory supervision as it were.

In addition, Mr. Speaker, we have been told by the Solicitor General that he intends to insist by legislation that all federal prisoners be reviewed at the earliest possible date for day parole eligibility. We have been told by the Solicitor General that this will result in an increase in the number of prisoners released at their day parole eligibility date. In turn, that release would result in a significant saving to the taxpayers of Canada as well as ensure that we are not incarcerating those who really pose no threat to the community at all who should be released on day parole.

I think all of us in this House have to ask ourselves what on earth is the Solicitor General doing in waiting until this amendment is passed before implementing this policy. You do not need to change the law of the land. You do not need to change the National Parole Act to give an instruction to the Parole Board to review cases of all prisoners for day parole eligibility at the earliest possible time and make sure that where a person is eligible for day parole he or she is granted that day parole. That does not require an amendment to the legislation, Mr. Speaker. All it requires is the political will of the Minister.

We in this country already imprison far too many people. Our prisons are overcrowded. Just recently, within the last week, the correctional investigator submitted his report to the Government of Canada. In that report he pointed out that the situation within the federal penitentiaries has become so critical that we are now double bunking literally hundreds of prisoners. We are double bunking prisoners in maximum security institutions and in special handling units. That is completely contrary to the whole thrust of any rational or sane correctional philosophy. It is not just prisoners who have spoken out against double bunking, against two individuals being squeezed into a cell that is barely big enough for one. It is also prison guards. We have heard from the union of the Solicitor General employees representing guards in federal penitentiaries as to the added tension this causes within the federal penitentiary system.

On the question of review, as this clause provides all day parole, the Government has been negligent in not already implementing as a matter of policy this provision of earliest possible review for day parole. In effect, the Government is adding to the overcrowding of our institutions and denying liberty to individuals who should be out serving their sentences in the community under supervision and not serving those sentences within maximum security institutions at a cost of $40,000 or $50,000 or more per year.

The amendment before the House at this time, Motion No. 2, would add a very critical requirement to the provision now set out for review of day parole. It would require that there be a hearing, that all prisoners be entitled to a hearing on an application for day parole. We are told that most prisoners receive a hearing. That is an elementary right of natural justice, a requirement, that before a decision fundamental to one's liberty is taken surely the individual affected should have an opportunity to make representations to the body making that decision. We are told that in most cases that happens, but with respect to one group of prisoners that has not happened, namely, those prisoners who are federal prisoners incarcerated in provincial institutions. I emphasize that their sentences may be for a duration of many years—certainly their sentences are in excess of two years and sometimes they are sentences of life imprisonment. Pursuant to federal-provincial agreements there is no opportunity whatever for a hearing on day parole. That is fundamentally unjust. Not only is it unjust but it is also clearly discriminatory against women prisoners.

The vast majority of the prisoners about whom I am speaking, those held within provincial institutions even though they are serving time for federal offences, are women. Some 67 or 70 women prisoners being held in provincial institutions in Quebec, even though they are doing federal time, and some 20 or 21 women prisoners in my own Province of British Columbia are held in provincial institutions. As a matter of principle, we support the notion that they should, wherever possible, be held closer to the communities from which they come since there is only one federal penitentiary for women in Canada, the Prison for Women at Kingston. It is essential wherever possible that women be able to serve their sentences closer to their own communities, families and friends and to the kind of support network that is so essential for them. I pause in noting the importance of that kind of network to criticize the decision of the Government to locate a maximum security institution at Port Cartier in the Province of Quebec, solely on the basis of political considerations.

This amendment would ensure that those prisoners who are held within provincial institutions are entitled to that hearing, are entitled to the basic rules of natural justice. I raised this point in committee. I was told by the representative of the Minister, by the Deputy Solicitor General, that there are discussions under way between the federal Government and the provincial Government, and that perhaps this will happen but we do not know at this point. That is not acceptable. What is even more disturbing is the suggestion that this policy is not being implemented solely because it will cost some money. We were told that this very important policy is not being implemented, and when it comes down to it, the reason is that of resources. The Deputy Solicitor General said:

> However, figures from the National Parole Board would tend to indicate that extension of this principle in the terms indicated by Mr. Robinson would involve an addition of 15 person-years to the National Parole Board, together with the associated costs flowing from those person-years.

● (1250)

That is 15 person years to ensure that justice is done for federal prisoners serving time in provincial institutions. Surely that is not an unreasonable suggestion. Surely it is not unreasonable to suggest that if we are going to extend this principle it should be extended not only to those who are held in federal institutions but to those who are held in provincial institutions as well.

That is the purpose of Motion No. 2. I emphasize that the present system in the country is in a state of crisis. Ten years ago the subcommittee on penitentiaries produced a unanimous report. I see that you are indicating that my time for debating this motion has come to an end. I will pursue this subject on the next motion.

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, Motion No. 1A reads as follows:

That Bill C-67, be amended in Clause 2 by striking out line 25 at page 2 and substituting the following therefor:

"(4) on completing the first review of the case of an inmate".

This clause deals with Section 8 of the Parole Act requiring that inmates be reviewed at their first parole eligibility date. Section 8(1) contains the general requirement that inmates shall be reviewed by the Parole Board at the times prescribed by the regulations but, more specifically, no later than the first eligibility date. Section 8(4) requires that the board, upon reviewing the case of an inmate as required by subsection (1), shall in all cases decide whether to grant a parole.

This implies that at any of the reviews referred to in Section 8(1), which encompasses not only the first review but all subsequent ones, the board is limited to making a decision about day parole. The clear intent of Section 8(4) was to specify only the type of decision the board is to make at the first review. The amendment makes this intent clear.

Mr. John Nunziata (York South—Weston): Mr. Speaker, I would like to speak to both Motion No. 1A and Motion No. 2. It would appear that Clause 2 of the Bill is a step in the right direction in that, as the Parliamentary Secretary has pointed out, it would require the Parole Board to review a case not later than the day on which an inmate has served the portion of the term of imprisonment. That means that it now becomes mandatory for the board to review a particular case for day parole before a specified date.

That leads one to question why that has not already been happening. I share the concerns of my hon. colleague, the Member for Burnaby (Mr. Robinson). It seems that there is a difficulty in this particular area. We were not told at committee what the backlog is or what the average wait is for individuals who become eligible for day parole. By legislating this requirement we are, in effect, ensuring that the case of an inmate will be reviewed at a particular time rather than continuing with the existing situation which leaves it up to the discretion of the board. Presently the case of a person who becomes eligible for day parole may not be determined for some time after that eligibility date.

The intent of this amendment to the Parole Act is to ensure that those serving prison sentences in institutitons who are not a threat to society are released at the earliest possible opportunity. I am sure that most Members in the House will agree that prisons should only be used as a last resort. In my view and in that of many of my colleagues incarceration should be the exception rather than the rule. As was pointed out earlier, the prisons in Canada today are overcrowded. We have a very serious problem with double-bunking in a number of institutions.

Given the philosophy of the Government, it appears that it will continue to build new prisons. We were told last year that the Solicitor General (Mr. Beatty) is planning to build a new prison in the Prime Minister's (Mr. Mulroney) riding of Manicouagan. We asked in the House of Commons on a number of occasions whether the Government would hold in abeyance the construction of that prison. It is obvious that if you build more prisons and provide more prison cells, they will inevitably be filled.

The Nielsen Task Force, which reviewed various Departments of the Government, specifically addressed the issue of prison construction. Those who reviewed that subject recommended that there be a moratorium on all future construction. They believe, as I do, that we should not be building new prisons in Canada. We should, rather, review the use of incarceration. In Canada we have a tendency to overuse incarceration. We know that it costs in excess of $40,000 a year to incarcerate one individual. It also costs in excess of $100,000 to build each new prison cell. Yet the Government is still keen on building new prisons rather than trying to find ways of reducing the prison population.

This particular amendment will serve that purpose to a certain extent. It will expedite the release of prisoners who, for whatever reason, would be eligible for day parole. The inmates we are dealing with here are not dangerous offenders *per se*. The inmates who become eligible for and are granted day parole are those who do not pose a threat to society. They are inmates who can be released into the community without any threat of harm to the community. These are precisely the types of people who should not be sent to prison in the first place. These types of offenders should be punished in some way other than through incarceration.

There are judges in Canada who feel that incarceration is an appropriate method of punishment. However, there are other considerations which must be taken into account including the cost of incarcerating prisoners. It is clear that there are other ways of punishing offenders who become eligible for and are granted day parole. Community service orders are a good disposition, in my view, through which a community can benefit as a result of a punishment meted out by the courts. I am pleased to note that in the City of Metropolitan Toronto, for example, there is an increased use of community service orders. Under a community service order, rather than sending an offender to prison the court orders that the offender complete a specified number of hours of community service, be it with a volunteer organization or other municipal organizations. In that way not only does the community benefit through direct volunteer work, but it also benefits financially because the cost of incarcerating that individual is eliminated.

• (1300)

In conclusion, I would like to indicate on behalf of the Liberal Party my support for Motion No. 1A which appears to be a technical amendment to Clause 2. I would also like to express support for Motion No. 2 moved by the Hon. Member for Burnaby. I concur with his concerns. It would appear that a hearing can be held without tremendous additional cost. At present a hearing is not required and the Parole Board can simply review the case without giving the person concerned an opportunity to appear. To allow an inmate to appear and make submissions is I believe in keeping with our very high standard of justice in Canada. I believe it would only be right pursuant to the principles of natural justice to do so.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Schellenberg): The question is on Motion No. 1A standing in the name of the Solicitor General of Canada (Mr. Beatty). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion No. 1A agreed to.

The Acting Speaker (Mr. Schellenberg): The next question is on Motion No. 2 standing in the name of the Hon. Member for Burnaby (Mr. Robinson). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Schellenberg): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Schellenberg): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Schellenberg): In my opinion, the nays have it.

Motion No. 2 negatived.

Mr. Svend J. Robinson (Burnaby) moved:

Motion No. 3

That Bill C-67, be amended in Clause 4 by striking out lines 33 to 40 at page 3.

He said: Mr. Speaker, the purpose of this amendment to Clause 4 of the Bill is to delete a new Subsection 10(1.3) which the Government proposes to add to the Parole Act. That subsection says that where an inmate is released on parole or subject to mandatory supervision, he shall comply with any instructions given by the parole supervisor in respect of any term or condition of parole or mandatory supervision in order to prevent a breach of any such term or condition in order to protect society. In my view that is a step backward which would, in a number of instances, lead to further incarceration. It is possible that an individual might have his mandatory parole revoked on the basis of failing to accept an instruction given by a parole supervisor as set out in the new section. This instruction does not deal just with reasonable terms or conditions; it is any term or condition to protect society. In my view that goes far beyond what is necessary for proper supervision of those prisoners on mandatory supervision.

As long ago as February of 1983, Brian Crane, Chairman of the National Associations Active in Criminal Justice, wrote a letter to the Prime Minister (Mr. Mulroney) on the subject of conditional release. He said that the Government should be requested to make no change in conditional release legislation, that is parole and mandatory supervision, until completion of the sentencing and correction reviews which are part of a fundamental review of the Criminal Code. In other words, we should not be tinkering with one area of the system without recognizing that it could have serious repercussions in other areas of the system.

Some of those listening to this debate might well ask what these associations are. The associations are respected national organizations very active in the field of criminal justice. They include the Association of Social Rehabilitation Agencies of Quebec, the Canadian Association for Adult Education, the Canadian Association of Elizabeth Fry Associations, the Canadian Association for the Mentally Retarded or, as it is now known, the Mentally-Handicapped, the Canadian Association of Native Court Workers, the Canadian Association for the Prevention of Crime, the Canadian Bar Association, the Canadian Council of Juvenile and Family Court Judges, the Canadian Mental Health Association, the Canadian Psychiatric Association, the Canadian Psychological Association, the Canadian Seven Steps Society, the Church Council on Justice and Corrections, the John Howard Society of Canada, the National Association of Friendship Centres, the St. Leonard Society of Canada, and the Salvation Army. Each and every one of those organizations has asked the Government not to proceed in the manner in which it is proceeding in this legislation.

I think it is important to underline why the associations are taking this position and why I am proposing Motion No. 3. The argument I make is that in many instances the case load of parole supervisors is already far too heavy. The case loads of those responsible for mandatory supervision are far too heavy. In many cases the concept of supervision is a farce. Instead of putting some $12 million a year into a program which really does not work, that is the mandatory supervision program, I suggest we look very seriously at a number of important alternatives. Those alternatives were suggested by quite a

number of individuals active in the criminal justice field. For example, Professor Irwin Waller of the Department of Criminology at the University of Ottawa has suggested that the approach being taken in this legislation is fundamentally misguided. He notes that it will not provide the protection the public is looking for. Certainly the amendment I am addressing now will in no way enhance that protection.

Instead of spending millions and millions of dollars on a program which has been proven to be an expensive failure, I suggest we look at alternatives. At present we spend well in excess of $40,000 a year per inmate on our institutions. We only spend about $2,000 a year per inmate in the community. Yet it is in the community that prisoners who are released have to find jobs. It is there that they have to renew relationships with family and friends and deal with problems they might have with alcohol and drug abuse, as well as generally adjusting to community living. Instead of this system of mandatory supervision, which, as I have already noted, given the tremendously excessive case loads of parole officers and probation officers, really does not amount to supervision at all but merely to periodic reporting, let us get serious and refocus that money into programs which might help to prevent crime in our communities. With that money and with those resources just think of what we could do in terms of community programs if we were serious about crime prevention. Let us not spend money incarcerating individuals who are more appropriately dealt with in community based alternatives. That is one point with respect to the concern on this motion.

• (1310)

Another point is that I think it is important to recognize the implications of this motion, because if in fact the subsequent provisions of the legislation are adopted, what this will mean is that a prisoner who does not comply with any instruction, no matter how trivial or how inconsequential, given by a parole supervisor or individual in charge of mandatory supervision, can be reincarcerated, and thus subsequently not eligible for any remission on the remainder of his sentence for merely a technical revocation.

The implications of this are very serious indeed. I have received representations from many individuals who are active in the criminal justice system, whether they be prisoners, prison guards, probation officers or those who work in the community organizations such as the John Howard Society.

The unanimous view of the individuals who work in the system is that the approach which is suggested in this legislation is doomed to failure. I say that, far from reducing the level of crime in our communities, this approach is calculated to increase the level of crime. By imposing rigorous new terms and conditions of mandatory supervision and parole, without any assurance whatsoever that these will enhance the protection of society, what we are doing, in effect, is threatening the safety of our communities.

I would like to give one example of the concerns that are raised. I received a letter from a prisoner in Winnipeg who said:

> I have lived with violence all of my life and anything I can do to prevent violence will be a top priority with me. I cannot do anything to help my own situation since my future is pretty well shot, but after all the years I have spent in prison there must be something I can do to help others who still have a chance. At least then my little girl can look at her dad and say he tried.

That is the voice of a prisoner who is saying that this approach is fundamentally wrong, not out of any personal self-interest, because it will not affect him, but because he recognizes that the approach the Government is taking is not one that will lead to a reduction in the level of violence in our communities, but rather will lead to an increase in the level of such violence.

The amendment before the House in Motion No. 3 is an attempt to ensure that unfair and unworkable new criteria are not imposed on prisoners who are released on parole or mandatory supervision.

Mr. John Nunziata (York South—Weston): Mr. Speaker, I will speak very briefly on Motion No. 3. I have considered this particular motion and it appears to have considerable merit in view of the vague nature of the particular clause that it amends. The effect of Motion No. 3 would be to delete Subsection 10(1.3) of Clause 4 of the Bill. Subsection 10(1.3) of Clause 4 reads as follows:

> Where an inmate is released on parole or subject to mandatory supervision the inmate shall comply with any instructions given by the parole supervisor in respect of any term or condition of parole or mandatory supervision in order to prevent a breach of any such term or condition, or to protect society.

What does that mean? That is the problem. What does any instruction mean given by a parole supervisor? We know that federal inmates are released on parole or mandatory supervision. Normally there is not a blanket release where an inmate is released on parole without conditions. Invariably you have conditions attached to the parole. If there is a breach of a certain condition, then the particular individual who that has been released on parole could be reincarcerated.

There are various types of conditions that can be attached to a parole order or to mandatory supervision. Some such conditions would include a curfew, for example, or the requirement that the particular inmate report to his or her probation officer on a regular basis, or for the inmate to reside in a community and not to leave it without prior approval of the parole officer or parole supervisor.

What this particular section says is that where you have conditions to a parole or to mandatory supervision, a parole supervisor can issue further instructions regarding the conditions attached to release. If those conditions or instructions are breached then the inmate could be brought back and reincarcerated.

It seems to me that one should be more precise in terms of this particular provision. It is simply too broad and too vague to refer to any instructions. What does it mean if a parole supervisor says to a parolee that he does not like the clothes he

is wearing, or he does not want him to take a particular route to visit him or her, then if the inmate failed to comply with the wishes of a particular parole supervisior it is a breach of the parole order, or a breach of mandatory supervision and the individual can be brought back in?

I do not think that is fair according to anyone's sense of justice. I think that inmates who are released into the community on parole should be given a certain degree of latitude. They should only be subject to the conditions of parole, rather than being subjected also to the whims of any particular parole supervisor who might decide, for whatever reason, to issue whatever instruction to that particular inmate.

As well, I would like to point out that this particular Subsection (1.3) of Clause 4 does not distinguish between an inmate who is released on parole and an inmate who is released on mandatory supervision.

I am sure you are familiar with the distinction. I think it is important that one recognize the distinction. An individual released on parole is entitled to consideration for parole after serving a particular period of time of his or her sentence. For example, an inmate becomes eligible for day parole pursuant to the regulations after serving one-sixth of that particular sentence. Of course, day parole means exactly what it says, an inmate can be released into the community for the day, either to work or to perform other duties or functions rather than spending the full day in a prison cell or within an institution. An individual becomes eligible for full parole after serving one-third of his or her sentence. The discretion is totally with the Parole Board. It takes into account a number of considerations before deciding whether or not to release a particular inmate on parole. The most important consideration is whether that particular inmate will present any harm to society if released into that society. If the Parole Board deems, in its wisdom, that the person is not a threat to society and believes that it would be in the best interests of society generally and the inmate in particular, then the inmate is allowed to serve his or her sentence in the community on parole.

• (1320)

On the other hand, an individual released on mandatory supervision is an individual who was not granted parole by the Parole Board. These are what I have referred to in the past as the worst of the inmates who are serving time in institutions. These are inmates who have been refused parole by the Parole Board because, for example, it might deem that particular inmate to be a threat to society.

Bill C-67 will give discretion to the Parole Board as to whether or not to issue a detention order. Until now, the authorities simply had no discretion whatsoever. After an inmate had served two-thirds of his or her sentence, the prison officials were required by law to release an inmate regardless of how dangerous that particular inmate might be. Until this Bill is passed, the present law would require the release of even dangerous offenders.

It was felt necessary to exercise some type of discretion with respect to this particular group of offenders who have been refused parole and who have served two thirds of their sentence but have become eligible for release under mandatory supervision. In my opinion, mandatory supervision, which was introduced in 1970, has not worked as well as it should have worked. It needs some reconsideration and this legislation today ensures that society is protected.

Let me return to Motion No. 3. On behalf of the Liberal Party, I intend to support the motion because of the vague nature of the clause to which it relates. The clause does not define what "any instructions" means. It does not distinguish between parolees and those who are released on mandatory supervision. I believe very strongly that there should be a distinction.

I would agree to a higher degree of supervision of those who are released on mandatory supervision and a lesser degree of supervision for those who are released on parole, given the fact that there is a distinction between the type of inmate who is released on parole and the inmate who is released on mandatory supervision.

Subsection 1.3 of Clause 4 does not distinguish between parolees and those released on mandatory supervision, nor does it define or specify what the words "any instructions" means. For those reasons and others, I do not intend to support the Government on the introduction of Subsection (1.3) and, in effect, we will support Motion No. 3 which would delete the whole of Subsection (1.3) of Clause 4.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on Motion No. 3 standing in the name of the Hon. Member for Burnaby (Mr. Robinson). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion, the nays have it.

Motion No. 3 negatived.

The Acting Speaker (Mr. Charest): We will now deal with Motion Nos. 8, 9, 10, 11 and 27, all of which deal with the Commissioner's role and therefore will be combined for debate. May I just remind Hon. Members that since Motion No. 9 is consequential on Motion No. 8, a vote on Motion No. 8 will dispose of Motion No. 9. Motion Nos. 10, 11 and 27 will be voted on separately.

Mr. Svend J. Robinson (Burnaby) moved:

Motion No. 8

That Bill C-67, be amended in Clause 5 by striking out lines 25 to 49 at page 5 and lines 1 to 5 at page 6.

Motion No. 9

That Bill C-67, be amended in Clause 5 by striking out line 11 at page 6 and substituting the following therefor:

"tion (2)."

Motion No. 10

That Bill C-67, be amended in Clause 5 by striking out lines 12 to 48 at page 6 and lines 1 to 10 at page 7.

Motion No. 11

That Bill C-67, be amended in Clause 5 by striking out lines 15 to 17 at page 7 and substituting the following therefore:

"subsection 15.3(2)."

Motion No. 27

That Bill C-67, be amended in Clause 10 by striking out lines 20 to 27 at page 16.

He said: Mr. Speaker, I am pleased to rise in support of these motions, which have been quite appropriately grouped for debate. All of the motions, taken together, would have the effect of deleting references to a new and unprecedented power by the Commissioner of Corrections to designate any prisoner within the federal penitentiary system, no matter what offence that prisoner may have committed which resulted in a sentence to a term of imprisonment. Following that designation, the prisoner would be held until warrant expiry and then released directly into the community.

The predecessor Bill, Bill S-32 that was introduced by the previous Government, included provisions to legalize the practice of what has been called gating. Even that legislation did not go this far. That legislation set out that if individuals who had been convicted of an offence which was set out in the schedule were deemed to be a threat to the community, after a hearing or some form of judicial review they could be held until warrant expiry.

Subsection 15.3(3) goes far beyond that and gives a very sweeping discretion to the Commissioner of Corrections to refer, in turn, to the National Parole Board the case of literally any inmate who happens to be serving time in a federal penitentiary.

I will read that clause because it is the basis for the amendments. If we will be removing it, certainly the House should know what it is that we are removing. The offensive clause to which I am referring reads as follows:

The Commissioner shall, where the Commissioner believes on reasonable grounds that an inmate who is serving a sentence imposed in respect of any offence, whether or not that offence is mentioned in the schedule or caused the death of or serious harm to another person, is likely, prior to the expiration according to law of the sentence the inmate is then serving, to commit an offence causing the death of or serious harm to another person, refer the case to the Chairman of the Board—

• (1330)

At that point, the board will have to make a decision. What this is saying is that the Commissioner of Corrections will have to predict, from the entire federal penitentiary population, who may or may not be violent. In this particular case, we are dealing with individuals who may have no record whatsoever; indeed, individuals who do have no record whatsoever of violent offences.

I want to draw to the attention of the House the submissions that were made to the committee by a Canadian association, The Elizabeth Fry Society, a very respected national organization that works in particular with female offenders. The society said this on the question of the prediction of violence:

At this time, no one can predict with any degree of certainty who is dangerous, or who will commit a violent crime. A small number of persons will recidivate by committing violent crimes. They will do so whether released on their mandatory release date, on mandatory supervision, or after serving their full sentence in prison. Many more, thousands more, will return to the community and commit no violent crimes.

Then the society gives some interesting figures as follows:

Three hundred and ninety-four (394) persons on mandatory supervision released from penitentiary between January 1975 and December 1979 committed robberies and crimes against the person, only 3 per cent of the almost 13,000 persons released under mandatory supervision during the same period.

This comes from the study of the Solicitor General (Mr. Beatty) with regard to conditional release. The society further states:

Many, if not most, of these (exact statistics are unavailable) were not previously serving time for a violent offence, and had been model prisoners inside the institution. Most of the crimes committed by these 394 people did not result in serious injury or death. In 1981 alone there were 136,719 violent crimes reported in Canada and 26,292 robberies.

I would just like to stop here to note that the Bill, as it was originally submitted to the House, in the schedule of offences which were covered, did not make any reference to one of the most common forms of violent crime of all, that is, the offence of armed robbery. When we asked officials why it was that armed robbery was not included, they said, "Oh, well, maybe that was an oversight. So we will go back to the drawing-board and amend our schedule". Well, we must ask, what kind of sloppy drafting was it that led to that kind of glaring oversight? For those who support the principle of the legislation, as presumably did the Minister and the draftspeople, how could they make such a major, major error? I say that it is that kind of error that calls into question the drafting of the entire Bill.

This particular provision, as I say, would give to the Commissioner the discretion to refer cases to the board; but at that point, the board itself is being given the sole discretion to make the decision, to try to predict who will be violent and who will not be violent. We know that such a record of prediction, as based on the level of violent crimes committed

by people on parole, is not one of which the board should be particularly proud.

In fact, if we compare the level of violent crimes committed by those who are released on parole following a discretionary decision by the National Parole Board with the level of violent crime that is committed by those who are automatically released on mandatory supervision, we find that there is virtually no statistical difference at all; yet we are entrusting to this same body which has been demonstrably shown not to have been able to predict violence with any great degree of accuracy, this sweeping new power to "gate" individuals, to deny them the right to mandatory supervision, to release, which, after all, they have earned. This is a case of earned remission for good behaviour within the institution.

Recently, the Senate Standing Committee on Legal and Constitutional Affairs submitted a report to the full Senate. Certainly, I think my views with respect to the Senate, and those of my colleagues, are quite well known. We would just as soon that the place was abolished. Certainly, we carry on in the tradition of Stanley Knowles in suggesting that that bastion of reaction and patronage, that dumping ground for political hacks and flacks and Tories and Liberals, has no place in a democratic society.

Some Hon. Members: Hear, hear!

Mr. Nunziata: Thank goodness they are there for this.

Mr. Robinson: I see that my colleague, the Hon. Member for York South—Weston (Mr. Nunziata) has said that they actually managed to persuade me that I was in error—

Mr. Nunziata: No, no.

Mr. Robinson: —when I originally supported this Bill so vigorously, and I say, "Hear, hear", Mr. Speaker. I say, let us commend Senator Hastings for having finally convinced the Hon. Member for York South—Weston. Let us commend and salute him. That is no mean feat to have turned around the Hon. Member on this legislation, and I very candidly say that I am pleased the Hon. Member has seen the light on this legislation.

Your Honour is making signs that my time on the motion has come to an end, but certainly I will come to make these points on subsequent motions.

Mr. Deputy Speaker: Question? The Hon. Member for York South—Weston (Mr. Nunziata).

Mr. Nystrom: Senator, Senator!

Mr. Nunziata: I am not old enough to be a Senator yet, Mr. Speaker.

Mr. Nystrom: Aspiring Senator. You're working on it, John.

Mr. John Nunziata (York South—Weston): Well, Mr. Speaker, my friend from Burnaby, as usual, is not accurate. When the Bill was introduced in the House, I, on behalf of my Party, indicated support for the legislation. Its general thrust appeared to be in the right direction and, on behalf of my Party, I expressed support because it was my view, and it is my view today, that the paramount concern, when we are dealing with this particular subject matter, is the protection of society.

When we are considering the release of inmates from penitentiaries, we must balance the interests of the particular inmate and the interests of society in general, but one should, in my view, always err on the side of the protection of society.

At the time of second reading, on September 13, 1985, I indicated the concerns I had with respect to mandatory supervision, the process by which an inmate, after having served two-thirds of his or her sentence, is automatically released into the community. I pointed out at the time that there were those who were released on mandatory supervision who had not earned the right to be released, who, in my view, should have served their complete sentences. We found, for example, that in July, 1984, an individual who was released on mandatory supervision after serving 14 years for rape went out into the community and killed four people, in Brandon, Manitoba. This particular individual, who had already committed a violent offence, the offence of rape, was released prior to serving his complete sentence and went into the community and murdered.

What would have happened if this legislation had been in place? What could the Commissioner have done if this particular legislation, Bill C-67, had been in place? The authorities could have refused to release this particular inmate at that moment in time. If this legislation had been in place they could have issued a detention order because the individual had committed a crime listed in a schedule to Bill C-67 which lists all, or most, violent offences. Because he had committed that crime, the authorities could have deemed him to be a danger to society. They could have issued a detention order thereby not allowing this individual to be released on mandatory supervision.

• (1340)

On behalf of my Party I support the concept of giving the Parole Board added jurisdiction or discretion. However, I have been convinced that the final decision should not rest with the Parole Board. As a result of submissions made by groups which appeared before the legislative committee dealing with Bill C-67, as well as by Senator Hastings, a Liberal colleague who has worked extremely hard in this particular area, I have been persuaded that the ultimate decision should rest with a court of law. The ultimate decision as to whether or not an inmate should be detained should be up to a court of law. In my view, a preliminary decision can and should be made by the Parole Board. Where there is a case in which the Parole Board decides to release a particular inmate, then that inmate would be released for all intents and purposes on mandatory supervision because the Parole Board decided not to issue a detention order. However, in a case in which the Parole Board

decides in its wisdom that a particular inmate presents a threat to society, then the decision as to whether or not to release that inmate on mandatory supervision, or to keep that inmate incarcerated, should rest with the court. Since the sentence was originally imposed by the court, it should be only the court which deprives an individual of his or her liberty.

After an individual has been sentenced in Canada and after having served two-thirds of his or her sentence, that individual must be released, by operation of the law, unless, under this legislation, the Parole Board decides to issue a detention order. In such a case the inmate is detained for a further period of time. The decision to issue a detention order is reviewable on an annual basis. It is my submission that the original decision and any review thereafter should ultimately be done by a court of law.

My friend, the Hon. Member for Burnaby (Mr. Robinson), has indicated that the board cannot predict violent behaviour. He has pointed out that there is no way of predicting with any degree of accuracy whether or not a particular inmate might be violent if released into the community. I agree, in part, that one cannot predict with complete accuracy whether or not an individual may be violent. However, in my view that is no reason not to at least try to predict the violent nature of an offender, since the whole purpose of incarceration, as I pointed out earlier, should be the protection of society, and then there should be the concept of general deterrence and specific deterrence. Those should be the reasons for which individuals are incarcerated.

At the initial stage, the trial stage, after hearing evidence in order to satisfy itself beyond a reasonable doubt that a particular person has committed a crime, a court must then decide what form of punishment should be issued as a result of a particular breach of the Criminal Code. The court takes into account a number of considerations, including the nature of the crime, the prospects of rehabilitation, general deterrence, specific deterrence, and so on. The court sentences an individual who has committed a violent crime, as best it can. The court is given considerable discretion under the Criminal Code. Indeed, there are few offences which carry a mandatory prison term. For the most part the court has the discretion either to incarcerate an individual or not, or to fine an individual or issue a community service order. For example, we know that with the crime of murder on a conviction of either first or second-degree the court has no discretion but to incarcerate an individual. As well, the court has no discretion on the issue of parole in terms of a conviction of first-degree murder. As well, the court has no discretion when an individual has committed a second drunk driving offence.

I can see that you are indicating that my time has expired with respect to this particular motion, Mr. Speaker. However, I would like to reserve the right to continue my submission on this particular subject after we have dealt with the next motion.

Mr. Alan Redway (York East): Mr. Speaker, we have dealt with a great many important pieces of legislation in the House of Commons since November, 1984. However, in my view if there is one especially important piece of legislation it is Bill C-67.

I say that bearing in mind that we are now dealing with the most important sections of the Bill. They are the ones which relate to the right of the Parole Board to review and refuse to allow the automatic release of someone who is incarcerated. They are unlike the present provisions of the law as it now stands which provide that after serving two-thirds of a sentence meted out by a judge the prisoner serving time in a penitentiary or prison much automatically be released, whether that prisoner is considered to be violent or to have any violent tendencies, or whether there are any problems of that sort. The legislation which we are considering and the provisions about which we are now speaking deal specifically with that area of the law. The Parole Board will be allowed to refuse to release a prisoner if in its opinion there might be some violence, or if the offender is potentially violent. In my view that is something which is long overdue. It is an area of the law, and an area of criminal justice, which has most put the criminal justice system into most disrepute.

For the last many years we have seen case after case reported in the press dealing with offenders having been released and then committing violent crimes. It is because of that that members of the public feel that they are not safe in their own homes or in walking down their own streets. It is because of that that many people feel that we should have a provision in the Charter of Rights and Freedoms not only guaranteeing equality but guaranteeing our right to be safe on our streets and in our own homes. The provision with which we are dealing is the most important in that respect.

The Hon. Member for York South—Weston (Mr. Nunziata) indicated that he is not happy with the state of the law as it now stands, as did the Hon. Member for Burnaby (Mr. Robinson). I share their concerns. I think we should take a very close look at the whole subject of mandatory supervision. I am not happy with the way it is working generally and I think perhaps we should consider scrapping it all together and instituting something different in its place, something that works unlike the system we now have. However, this is obviously not the time to do this. This is the time to deal with a specific provision that will improve the system that is now in place.

• (1350)

We could consider throwing the whole thing overboard but that would set the process back a year or two or maybe even five years and perhaps we would never solve this problem. We have to deal with the problem that is at hand and give the National Parole Board the right to refuse to release people under certain circumstances in order to protect society.

The Hon. Member for York South—Weston mentioned giving this power to the courts rather than the National Parole

Board. I personally would prefer to see this power in the courts, but not in the way the Hon. Member has suggested. I would prefer to see the courts' right of sentencing redefined very carefully. Perhaps we should look at a provision such that once a court hands out a sentence, no one will have the right to release the prisoner any earlier than at the end of the sentence. No one would have the right to decide to release the prisoner or not to do so at the end of two-thirds of the sentence.

As the Hon. Member knows, that is under review as well. A sentencing commission is reviewing that procedure and I hope that when we receive the commission's report, we will look very seriously at redefining the right of a judge to impose a sentence. That will have the same effect as the proposal to which the Hon. Member referred, which is that it will take away the discretion to let a prisoner go, but it will also mean that when a judge imposes a sentence, that sentence means just what it says it means.

I am very much in favour of this legislation and opposed to the amendments put forward by my friend, the Hon. Member for Burnaby. A recent case from the City of Toronto, the Leander Savoury case, is an excellent example of why we should not adopt the amendment proposed by the Hon. Member for Burnaby. This was a case of a man who was sentenced to jail for what many people might consider minor offences. However, members of the National Parole Board said that they did not want to release him into society after he had served two-thirds of his sentence because they had a fear, concern and suspicion that he would commit violent crimes. In fact, that is exactly what happened.

Members of the Parole Board were forced to release this man because the legislation said that they did not have any alternative. After his release, he served on so-called mandatory supervision, consisting of a telephone call or two over a period of three months or so to his parole officer. Never once did he meet the parole officer face to face. While he was on mandatory supervision, he committed something like 30 different armed robberies and one murder. In fact, his life was ended in a police shoot-out at the end of that three-month period. That is the sort of thing that shows that the National Parole Board needs discretion and an ability to be able to identify those people it feels are potentially violent offenders. The Parole Board needs the authority that is in this Bill.

I could point to many other instances which show that this legislation is needed. It is needed and it is long overdue. If we limit in some way, shape or form the authority of the National Parole Board at this stage, we will be playing with fire. We have seen things like this happen regularly ever since the mandatory supervision provisions were introduced in the first place, and until we find a better method, we have to try to make these provisions work and work properly. I hope that the House will support the Government's position and reject the motion of the Hon. Member.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The first question is on Motion No. 8 in the name of Mr. Robinson. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it. I declare the motion lost.

Motion No. 8 (Mr. Robinson) negatived.

The Acting Speaker (Mr. Charest): That disposes of Motion No. 9. The next question is on Motion No. 10 in the name of Mr. Robinson. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it. I declare the motion lost.

Motion No. 10 (Mr. Robinson) negatived.

The Acting Speaker (Mr. Charest): The next question is on Motion No. 11 in the name of Mr. Robinson. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion, the nays have it. I declare the motion lost.

Motion No. 11 negatived.

The Acting Speaker (Mr. Charest): The next question is on Motion No. 27 in the name of Mr. Robinson. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion, the nays have it. I declare the motion lost.

Motion No. 27 negatived.

The Acting Speaker (Mr. Charest): We shall move on to Motions Nos. 13, 13A and 14. These motions will be debated separately and voted on separately.

Mr. Speaker: Order, please. Perhaps rather than calling the motions, it will make sense to have an extra minute of statements. We shall resume the matter at three o'clock.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

CAPE BRETON DEVELOPMENT CORPORATION

OCCUPATION OF MANAGEMENT OFFICES BY LABOUR LEADERS—REFUSAL OF ACCESS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise today to express my disappointment not only with the Government of Canada but particularly with a Crown corporation, Cape Breton Development Corporation, and a very serious situation that has taken place in industrial Cape Breton. Yesterday the Chief Executive Officer of that Crown corporation refused the Premier of Nova Scotia's representative entrance into the Glace Bay mining building in order to meet with the seven labour leaders who are occupying the management offices. I find that type of action to be totally unwarranted, particularly in view of the fact that we live in a free and democratic society here in Canada.

It is my understanding that the representative attempted to meet with the labour leaders in order to try to resolve a very important impasse. I would hope that the Minister responsible for that Crown corporation would take it upon himself to act forthwith in the best interests not only of the coal miners of Cape Breton but indeed of the entire community, and take very positive action on their behalf.

* * *

• (1400)

SPACE DEVELOPMENT

SATELLITE SENSOR TESTING SYSTEM

Mr. Derek Blackburn (Brant): Mr. Speaker, whatever happened to the statement of the Secretary of State for External Affairs (Mr. Clark) that his Government's stance toward star wars research "is rooted in the need to conform strictly with the provisions of the ABM Treaty"?

Canada is providing targets for Teal Ruby, an infra-red satellite which the American SDIO hopes will be able to track incoming missiles. Article V of the Treaty prohibits the testing of space-based components of ABM systems. Article VI prohibits testing and development of capabilities to counter strategic ballistic missiles. Agreed Interpretation E indicates that new technologies are supposed to be subject to discussions on limitations.

The Government can hide behind the fact that its targets are airplanes, not missiles. However, Teal Ruby is testing the ability to track exhaust plumes, regardless of their source. That certainly casts doubt on the statement of the Prime Minister (Mr. Mulroney) that his Government's priorities "lie more in the investigation of outer space verification technology than in feasibility studies of space-based weapon systems".

* * *

THE ARTS

PROPOSED TORONTO OPERA HOUSE

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, what does Metropolitan Toronto lack that other cities which lay claim to greatness have? I know it is difficult to believe that Toronto lacks anything but, unbelievable as it may seem, Toronto does not yet have a home for the world renowned talents of the National Ballet and Canadian opera companies.

The construction of such an addition will provide 1,554 direct on-site jobs and an additional 5,400 jobs throughout the economy. It will also inject some $98 million into the economy for wages and the purchase of materials. The indirect impact of operations could amount to between $117 million and $139 million annually. After construction, the opera house will employ 367 production staff, performers, and administrators on a continuing basis.

S.O. 21

This new undertaking will contribute to making the arts in Canada a vigorous and self-sustaining industry. This project has my whole-hearted support, and I urge the Minister of Communications (Mr. Masse) to add his voice to those in support of this important project.

* * *

PORNOGRAPHY

SUPPORT FOR PROPOSED AMENDMENTS TO CRIMINAL CODE

Mr. Bill Attewell (Don Valley East): Mr. Speaker, our Minister of Justice (Mr. Crosbie) is to be praised for his proposed new legislation on pornography. With the assistance of two exhaustive studies, the Badgley Report on Child Sexual Abuse and the Fraser Report on Pornography and Prostitution, the Minister of Justice has taken action to stop the trend of excessive permissiveness.

With a clear definition of pornography, law enforcement officers will be able to take action on sexual abuse and exploitation of children. The production or sale of hard core pornography depicting sexually violent behaviour, bestiality, incest, and other sordid acts, will not be permitted in Canada under the proposed legislation.

Certain critics are already calling the legislation too puritanical. I wish they would take the time actually to see the degrading material which is so readily available today.

As legislators we have an onerous responsibility to enact legislation which will help to protect the social and moral fabric of the country.

* * *

NATIONAL CAPITAL COMMISSION

MILE CIRCLE PARK—CALL FOR RETENTION AS PARKLAND

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, today at noon close to 200 people took part in a demonstration on Parliament Hill demanding that the Tory Government leave Mile Circle Park the way it is—a park for the people of Canada to enjoy. The park has been in existence for 71 years, and we do not want the Government to turn it into a building site for the United States Embassy.

Other sites are available across the city of Ottawa. Let us not destroy a park by playing petty politics and by trying to give away things to the United States. The Minister of Public Works (Mr. La Salle) should stand up now and immediately order the National Capital Commission to leave Mile Circle Park to the people of Ottawa for generations to come.

[*Translation*]

Mr. Speaker, several Canadians living in the National Capital Region are still wondering why the Government is absolutely determined to destroy a green park in the vicinity of our city and give it away as a site for building a new United States embassy.

* * *

FEDERAL-PROVINCIAL RELATIONS

STATUS OF QUEBEC

Mr. Gabriel Fontaine (Lévis): For some fifteen years, Mr. Speaker, federal Liberals had looked down from the top of their ivory tower, which seemed absolutely immovable at the time, on Quebec nationalists, either separatists or federalists, both options being quite possible.

At the time, we all felt the affront of hearing the Prime Minister of Canada referring to Premier Bourassa as a "hot dog eater". We will not forget it, Mr. Speaker.

Seventy-four Liberal Members from Quebec were then standing by the despicable way the Liberal Party of Canada was treating Quebecers who were aware of their difference within Canada.

In 45 minutes, in Saint-Hyacinthe over the past weekend, what remains of the Liberal caucus kneeled down before the great chief and decided all of a sudden to recognize Quebec's difference. This abject grovelling in a forthcoming electoral context reminds me of the streetwalkers of Ancient Greece ready to sell themselves for money.

I wish to remind these Liberal turncoats without memory, remorse or national conviction that they will never deceive Quebecers.

* * *

• (1405)

[*English*]

SMALL BUSINESS

BURDEN OF PAPERWORK AND REGULATIONS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, according to the Canadian Federation of Independent Business, one half of the small businesses in the country complain about the paperwork burden they face taking up six to 10 hours a week of a proprietor's time. There is no doubt that small businesses are currently prisoners of excessive regulations and reporting requirements, and the federal Government is the major architect of these.

The Prime Minister (Mr. Mulroney) promised on July 26, 1984, that a PC Government would take action on this problem but almost two years later there has been none. The Government owes Canadians some action on this front to

loosen the paper bonds which are binding the small businesses of the land.

* * *

[*Translation*]

TRADE

IMPORTANCE OF FREE TRADE WITH THE UNITED STATES

Mr. Guy Ricard (Laval): Mr. Speaker, as Canadians, we have to decide whether we want to get away from the Americans or whether we have the national will and courage to make sure that openings are provided under a trade agreement with them, those openings allowing us to exchange goods and services on a broader scale.

I sincerely think that in our present economic world, we do not really have any choice. To tell the truth, economic blocs are not a hellish scheme of the US aimed at destroying us. The world already is divided into economic blocs.

We all know about the European Community and the European Free Trade Association. We also know about the Arabian Common Market or still the Central American Common Market.

The reason why I have mentioned them is that those modern trading countries, even those which are considered less progressive than our own country, acknowledge the fact that special arrangements are the basis of any economy. Therefore, it is essential that we act quickly to conclure a mutually profitable agreement.

* * *

MUNICIPALITIES

CENTENNIAL OF VILLE-MARIE, P.Q.

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, the centennial of a municipality is always an exceptional event. Allow me therefore to draw the attention of the House to the centennial of the municipality of Ville-Marie, the main community in Témiscamingue, the craddle of northwestern Quebec.

Ville-Marie played a major role in the local history of Quebec at a time when the municipality was a strategic and major trading post.

I should like to take this opportunity to extend my best wishes to the residents of Ville-Marie and pay homage to these pioneers who, over the years, have been able to build a dynamic, warm-hearted and friendly community.

I also commend the committee members who organized the centennial celebrations and all the volunteers who did not spare any effort to ensure that this will be an unforgettable event.

To highlight the ceremonies, Mr. Speaker, the Prime Minister of Canada (Mr. Mulroney) will be in attendance on June 24, and he may be assured of a very warm welcome from the people of Témiscamingue.

* * *

[*English*]

INDUSTRY

ANNOUNCED CLOSURE OF ACTON, ONT., TANNERY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the sign at the entrance says "Welcome to Leathertown". Acton, Ontario, proudly billed itself as Canada's leather capital, that is, until the Conservative decision to lift footwear quotas spelled the end of the town's major employer, the Beardmore Tanner. After 142 years the tannery will close its doors in September citing the Government's lifting of footwear quotas as the main reason for the move. The closure will cripple Acton, laying off 20 per cent of its workforce. What was the response of the local Member and Minister involved? "The Government move will benefit Canadians".

The closure makes a mockery of the promise made by the Minister for International Trade (Mr. Kelleher) that no Canadian jobs would be lost on the footwear issue. If we cannot believe the Minister's word on shoe quotas, how can we accord him the responsibility of representing Canada in international trade talks?

I call on both Ministers to revoke this unfair decision.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—IMPORTANCE TO ATLANTIC CANADA

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, Atlantic Canadians were appalled last evening to hear the Leader of the Opposition (Mr. Turner) tell them that he is against the development of an improved trading environment with the United States.

We in Atlantic Canada have much to gain from the new trading arrangements. We are right next door to the large and natural markets of the eastern United States.

Atlantic Canadians waited to learn why the Leader of the Opposition is against a new and better trade arrangement that will mean jobs. I am sure he will now respond that he is only against sitting down to work one out with the Americans. That is a bit like wanting to go to Ottawa without leaving home. That is the logic of the Leader of the Opposition, Mr. Speaker. His lack of self-confidence should not be attributed to all Canadians.

S.O. 21

In the 1960s Canadians and Americans negotiated a deal for the auto industry that has served us well. There is no reason to believe we cannot negotiate a mutually beneficial trade agreement today.

* * *

ENVIRONMENTAL AFFAIRS

IMPACT OF PROPOSED CHEMICAL PLANT CONSTRUCTION AT LONE BUTTE, B.C.

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I have received many letters of concern about plans by Bradbury Industries to build a plant in Lone Butte, B.C., to produce Pentachlorophenol and Tetrachlorophenol. Both PCP and TTCP contain dioxins and the Bradbury plant could pose serious health risks to both the local population and those who will ultimately have to use the chemicals Bradbury plans to produce.

• (1410)

Sweden has already banned the use of these chemicals, and the U.S. Environmental Protection Agency seems likely to ban the use of PCP in the near future. If past experience is any indication, only then will Canada, probably somewhat reluctantly, follow suit.

Why wait, Mr. Speaker? The Minister of the Environment (Mr. McMillan) likes to talk about the dangers of living in a chemical society and has promised tough legislation. If the Government is serious about controlling toxic chemicals, I suggest it could show some leadership in this area by moving quickly to ban the use of PCP and other chlorophenols that pose serious health risks to humans and, in so doing, remove the rationale for the Bradbury plant altogether.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—IMPORTANCE TO BRITISH COLUMBIA

Mrs. Mary Collins (Capilano): Mr. Speaker, the Canadian and British Columbia economies depend heavily upon competitive and aggressive marketing of goods and services in the international market-place. In British Columbia exports account for 34 per cent of our gross domestic product, and close to half of these exports are to the United States.

We in the Government have made a commitment to finding and sustaining markets for B.C.'s coal, lumber, fish, minerals, manufactured products and services. Unfortunately this commitment is not shared by the Liberals and their Leader, the Member for Vancouver Quadra (Mr. Turner), who refuse to recognize the entrepreneurial spirit of British Columbians and their determination to compete in the free market-place. At least we now know where the Liberals stand on a new trade agreement with the U.S.—with their backs to the border and their heads in the sand.

We in British Columbia believe that as Canadians we can hold our own against the best the world has to offer. We are not afraid; we are strong. One only need look at Expo 86 to realize that we can meet—

Mr. Speaker: Order, please. Sixty seconds.

Some Hon. Members: Hear, hear!

* * *

OFFICIAL LANGUAGES

PROSECUTIONS FOR USE OF OFFICIAL LANGUAGE IN QUEBEC

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, if you walk down Rideau Street here in Ottawa you will see signs above the stores, not only in English and French but in Chinese, Italian, and other languages. Such will be found to be the case in most other cities in Canada and throughout the free world. Only repressive regimes seek to stamp out the liberty of individual small business people to advertise their businesses in the language of their choice.

Therefore, those of us who have anything of a sense of freedom and fair play cannot stand idly by when the Liberal Government of Quebec prosecutes, fines, and chastises store owners for the sole reason that they choose to advertise their businesses in one of the official languages of Canada rather than the other.

* * *

[*Translation*]

CANADA PENSION PLAN

BILL C-116—CREDITS ACQUIRED DURING MARRIAGE

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I should like to express concern over a particular aspect of Bill C-116 to amend the Canada Pension Plan.

Hon. Members would know that this field comes under the joint jurisdiction of the federal and provincial Governments. The eleven Governments have had important discussions in recent months and they reached the conclusion that, in divorce cases, the Canada Pension Plan credits acquired during marriage would automatically be shared by spouses when married couples or common law partners separate.

Mr. Speaker, the provinces and the federal Government have agreed on these very important measures but, unfortunately, they are not included in Bill C-116. I wonder who lays down the law in the Department of Justice! The public

servants? Their views seem to prevail and I wonder what they stand to gain by blocking Bill C-116.

I would suggest it is imperative to set the situation right and include the automatic sharing of Canada Pension Plan credits when a marriage breaks up.

Mr. Speaker: Order, please. The 60 seconds have expired.

* * *

[*English*]

TRADE

UNITED STATES TARIFF ON CANADIAN CEDAR SHAKES AND SHINGLES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the House has once again been entertained by the Hon. Member for Capilano (Mrs. Collins) as she rose to extoll the virtues of free trade. She told us that the people of British Columbia are excited about the prospect of having free trade with the United States, and urged that we embrace it with all our hearts.

I wonder if she is speaking for the shakes and shingles workers who, until now, have been operating within a free trade agreement and in fact have had tariff-free trade for 50 years. The very moment they proved they were more competitive and could produce the product better and cheaper than their counterparts in the United States, they learned that free trade was not really free after all.

Some Hon. Members: Hear, hear!

• (1415)

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—PRIME MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, like many other Canadians I listened with great interest to the Prime Minister's speech on television last night. Like many other Canadians I am confused as to where he stands. In his argument he cited as Exhibit A the Auto Pact with the U.S. Yet he must know the Auto Pact is not an example of free trade, given the safeguards properly imposed to protect Canadian investment and employment. Where does the Prime Minister stand? Are we moving towards a comprehensive free trade agreement? Are we moving towards a managed sectoral agreement? Are we moving towards freer trade or enhanced trade? What was he trying to tell us last night?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I was repeating a political and economic engagement by the Government of Canada in what I hope were clear terms. That, I suspect, is more than can be said for the Right Hon. Member and his Party regarding their position. What I was talking about last evening was essentially what we have talked about in other circumstances, a new, comprehensive, bilateral trading arrangement with the U.S. designed to create more jobs and greater prosperity.

[*Translation*]

INSTRUCTIONS GIVEN TO NEGOTIATOR

Right Hon. John N. Turner (Leader of the Opposition): I have a supplementary, Mr. Speaker. Last night, the only example the Prime Minister gave of good trade relations with the United States was the Auto Pact, but the Pact is certainly not an example of free trade. In fact, it is a pact that was introduced by the Liberals and opposed by the Concervatives at the time. My question is as follows.

Has the Prime Minister, after last night's speech, given new instructions to his principal negotiator to make specific and sectoral arrangements with the United States instead of negotiating a comprehensive free trade pact? Did he change his instructions to Mr. Reisman?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my hon. friend's memory is at fault. It is true that the Auto Pact raised a tremendous amount of concern and opposition, and the almost ongoing opposition has come mainly from the United Auto Workers and the New Democrats. Last night I said history has shown that when barriers to trade fall away, a new properity ensues. Take for instance the Auto Pact in 1964. It has been profitable for both countries. It has brought us jobs. That is what I said last night. In the general field of trade exchanges, we have to start by eliminating barriers, and that is what the discussions that started this morning are about.

[*English*]

CANADIAN OBJECTIVE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, let us see whether we can get this absolutely clear. When the Prime Minister was contesting the leadership of his Party against the now Secretary of State for External Affairs and the now Minister of Justice, he opposed free trade. I want to read to him the words of President Reagan on May 29 before the National Association of Manufacturers. He said: "Just last week we began negotiations with Canada on a new, comprehensive free trade agreement." That is not some minor American official, that is the President. Does the Prime Minister agree that is the objective, so we know where we stand?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the objective is exactly the one I set forth last night. The objective is more jobs and greater prosperity. The Leader

of the Opposition said that "Mr. Mulroney has given away our cards too early. He has dismantled the Foreign Investment Review Agency". However, when he was in private practice at MacMillan Binch he said "We can't afford the outflows associated with FIRA-induced Canadianization". Make up your mind!

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

POSSIBLE RESULTS OF NEGOTIATIONS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, in his speech last night the Prime Minister put forward for the first time the concept of Canada seeking national treatment as a trade goal, thereby endorsing the American theory of a level playing field. That is a quite radical departure in Canadian trade policy. Is the Prime Minister prepared to spell out what the level playing field will mean for Canada? Does he understand it could mean full access by the U.S. to our oil and gas resources, our water resources, and our financial and cultural industries? Could the Prime Minister tell us what the cost to Canada is of the level playing field?

• (1420)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I mentioned very clearly that in a good negotiation that, indeed, would ultimately, over a period of years, be a fair result. I indicated that our objective is to conclude an arrangement that creates jobs and greater wealth for Canadians.

I also said very clearly, and I hope my hon. friend will remember, that if it is not a good deal for Canada there will not be any deal.

POSITION OF PROVINCES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, what is a good or bad deal is in the eyes of the beholder, and we have some questions about that. In putting forward the idea of a level playing field does the Prime Minister have the full concurrence of the provincial Governments, considering that a level playing field would wipe out many of their procurement policies, the agricultural marketing boards and the regional development policies? Has he received their agreement to pursue the level playing field policy that he announced last night?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, Premier Peterson, for example, was one who at the Halifax conference pointed out the desirability of beginning the process of eliminating interprovincial trade barriers. He made very clear what I thought was an excellent position, which I and others have had the chance to pick up on since. I think he speaks for a lot of Canadians when he says that the elimination of these interprovincial trading barriers must come down as a pre-condition to growth. Our position is one of jobs, seeking new markets, productivity enhancement, increased competitiveness, and new wealth for Canadians. I was interested in finally getting the Liberal Party policy stated last night when the Leader said, "I can assure you that we will follow these negotiations closely".

[*Translation*]

AUTO PACT—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister.

Last night, in the course of his speech on free trade, the Prime Minister cited the Auto Pact several times as an example.

Does the Prime Minister agree with the Americans that the Auto Pact is a free trade agreement?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, last night I said clearly that history shows when barriers to trade fall away, a new prosperity is the result.

Take for instance the 1964 Auto Pact. I just wanted to show that in international trade prosperity comes after the number of barriers is reduced. And that is what we want to do.

[*English*]

PRIME MINISTER'S VIEW

Hon. Edward Broadbent (Oshawa): Mr. Speaker, once again we have a Prime Minister who has shifted all over the place on this issue and not answering the question.

Today in Washington Canadian negotiators are sitting down to talk about the Auto Pact and free trade, amongst other things. Would the Prime Minister clarify his remarks that he made last night when he cited the Auto Pact several times as an example, presumably, of free trade. Is he telling Canadians that he agrees with the Americans that the Auto Pact is a free trade agreement, or does he take the traditional Canadian view that the Auto Pact, with built-in safeguards for Canadian investment, is not an example of free trade? It is relevant today, it is relevant to all those workers in other sectors who were watching the Prime Minister. Will he answer the question?

Mr. Speaker: Order, please. This is long.

Right Hon. Brian Mulroney (Prime Minister): The Auto Pact is what I think we have all indicated is an instrument of liberalized trade, and that is what we are working towards. My friend suggests that we are being inconsistent. Perhaps he would care to consult *La Presse* of May 11, 1965, when the New Democratic Party introduced a motion of censure against the Government for proceeding with the Auto Pact.

Some Hon. Members: Hear, hear!

NATURE OF NEGOTIATIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister is rewriting history. If he checks carefully he will find

out the pact was 1965, not 1964. The motion was moved by us before safeguards were included—

Mr. Speaker: Order, please. The Hon. Member has a supplementary question, I believe.

• (1425)

Mr. Broadbent: I know that the facts always bother the Prime Minister, but if he checks the history he will find that out. Will he level with the people of Canada, particularly those in fishing, wood products, agriculture, and many others for whom he cited the Auto Pact as an example? Is he telling Canadians in other sectors that what he is negotiating is trade agreements that have built-in safeguards for Canadian investment, in which case he is not negotiating free trade? Will he come clean and be frank with the people of Canada, just once?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, first, I think I said 1965.

An Hon. Member: Yes, you did.

Mr. Mulroney: Second, it says in *La Presse*:

[*Translation*]

La Presse:

"The NPD opposition once again put the existence of Mr. Pearson's Liberal minority Government in jeopardy yesterday by moving a motion of censure in connection with the recent Canada-U.S. agreement on the auto industry."

[*English*]

You were dead set opposed—

Mr. Broadbent: There were no safeguards and the Pact was there.

Mr. Mulroney: You were dead set opposed to the Auto Pact then and now you are hugging it to your breast as though you invented it.

Some Hon. Members: Hear, hear!

Mr. Broadbent: That is wrong.

Mr. Speaker: Order, please.

ACCESS TO U.S. AND CANADIAN MARKETS

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Prime Minister. In beginning my question I want to say that one thing is clear. In 1965 it was the Conservatives who clearly opposed the Auto Pact. If the Prime Minister wants to achieve "the same standing in U.S. law" for Canadian companies "as American companies", which means in his words: "a truly level playing field", will he not admit that to achieve this he will have to give exactly the same standing to American companies in Canada? If that is the case, he will have to allow them to buy control of our banks and trust companies, our newspapers and magazines, and dismantle Investment Canada. Why does he want to do that?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I should point out to my hon. friend, although I know it offends his sense of paternity, that FIRA has long since been dismantled. You can be sure of that. There will be no more FIRAs.

With regard to the fundamental point raised, as I indicated to the House of Commons on September 26, as reported at page 7056 of *Hansard*:

Our political sovereignty, our system of social programs, our commitment to fight regional disparities, our unique cultural identity, our special linguistic character—these are the essence of Canada. They are not at issue in these negotiations.

Some Hon. Members: Hear, hear!

PRIME MINISTER'S POSITION

Hon. Herb Gray (Windsor West): Mr. Speaker, if the Prime Minister means what he says, in the words he just used, why did he also say in the same speech that he would "seek national treatment" as well as a "level playing field"? National treatment clearly means treating American companies in Canada the same as Canadian companies, and that means dismantling all our measures of sovereignty that he claims to support. He cannot have it both ways. Why does he not come clean with the Canadian people on this?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that is a pretty laughable suggestion and I know my hon. friend realizes that.

Mr. Tobin: What about the movie you made about yourself: "The Life of Brian"?

Mr. Speaker: Order, please.

Mr. Mulroney: We set out the parameters on September 26—

Mr. Speaker: Order, please, with respect. Interjections should be stopped.

Mr. Mulroney: We indicated that we would engage in these comprehensive bilateral negotiations within certain parameters. This is a trade negotiation. It has nothing to do with our cultural sovereignty in any way, shape or form, as I and the Secretary of State for External Affairs have indicated in many instances. We will pursue the negotiations in a mature way, being very vigilant of Canada's interests, in the belief that the unemployment rate in Canada must be reduced and can only be reduced through a growing economy which grows through an expanded international trading capacity. That is why we want to enhance the productivity and competitiveness of the nation. It is to provide jobs through expanded trade.

AUTO PACT DEBATE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also directed to the Prime Minister. Does he not recognize that on May 10, 1964, when the New Democratic

Party put a motion requiring the inclusion of safeguards to protect the workers and the auto industry in Canada, that that motion was supported by the Conservatives?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am sorry—

Mr. Broadbent: Turn up your hearing aid.

Mr. Mulroney: I would be happy to respond to the question. I did not hear the beginning of the question. I would be happy to respond to it.

Mr. Deans: I hope this is not considered a supplementary question. Does the Prime Minister recognize that the motion that was put by the New Democratic Party in 1964, that requested that additional safeguards be included in the negotiation process to protect workers and the Canadian industry, which ultimately occurred, was supported by the Conservative Party?

• (1430)

Mr. Mulroney: Mr. Speaker, if there was a motion 20-odd years ago—

Mr. Deans: That's what you're talking about.

Mr. Broadbent: It was you, you!

Mr. Mulroney: It was—

Mr. Speaker: Order, please. Hon. Members who are waiting to ask questions should know that if they interject it may cause a problem later.

Mr. Mulroney: The motion in 1965—

Mr. Deans: Sixty-four.

Mr. Mulroney: —or 1964, to support the interests of the workers: one may be sure that the Progressive Conservative Party supported it.

Some Hon. Members: Hear, hear!

Mr. Deans: So much for consistency.

CANADA-UNITED STATES NEGOTIATIONS

Mr. Ian Deans (Hamilton Mountain): Let me ask the Prime Minister, however, on a more serious note, is the free trade that the Prime Minister is suggesting we want the free trade that we have had for 50 years in shakes and shingles, or is it the managed trade arrangement that we have had for the last 15 years, or thereabouts, in the auto industry?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, whether we achieve it or not, I do not know; and I have indicated this to the House and to the country. What we are seeking is a comprehensive bilateral trade arrangement—

Mr. Deans: What type?

Mr. Mulroney: —which secures the access of Canada to the American markets to ensure that such things as shakes and shingles never happen again.

Some Hon. Members: Hear, hear!

PROVINCES' PROCUREMENT POLICIES

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the Prime Minister's memory is as flexible, it appears, as is his definition of free trade today. Last night he held out a tremendous carrot to Canadians. He said that Canadian companies would be able to compete on an equal footing with U.S. companies for American government contracts worth up to $750 billion. What he did not say was that American companies would expect the same treatment here in Canada.

I want to ask the Prime Minister whether or not the provincial Governments have agreed, with respect to their procurement policies, to set aside their preferential treatment policies where they exist in some provinces and to open up their bidding processes to American companies, in a free trade agreement, to the detriment of companies in their own provinces.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if, as a result of a liberalized trading arrangement, contractors in Quebec, for example, could use bricks from Ontario—if you limit that kind of restrictive measures, as I think Premier Peterson quite properly pointed out—the national wealth grows. What we are trying to do is create a larger market which will attract Canadian skills and technology and Canadian know-how so as to ensure a greater creation of wealth and jobs at home. The question is, has it been specifically discussed and resolved as between levels of government? I think the answer to that is no. Is it there as a matter for discussion with the First Ministers? Absolutely, and we shall hopefully resolve it on an ongoing basis as we continue a very intensive process of consultation with the First Ministers of Canada.

Some Hon. Members: Hear, hear!

Mr. Tobin: Mr. Speaker, the Prime Minister has given us a straight answer, and I appreciate it, because he has confirmed that there is no such agreement with the provincial Governments to seek this kind of national treatment policy.

FEDERAL POSITION

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, given the fact that the Prime Minister has admitted that the mandate he proposed last night has not been accepted in this country among Governments, will he tell us now that he will instruct negotiators not to pursue this national treatment policy he articulated last night until such time as he has received from the provinces of this country an agreement to proceed whereby they will open up their procurement policy to American contractors south of the border? Not bricks between

Ontario and Quebec; bricks from south of the border and Quebec. That is what we are talking about.

Mr. Speaker: Order, please.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we are seeking agreement in intimate consultation with the provinces, and we shall continue to do so, as I think we have indicated in an unusual degree of commitment to the process. I want to point out to my hon. friend, however, that the right of the Parliament of Canada to initiate these negotiations is not *en cause*. This Parliament and this Government are empowered by the people of Canada to act on behalf of the people of Canada and we shall—

An Hon. Member: Get though with the provinces.

Mr. Mulroney: The provinces indeed have a full right with regard to those areas where their area of jurisdiction and area of competence are involved, and we will continue to consult intimately with them. We are trying to find a formula of ratification. However, there can be no doubt about the Parliament of Canada acting on behalf of all Canadians.

Some Hon. Members: Hear, hear!

AUTO PACT PROVISIONS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to ask the Prime Minister why last night, in his attempt to rise above the tide of battle, he did not mention, at any time, either of the two key safeguards that have been responsible for the success of the Auto Pact in my community, the Canadian content provisions and the equal production to sales commitment in this country. Why was that essential part of the Auto Pact left out of what was supposed to be a clarifying statement?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there was nothing left out. There was a reference to—

Mr. Blackburn (Brant): Not much put in, either.

Mr. Mulroney: Well, my hon. friend says that there was not much put in. It is interesting that many people, I think, came to that conclusion, having heard the Leader of the Opposition; but I did not, because anything that we hear from the Leader of the Opposition on this subject is news.

With regard to my hon. friend and his very good question, I just point out that the statement is:

> History tells us that whenever barriers to trade come down, new prosperity follows.
>
> Take the example of the 1964 Auto Pact.

I am using the illustration of the advantages that flow to free societies with liberalized trade, and I drew no conclusions beyond that.

Some Hon. Members: Hear, hear!

Mr. Langdon: In fact, the industry, unions and the communities all conclude that it is the safeguards in that pact—

Mr. Clark (Yellowhead): Relevance, Mr. Speaker.

Mr. Langdon: —which have won those jobs.

AUTO PACT DEBATE

Mr. Steven W. Langdon (Essex—Windsor): My question for the Prime Minister is the following. Does he agree with these comments from the Conservative Member for Peace River in 1965?

Mr. Clark (Yellowhead): Order.

Mr. Langdon: He said:

> —this United States-Canada automotive agreement, falsely called a free trade agreement. If there was ever a misnomer, Mr. Speaker, this is it, because I can see no measure of free trade in this agreement at all.

Some Hon. Members: Question.

Mr. Speaker: I will allow the answer if the Prime Minister wishes to make it, but the Hon. Member could phrase that question in such a way as to make it more direct, I think.

Right Hon. Brian Mulroney (Prime Minister): Surely, Mr. Speaker, my hon. friend is not attempting to suggest that the Auto Pact is anything other than an instrument of liberalized trade and commerce between two countries and that it has been very, very instrumental in bringing new wealth to Ontario and great trading advantages to Canada. If I may say so, and I think it will interest my hon. friend, as I said just a few days ago in Toronto with regard to this item, that is what the trade talks are all about: extending the benefits of Auto Pact to all industries, to all parts of Canada, not by piecemeal action but, rather, by a comprehensive treaty covering all our trade with the United States.

[*Translation*]

FREE TRADE WITH UNITED STATES—EMPLOYMENT CONSEQUENCES

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is for the Right Hon. Prime Minister.

Yesterday evening and again today, the Prime Minister said that free trade with the United States would create more jobs. Can he explain the study carried out by the Department of External Affairs which states that a free trade agreement with the United States would cause a net loss of at least 130,000 jobs?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it is not the first time that I am misquoted.

FREE TRADE WITH UNITED STATES—PRICE PAYABLE BY CANADA IN JOB LOSSES AND PLANT CLOSURES

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): I have a supplementary, Mr. Speaker. What price will Canadians have

to pay in lost jobs and plant closures for a free trade agreement with the United States?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we clearly said yesterday evening that our objective was to create jobs. As I have said, and I think that this was in the speech yesterday evening, the new Government has created about 600,000 new jobs since coming into office. This is more than all Western European countries combined, but in spite of this impressive record in the field of job creation, we still say that it is not enough, that we want to do more, and we are going to choose the instrument of international trade to do so.

• (1440)

[*English*]

FOREST INDUSTRY

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is also for the Prime Minister. The Canadian shake and shingle industry became a thing of the past on the opening day of negotiations on free trade. But many forest industry workers took note of what the Prime Minister said last night. Just exactly what benefits will be extended to the forest industry in relation to the Auto Pact, as the Prime Minister made the comparison last night?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, what was made abundantly clear by the Prime Minister last night, and as it has been made clear on a number of occasions before, is that we have an instrument of liberalized trade that benefits the auto workers, principally those of central Canada. I do not know why the NDP wants to deny the same kind of advantage coming from a liberalized trade arrangement—

Mr. Broadbent: We've called for it, knucklehead!

Mr. Clark (Yellowhead): —to the workers of British Columbia, and to the workers of the rest of the country. I do not know why members of the New Democratic Party cannot see the nation whole, as this Government is doing.

POSSIBLE BENEFITS

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is for the Prime Minister and not for the former Prime Minister. It is very simple. I want to know what benefits the Prime Minister is suggesting be extended to forest industry workers, since he compared the Auto Pact and free trade to the forest industry. The Prime Minister just read that into the record. What benefits is he proposing be extended to the forest industry?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, one of the benefits that may well come to the forest industry if these negotiations are successful is that we will not be faced with the same kind of countervail arrangements that are now threatening the softwood lumber industry in British Columbia. That could well be a consequence of the negotiations. If we do not undertake negotiations, if we do not try, we will never have a better system than the one we have now. The NDP, the Party of the *status quo*, and of 1964—

Mr. Deans: Those are your quotes, not ours.

Mr. Clark (Yellowhead): —is happy with a system that does not work. We want a better system for Canadians.

* * *

IMMIGRATION

FAMILY REUNIFICATION—COMMITTEE RECOMMENDATION

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is for the Minister of State for Immigration. The Standing Committee on Labour, Employment and Immigration released its excellent report on family reunification today. However, I note that since 1982 only 12 family-class applicants have been refused on security grounds. In this age of international terrorism will the Minister act immediately regarding recommendation No. 32 to ensure that security clearances will guarantee the protection and safety of Canadians?

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, I want to thank the Hon. Member for his question. The report which was tabled only a few hours ago is one which I will want to study extensively. I want to express my appreciation to the members of the standing committee for the work that they have done.

The Hon. Member raises a sensitive question with respect to the desire to have policies that will facilitate family reunification while at the same time balance the security concerns of the country. I can assure the House that I will be consulting with my colleague, the Solicitor General, and other Ministers, to move forward on these recommendations.

* * *

[*Translation*]

RAILWAYS

POSSIBLE CLOSURE OF CN MAINTENANCE SHOPS IN MONCTON

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, my question is directed to the Minister of Transport. The situation is serious.

[*English*]

CN has just announced that it intends to sell its Moncton shops to GE, which will result in the loss of 600 jobs. Last August the Minister gave his assurance that there would be no massive lay-offs and, furthermore, that the shops would not be

closed as long as he was Minister. Will the Minister tender his resignation since CN is abandoning its shops in Moncton?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, contrary to the Hon. Member's suggestion that the shops will be closed, the shops will remain open.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: Contrary to what the Hon. Member alleges, the President of CN has indicated that when agreement is reached between CN and Canadian General Electric all 1,022 shop employees should either retain jobs or be accommodated through existing benefit plans. I think that is a pretty good deal.

Some Hon. Members: Hear, hear!

SITUATION OF WORKERS

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, the shops will be just as empty as the promises the Minister made last summer.

Some Hon. Members: Hear, hear!

Mr. Robichaud: What is the Minister prepared to do for the workers who will lose their jobs? Is he prepared to do something right now for those whose jobs will be lost?

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the Hon. Member is attempting to argue that black is white. CN will enter negotiations with Canadian General Electric on the basis of the retention of the 1,022 jobs, or existing benefits will be transferred for earlier retirement or retraining. All of those things will be looked after.

It is important for the Hon. Member to get on the bandwagon in support and urge his union friends to support this process because it will provide a strong, stable, and secure future for the people of Moncton.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

TRADE

FREE TRADE NEGOTIATIONS WITH UNITED STATES—ALLEGED QUEBEC REQUEST FOR INCLUSION OF COMMUNICATIONS AND CULTURE—GOVERNMENT POSITION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question to the Prime Minister concerns the free trade negotiations.

The Quebec Minister of Communications has asked that communications be part of the free trade negotiations. Is the Government going to say no to Quebec, even though the provincial Government asks for the inclusion of communications and culture?

Right Hon. Brian Mulroney (Prime Minister): As far as I know, Mr. Speaker, we have received no formal request from the Quebec Government in this area. But I mentioned last night in my speech that our unique cultural identity and special linguistic character are elements of the very essence of Canada. They are not the issue in these negotiations. Such is the position of the Federal Government.

[*English*]

GOVERNMENT RESPONSE

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, it appears that the Government may be receiving such a request. Will the Prime Minister tell us when the request comes, which request was mentioned in answer to a question yesterday in the Quebec House, will the answer continue to be no, culture will not be on the negotiating table even if there is a provincial request for it?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, we have not discussed this issue in any shape or form at any of the meetings I have had with Quebec Government representatives.

* * *

[*English*]

ENERGY

PRICE PAID TO ALBERTA OIL PRODUCERS

Mr. Murray Dorin (Edmonton West): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. She will be aware of many recent reports indicating that Alberta producers receive the lowest price in the world for their oil. In view of the fact that the oil industry in Alberta is already devastated, has the Minister examined this system to ensure that Canadian producers receive at least equal treatment with their foreign competitors?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the federal Government deregulated oil markets a year ago this month. We have completely removed ourselves from the market-place in this area. I would suggest that the only resolution to this issue has to come from discussions between the producers and the refiners.

Oral Questions

NATIONAL RESEARCH COUNCIL

INDUSTRIAL RESEARCH ASSISTANCE PROGRAM FUNDING

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. I would like to remind the Minister of his own words as reported in yesterday's *Hansard* in answer to a question about the National Research Council's Industrial Research Assistance Program in which he said: "There are no cuts in the program." Yet less than two hours later an NRC Vice-President confirmed to me that, indeed, a cabinet directive orders a $71 million cut in the program. Will the Minister explain this contradiction? Will he level with Canadians and tell us that he was misinformed? Or will he explain why he is hiding the truth about this decision which will affect some 2,000 small and medium-sized businesses?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I stand by what I said yesterday. The Government has announced some new directions and some new priorities. These were communicated in the normal fashion to the National Research Council in this particular case. There were consultations. A portion of the new space program was allocated to the IRAP in consultation with senior officials of the National Research Council. There has been no reduction to the IRAP Program. There will be a requirement, as requested by the National Research Council, to spend 5 per cent of this year's IRAP Program on space-related activities. I do not care to whom the Hon. Member talked, but that is the fact.

[*Translation*]

MAGNITUDE OF RESEARCH FUNDING

Mr. David Berger (Laurier): Mr. Speaker, the Minister knows very well that those two programs are absolutely incompatible. Why does he insist on saying there are no cutbacks when the Vice-President of the National Research Council and people in the private sector are saying the opposite?

I would ask the Minister to have the courage to rise and tell us the whole truth on this matter.

• (1450)

[*English*]

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, the Vice-President of the National Research Council does not sign the cheque, I do. That is why I know.

Some Hon. Members: Hear, hear!

TRADE

CANADA-UNITED STATES AUTO PACT

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Prime Minister. I have in hand an unexpurgated version of the External Affairs study of the Auto Pact and it says that the Americans consider the Auto Pact a free trade arrangement and the United States administration will continue to argue against the existence of production safeguards. Does the Prime Minister agree with that description of the American notion of the Auto Pact?

Right Hon. Brian Mulroney (Prime Minister): No, Mr. Speaker, I agree with the definition I just gave.

PRIME MINISTER'S POSITION

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, the Prime Minister answered that question as if everything he has said is clear. We all know that that is not so. Does the Prime Minister agree with the American notion of the Auto Pact as a free trade arrangement, or does he agree with the essentially Canadian view that the Auto Pact is a sectoral arrangement with safeguards?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Auto Pact is an instrument of liberalized trade.

* * *

[*Translation*]

NATIONAL REVENUE

CONTROL OF CHARITABLE ORGANIZATIONS

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, recently there were newspaper reports dealing with the concerns raised by the Trade Practices Commission as to the apparent lack of monitoring of the activities of registered charitable organizations.

I would ask the Parliamentary Secretary to the Minister of National Revenue what kind of action he has taken to maintain continued public confidence in that vital sector of the economy.

Mr. Bernard Valcourt (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, the Department's role in monitoring the activities of registered charitable organizations flows from specific requirements under the Income Tax Act. Therefore it is so structured as to ensure that provisions of that Act are adhered to. Charitable organizations are treated by the Department the same way all taxpayers are, whether they are individuals or corporations.

I can assure all Members of this House and especially the Hon. Member that the Department is applying the provisions of the Act to the charitable organizations as required.

[*English*]

CAPE BRETON DEVELOPMENT CORPORATION

DENIAL OF ACCESS TO LABOUR LEADERS OCCUPYING CORPORATION OFFICES

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Acting Minister of Regional Industrial Expansion and concerns the attitude and actions of the Chief Executive Officer of the Cape Breton Development Corporation. Could the Minister explain to the House the rationale and reasoning behind the Chief Executive Officer prohibiting the Leader of the Official Opposition in the Province of Nova Scotia from entering a federal building in order to speak with seven labour leaders to try to resolve the matter which the Minister knows can become a very serious matter at the Cape Breton Development Corporation? Why is the Minister allowing the Chief Executive Officer to prohibit duly elected personnel from speaking with these labour leaders?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am sure the Hon. Member is aware that union elections are taking place today. I do not think it would be proper for politicians to intervene in the election process or to be seen as interfering. I indicated to the House yesterday that I thought it was inappropriate and that it would seem to me to be right and proper to allow the elections to be finished. There is a task force mechanism in place that can be used, I hope, to resolve the problem, and if it is necessary to supplement or complement that process, we will take that under consideration.

MINISTER'S POSITION

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, can I take it from the Minister that, pending the outcome of those elections, he would then give a directive to the president of the corporation, as well as send down a special envoy to meet with the labour leaders, in order to address in a very substantive way the rightful concerns over high unemployment and the future of the Cape Breton Development Corporation, or is the Minister saying that we will have to wait until there is a situation like the one in Edmonton with people on the streets?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I did not indicate that I would give the Chief Executive Officer a directive. I did indicate, as the Hon. Member knows, that there is a task force in place that is equipped to resolve these kinds of issues, and I did indicate that if it was necessary to supplement that task force I would consider doing so. I think the important thing is to get the elections over with so that there is a cooling off period. Then we can take a look at it.

TRADE

CANADA-UNITED STATES NEGOTIATIONS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. Which form of liberalized trade is he advocating, the one with safeguards like the Auto Pact, or the one with no safeguards like free trade?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, what we advocate is Progressive Conservative liberalized trade.

PRIME MINISTER'S VIEW

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, we have always known that there is no difference. Perhaps the Prime Minister would like to tell us which view his is closest to when he talks about liberalized trade. Is it closest to free trade or is it closest to sectoral trade? If he is not prepared to say yes or no, perhaps he could say which view is closest to his own.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, perhaps I could put it this way. It is far removed from the NDP, United Auto Worker, Bob White position, and it is very, very close to the position of trying to create new jobs and wealth for all regions from Newfoundland to northeastern British Columbia. We want everyone involved in a new dimension of prosperity and we want to give all Canadians a mechanism for growth and prosperity.

* * *

REFUGEES

DISTRIBUTION OF LETTER TO POSSIBLE REFUGEE STATUS CLAIMANTS

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of Employment and Immigration. On June 9 the Minister told the House that letters inviting refugee claims had not been sent to alleged murderers and drug traffickers. Today we learned that the Director of Refugee Affairs told the *Kitchener-Waterloo Record* that in fact thousands of letters to such individuals were sent. Why did the Minister deny in the House last Monday that such a letter existed? Why were such letters of invitation sent to those individuals? Who is in control of her Immigration Department?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, if the Hon. Member has information about individuals in Canada who are murderers, he has an obligation to bring that information forward.

REQUEST FOR TABLING OF DOCUMENT

Mr. Sergio Marchi (York West): Mr. Speaker, where has the Minister been for the last 10 days? I deposited that very

information in the House on Monday and Tuesday and she continues to deny the letter. Since the Minister's own official has confirmed the letter, will she table in the House the new directives that will replace the infamous letter so that Canadians will be assured that individuals involved in such criminal activities will not be invited to seek fraudulent refugee status in Canada?

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, the Hon. Member seeks to confuse an issue about which there is no deceit or misrepresentation. The tone of the letter is at issue here. Officials have redrafted the letter in order to clarify the tone of the letter. There has been no substantive change, and in no way will criminals be dealt with preferentially.

* * *

• (1500)

BUSINESS OF THE HOUSE

Mr. Speaker: The Chair has been given notice of a desire on the part of the Hon. Member for Trinity (Miss Nicholson) to raise a point of order. Is the Hon. President of the Privy Council (Mr. Hnatyshyn) rising on a point of order?

Mr. Hnatyshyn: Mr. Speaker, there have been discussions among the Parties, and it has been agreed that the business to be called at this time will be report stage of Bill C-106, an Act respecting the Young Offenders Act. I think there is agreement in that respect. The Hon. Member for York South—Weston (Mr. Nunziata) has some amendments which he wishes to table. I think the House would agree, by unanimous consent, to the Hon. Member tabling those amendments at this time. They were not tabled when we dealt with the matter previously.

However, by the same token, I think there would be unanimous consent in respect of the motion put forward on behalf of the Government. Hon. Members of the House are inclined to accept that particular amendment as being appropriate. If there is any question in respect of same, or if Your Honour has any concern about the matter, I should like to indicate that I have consulted with members of the other Parties and that the House would be inclined to allow the matter to come forward and be put to a vote.

Also it was discussed that we would proceed with report stage and, following the disposition of report stage, that we would carry on with third reading of the Bill.

Mr. Speaker: Order, please. The Chair has several dilemmas. The first one is that it has been very difficult to hear what the Hon. Minister has said because of the noise behind him. Could all Hon. Members who do not have any business in the House at this moment please leave.

Mr. Blackburn (Brant): There will be nobody left!

Mr. Speaker: Order, please. Could I be clear on what the Hon. President of the Privy Council (Mr. Hnatyshyn) is suggesting with regard to Bill C-106? Is the Chair being asked to accept the tabling of the amendments of the Hon. Member for York South—Weston (Mr. Nunziata) without notice?

Mr. Hnatyshyn: Mr. Speaker, I will go over it again. First, the order of business will be the consideration of Bill C-106 at report stage. Second, the Hon. Member for York South—Weston has distributed copies of proposed amendments, and he wishes to seek unanimous consent to table them at this time without appropriate notice having been given. As far as we are concerned, we are quite prepared to have the Hon. Member table those motions for consideration by the House. Third, there is a Government motion already before the House. I have consulted with members of the other Parties, and they are agreeable to having that matter put to a vote if there is any question in respect of the motion. Fourth, once we have completed report stage of the Bill, I think Your Honour will find disposition to proceed with third reading today.

Mr. Deans: Mr. Speaker, I rise on the same point of order. With regard to the tabling of amendments without appropriate notice, Your Honour will recall that two days or three days ago I raised the dilemma with which we are confronted, inasmuch as Bills are being reported back from committee and have to be dealt with during the course of the next five days or six days. Because of the necessity to proceed with legislation, the normal requirement for tabling, and therefore printing on the Notice Paper, is not always possible.

However, having said that, I suggest that we should not consider this to be a precedent for the following reason. I should like to suggest that in future if Hon. Members want to bring forward amendments for consideration which have not gone through the proper channels, at the very least the amendments ought to be given to each of the Parties and to the Chair in advance of debate commencing, so that we do not have amendments brought forward of which we have absolutely no knowledge and which may in fact be out of order.

Mr. Speaker: Before recognizing the Hon. Member for York South—Weston, I have no problem if the House seeks to waive the notice provision. However, in advance of seeing a motion, the Chair cannot determine whether it is in fact in order, whether or not notice is waived. The Chair has to make that caveat.

Mr. Nunziata: Mr. Speaker, the difficulty is that the Government wishes Bill C-106 to be passed by Parliament before it adjourns for the summer recess. We reached an agreement at committee that the Liberal Party would move its amendments at report stage in the House. The committee concluded clause by clause consideration of the Bill in question last Tuesday. There was some difficulty in getting the amendments together. We were not told until today that the Government intended to bring forward Bill C-106.

The Government has three motions on the Order Paper which it would like to bring forward. I am advised that the three motions do not meet with the Chair's approval. However, we would be inclined to support those three particular motions, if the Liberal amendments are allowed to be introduced and briefly discussed at report stage.

Mr. Speaker: Order, please. This started out as an understanding that there was agreement among the Parties.

Mr. Lewis: There is.

Mr. Speaker: I take it there is agreement to waive notice. If the Hon. Member will send me his motions, I will attempt to deal with whether they are in order. The motions which are on the Order Paper are out of order. I have a ruling to that effect which is quite lengthy. I take it the Chair is being asked to find some way to allow a motion to be put which the Chair finds to be out of order, and I do not think the Chair can do that.

I cannot rule upon the motions of the Hon. Member for York South—Weston until I have seen them. I take it that it is now proposed that we call Bill C-106. However, since we are doing matters by consent, in order to guide further the matter which the Chair thought was called, the Chair is ready to read into the record the remainder of the ruling with regard to Bill C-67. With the approval of the House, I think it would be wise to get that matter on to the record so that Hon. Members who have to deal with it will then know where the Chair stands.

Mr. Redway: Mr. Speaker, I rise on a point of order. Could you clarify that Bill C-67 will be called immediately after C-106?

Mr. Speaker: Order, please. When Bill C-106 is before the House, what the Government calls thereafter is the Government's business.

GOVERNMENT ORDERS

[*English*]

PAROLE ACT AND PENITENTIARY ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-67, an Act to amend the Parole Act and the Penitentiary Act, as reported (with amendments) from the legislative committee.

Mr. Speaker: At this point I should like to indicate the Chair's view in respect of Bill C-67, and then I will deal with the point of order by the Hon. Member for Trinity (Miss Nicholson). There are 39 report stage motions on today's Notice Paper in amendment to Bill C-67, an Act to amend the Parole Act and the Penitentiary Act.

Motion No. 1 presents the Chair with some procedural difficulty. It goes beyond the scope of the Bill as passed by the House at second reading stage, in that it gives powers to the standing committee which it does not presently have over Order in Council appointments. The committee cannot initiate appointments and this motion, if adopted, would give the committee a veto power. For these reasons, it is my intention to rule this motion out of order.

Motion No. 1A has been carried. Motions Nos. 2, 3, 8, 9, 10, 11, and 27 have been negatived.

Motion No. 4 was moved and negatived in committee. As these amendments were on the Notice Paper prior to the rule changes relating to the selection of amendments, I have decided to allow the motion to be put. It will, however, be grouped with Motion No. 29, with separate divisions on both motions.

Motions Nos. 5, 6, and 7 attempt to reach into the Criminal Code and import portions of Section 687, which was not contemplated in the Bill when it was read by the House a second time. Therefore, I intend to rule the motions out of order.

As with Motions Nos. 5, 6, and 7, Motion No. 12 also reaches into a section of the Criminal Code which was not considered by the House during second reading debate. Therefore, it is beyond the scope of the Bill, and I will rule it out of order.

Motions Nos. 13, 13A, and 14 will be debated separately and voted on separately.

Motion No. 15 tries to introduce a new concept into the Bill. While an inmate already has the right to appeal on the basis of law, granting him the right to appeal on any ground of law or fact or mixed law or fact is a new concept and clearly beyond the scope of the Bill as passed by the House at second reading. I intend, therefore, to rule the motion out of order.

• (1510)

Motions Nos. 16 and 17 affect the same lines in the Bill and both are in order. However, after consultation with the Hon. Member for Burnaby (Mr. Robinson), the Chair will select only Motion No. 17 for debate and Motion No. 16 will be dropped from the Notice Paper.

Motions Nos. 17, 18, 18A, 19, 20 and 20A will be combined for debate. Motion No. 17 will be voted on separately. A vote on Motion No. 18 will also apply to Motions Nos. 19 and 20. Motions Nos. 18A and 20A will be voted on separately.

Motions Nos. 21 and 22 will be grouped for debate but voted on separately.

Motions Nos. 23, 23A will be the object of separate debates and separate votes.

Motions Nos. 24, 25, 31 and 32 will be grouped for debate. A vote on Motion No. 24 will also apply to Motions Nos. 25, 31 and 32.

Motion No. 26 will be debated separately and voted on separately.

Motions Nos. 28 and 30 both seek to amend Clause 11 of the Bill. After consultation with the Hon. Member for

Point of Order

Burnaby, Motion No. 30 will be debated and voted on separately. Motion No. 28 will be dropped from the Notice Paper.

Motion No. 30A will be debated separately and voted on separately.

Motions Nos. 31 and 32 were dealt with earlier.

Motion No. 31A will be debated separately and voted on separately.

Since Motions Nos. 33 and 34 affect the same line of the Bill, the Chair has again consulted the Hon. Member for Burnaby and will select Motion No. 33 which will be debated and voted on separately. Accordingly, Motion No. 34 will be dropped from the Notice Paper.

To recap, the Chair has procedural difficulty with Motions Nos. 1, 5, 6, 7, 12 and 15. It would be my intention, should Members wish to present procedural arguments, to hear these arguments when the order is next called.

Motions Nos. 16, 18 and 34 have not been selected and are dropped from the Notice Paper.

Mr. Speaker: I have a point of order from the Hon. Member for Trinity (Miss Nicholson).

* * *

POINT OF ORDER

LACK OF SIMULTANEOUS TRANSLATION AT COMMITTEE MEETINGS

Miss Aideen Nicholson (Trinity): Mr. Speaker, I rise on a point of order. This morning at the Public Accounts Committee there was no simultaneous translation. I understand this was the case with two other committees also. I am sure, Mr. Speaker, we all agree that even if Members are sufficiently bilingual to be able to carry on their business the principle is very important and we should somehow find the resources to ensure that all committees have on simultaneous translation. I am bringing this to your attention, Mr. Speaker, knowing that you will find a solution.

Mr. Speaker: I thank the Hon. Member for the quality and the brevity of her presentation, and for her vote of confidence in the Chair. I have to tell her that it is not nearly as simple as she would wish it were, and she may know that translation is provided to the House by the Government department responsible for translation. These matters are now under discussion and I hope we will be able to resolve these problems.

Miss Nicholson (Trinity): Thank you, Mr. Speaker.

Mr. Speaker: "These problems"; is that sufficiently unclear that it makes it clear?

Mr. Gauthier: Mr. Speaker, I rise on a matter of clarification.

Mr. Speaker: If the Hon. Member is going to ask me what I mean by "these problems", however—

Mr. Gauthier: No, Mr. Speaker. I want to bring to the Chair's attention that I have four documented cases in the last 10 days—if the Chair wants to read them, I will gladly send them to him—where simultaneous translation has not been available to committees.

Mr. Speaker: The Chair is well aware of the problem.

Mr. Gauthier: That is part of the problem.

Mr. Speaker: That the Chair is part of the problem?

Mr. Gauthier: No, Mr. Speaker.

Mr. Speaker: My goodness. The Hon. Member for Ottawa—Vanier (Mr. Gauthier) would not want the Chair to think such a thing and, therefore, the Chair does not! Order, please.

* * *

YOUNG OFFENDERS ACT, CRIMINAL CODE, PENITENTIARY ACT AND PRISONS AND REFORMATORIES ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-106, an Act to amend the Young Offenders Act, the Criminal Code, the Penitentiary Act and the Prisons and Reformatories Act, as reported (with amendments) from a legislative committee.

Mr. Towers: Mr. Speaker, I rise on a point of order. Did I understand you to say earlier that all the Government's amendments on Bill C-106 were out of order?

Mr. Speaker: The Chair had to find, with regard to the motions on the Order Paper, that they went beyond the scope of the Bill as passed at second reading and reached into the parent Act. There is another kind of objection the Chair sometimes has, and that is with matters that might require Royal Assent, which is a different procedural problem.

I must say that I have the same problem with regard to the motions, now that I have seen them, from the Hon. Member for York South—Weston (Mr. Nunziata). They appear to go beyond the scope of the Act and reach into the parent Act. The Chair is willing to hear arguments, if there is some understanding on which the House wishes the Chair to try to find a way to agree.

Mr. Lewis: Mr. Speaker, I rise on a point of order. Am I to understand that you have suggested that if there is a disposition, in an effort by all three Parties to see that the intent and the spirit of the Act is met, that the amendments of my colleague, the Hon. Member for York South—Weston (Mr. Nunziata), be accepted by the House for debate, and also that

the Government's amendments be accepted by unanimous agreement, that this could be done? I think that is the sense of what we want to do.

Mr. Speaker: The Chair is in some procedural difficulty. I think everybody knows that. Would the House allow a suspension of five minutes, if that is possible, while the Chair tries to see if it can resolve this matter.

At 3.18 p.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 3.22 p.m.

Mr. Speaker: May I advise the House that I have totally and inadvertently misled the House with regard to at least the initial amendments of the Member for York South—Weston (Mr. Nunziata) which I have had a second chance to review. I misunderstood the word I was getting from my Table officers. They were trying to tell me that at least the first six motions of the Hon. Member for York South—Weston are procedurally in order. Having examined the first six, I propose to allow them. We will have to come back to the rest after we have examined them. That is the only way in which the Chair can proceed in order to determine for certain that the motions are in order.

The Government's three motions technically reach beyond the scope of the Act and go into the parent Bill. The Chair would normally have to find those motions inadmissible. When the Chair is presented with the consent of the Opposition Parties to avoid requiring the Government to present a band new Bill, it does not make a lot of sense to go the whole route one more time when there is a willingness to do something which would otherwise be possible simply by taking a different route, if the House follows me. I therefore propose to seek unanimous consent to allow the motions on the Order Paper standing in the name of the Government to be put to the House. Is there such consent?

Some Hon. Members: Agreed.

Mr. Speaker: Given the nature of the amendments and the consent, I propose to allow the three Government motions to be put.

Mr. Ouellet: Mr. Speaker, I would like to have clarification on this point. Are you telling the House that, in relation to the Government's amendments, if there is consent among the Parties to allow a government motion to be introduced like this to avoid starting the process again and reintroducing a Bill, this type of action could take place exclusively in the House at report stage, or could also be entertained at committee at the time of the study of the legislation there?

Mr. Speaker: The Hon. Member is asking me to rule on a matter I have not been asked to consider. I do not think I can do that. He is asking me to enter into an extrapolation or *obiter dicta* of what I have just done which was an attempt, in this set of circumstances at this moment in time, to try to resolve a problem the House seems to want resolved. The Chair cannot answer what flows from that in other circumstances and situations.

Mr. Ouellet: Mr. Speaker, I have in mind what happened with Bill C-91. In that case the Government was to amend a clause of the parent Bill in order to do away with reference to the Restrictive Trade Practices Commission. That amendment was ruled out of order in committee and was reintroduced at report stage by the Government when it was also ruled out of order by the Chair. It was impossible to do this because of that decision. Indeed, I welcome this new decision by the Chair—

Mr. Speaker: Order, please. The Hon. Member knows the Chair's view about treating what I have just said as a ruling and then trying to extrapolate from that to other circumstances. The Chair certainly cannot do that. The Hon. Member may have an opinion as to what that means, but the Chair is not saying whether it agrees or disagrees with the Member. The Chair has ruled these motions out of order. Let us be clear. The Chair is faced with an apparent unanimous desire of the House, which is master of its own destiny, that the House be allowed to consider those motions. The Chair regards itself as the servant of the whole House. In the situation, which we just faced, the Chair understood the will of the House and tried therefore to follow it. The Chair cannot go beyond that in any way with regard to a committee.

The Hon. Member is now indulging in a conversation with the Chair which puts the Chair in a difficulty, unless the Member is refusing unanimous consent.

Mr. Ouellet: Mr. Speaker, I rise on a point of order. I respect your advice and ruling. I will leave the House to allow unanimous consent.

Mr. Speaker: Perhaps when I am out of the Chair later the Hon. Member will come and see me and we can discuss this further. I suspect he will want to.

Unless there is some other disposition, I propose to put the three motions which are on the Order Paper in the order in which they are listed. We will then come to the motions of the Hon. Member for York South—Weston, by which time I should be able to comment further on Motion No. 7 and beyond.

Mr. Lewis: It is possibly already being done, but would it not be in order to suggest that the motions of my hon. colleague be reproduced and distributed?

Mr. Speaker: It is an excellent suggestion. I presume that is being done.

Mr. Fennell: Yes, Mr. Speaker, that is being done.

Hon. Elmer M. MacKay (for the Solicitor General of Canada) moved:

Young Offenders Act

Motion No. 1

That Bill C-106, be amended by adding immediately after line 45 on page 5 the following:

"(9) Subsection 11(1) of the said Act is repealed and the following substituted therefor:

"11.(1) A young person has the right to retain and instruct counsel without delay, and to exercise that right personally, at any stage of proceedings against the young person and prior to and during any consideration of whether, instead of commencing or continuing judicial proceedings against the young person under this Act, to use alternative measures to deal with the young person.""

and by renumbering the subsequent Clauses accordingly.

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, the amendment to Section 11 of the Young Offenders Act is required as a result of a ruling by the Manitoba Court of Appeal to the effect that young people are considered incapable of directly instructing legal counsel. Rather, that court has held that young people can only instruct counsel through a parent or guardian.

This is obviously in conflict with the principle that adolescents are responsible for their behaviour and should be held accountable for their illegal acts. It also contradicts many of the expressed provisions and other principles of the Young Offenders Act. The ruling is the source of potentially disastrous impediments to the reasonable and proper administration of the juvenile justice system.

While this amendment was beyond the scope of the committee's power to act, it was nevertheless generally supported and recommended as a measure that would provide a ready and clear direction to the courts in Manitoba and elsewhere. The amendment itself is a simple one, but one of immediate importance as a clear expression of Parliament's intent that young people dealt with under the Young Offenders Act independently and personally instruct defence counsel.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise only to indicate that I am pleased that the Government has put this amendment forward. I raised this issue during the hearings of the legislative committee on Bill C-106. I indicated that this particular provision should have been included in the legislative package. We received representations from a number of witnesses on this point. I believe that the argument put forward by the Parliamentary Secretary to the Solicitor General (Mr. Towers) is an important one. Young people should in fact have the right to retain and direct their own legal counsel. While the Manitoba Court of Appeal decision was being appealed to the Supreme Court of Canada, I believe it was an erroneous interpretation of the Young Offenders Act.

• (1530)

That being said, it was felt that it was important to clarify this matter and I am pleased that by virtue of the creativity of the Chair we have been able to achieve that important objective.

Mr. John Nunziata (York South—Weston): Mr. Speaker, on behalf of the Official Opposition I too would like to express support for this provision. I concur fully with the submissions made by the Parliamentary Secretary and the Hon. Member for Burnaby (Mr. Robinson). I am also appreciative of the fact that the Chair found a way of allowing this amendment to come forward.

Mr. Speaker: The question is on Motion No. 1 standing in the name of the Solicitor General of Canada (Mr. Beatty). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion No. 1 agreed to.

Hon. Perrin Beatty (Solicitor General of Canada) moved:

Motion No. 2

That Bill C-106, be amended in Clause 19

(a) by striking out line 41 at page 14 and substituting the following therefor:

"19.(1) Subsection 27(1) of the said Act is".

(b) by adding immediately after line 14 at page 15 the following

"(2) Subsections 27(3) to (5) of the said Act are repealed and the following substituted therefor:

"(3) In any province where the youth court is a superior court, an appeal under subsection (1.1) shall be made to the court of appeal of the province.

(4) In any province where the youth court is a county or district court, an appeal under subsection (1.1) shall be made to the superior court of the province.

(5) No appeal lies pursuant to subsection (1) from a judgment of the court of appeal in respect of a finding of guilt or an order dismissing an information to the Supreme Court of Canada unless leave to appeal is granted by the Supreme Court of Canada within twenty-one days after the judgment of the court of appeal is pronounced or within such extended time as the Supreme Court of Canada or a judge thereof may, for special reasons allow."

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, this amendment would adjust the Section references in Section 27 of the Act to accommodate changes which have been introduced. The amendments are technical drafting matters but serve to ensure that the appeals process under the Act is not open to interpretation difficulties or rendered inoperative because of technical problems.

Mr. Speaker: The question is on Motion No. 2 standing in the name of the Solicitor General of Canada (Mr. Beatty). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion No. 2 agreed to.

Hon. Perrin Beatty (Solicitor General of Canada) moved:

Motion No. 3

That Bill C-106, be amended by adding immediately after line 2 at page 30 the following:

"38.(1) Subsection 60(1) of the said Act is renumbered as section 60.

(2) Subsection 60(2) and (3) of the said Act are repealed."

and by renumbering the subsequent Clauses accordingly.

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, this amendment would alter the provisions affecting the testimony of young people and,

most importantly, children in youth court proceedings. Bill C-106 already removes the requirement for corroboration of a child's testimony. This amendment would ensure that the Act was not interpreted as denying the admissibility of a child's unsworn testimony. If approved, it will allow the evidence of a child to be taken under oath or affirmation, or as unsworn evidence in accordance with the rules established for ordinary courts. Thus the Young Offenders Act will ensure that the full protection of the law is available where children are the victims of criminal offences. In addition, the amendment means that the Act will be able to accommodate changes in the rules of evidence such as those proposed in the Bill introduced by the Minister of Justice (Mr. Crosbie) last week.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, once again I support this amendment. As originally presented to the legislative committee, the Bill would have had a rather unusual effect. The amendment as originally proposed would have given full operation to Section 16 of the Canada Evidence Act with respect to young persons. By virtue of that particular section, capacity in young persons is not presumed until the age of 14. By the amendment as originally presented in the Bill young people of 12 and 13 years of age would be presumed to have criminal capacity but not the capacity to take an oath. As the group Justice for Children put it so clearly and pointedly, that is absurd and unacceptable. It is to deal with that unacceptable implication of the amendment originally proposed that this amendment is proposed, and certainly I support it.

Mr. Speaker: The question is on Motion No. 3 standing in the name of the Solicitor General of Canada (Mr. Beatty). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion No. 3 agreed to.

Mr. Speaker: The next matter before the House is Motion No. 1 standing in the name of the Hon. Member for York South—Weston (Mr. Nunziata). May I try to deal with the rest of the Hon. Member's amendments?

The Hon. Member will know that Motions Nos. 6, 7 and 8 all deal with essentially the same Section in the Act. It is normally the Chair's practice to ask that the Hon. Member involved select one of the motions. The Hon. Member may want to think about that and simply let me know as we proceed.

Motions Nos. 9, 10, 11, 12, 14, 15, 16, 17, 18, 19 and 20 are in order. There is a problem with Motion No. 13. That motion goes beyond the scope of the Bill, as far as the Chair can tell, and the Chair must therefore rule Motion No. 13 out of order.

The Chair proposes to call debate on Motion No. 1 and seek the advice of the Hon. Member as to which of Motions Nos. 6, 7 and 8 he would like. He can do it in one of two ways. He can simply tell me, or he can simply not put the motion. The procedure in this case is that I am now calling Motion No. 1.

Message from the Senate

Mr. John Nunziata (York South—Weston) moved:

Motion No. 1

That Bill C-106, be amended in Clause 5 by striking lines 27 and 28 on page 3 and substituting the following therefor:

"no case later than imediately after the appearance of the"

He said: Mr. Speaker, the effect of this amendment is to limit somewhat the overly broad standard "first reasonable opportunity" as used in the Act. Subsection 4 of Clause 5 says:

Subsections (1) and (2) do not apply in respect of any temporary restraint of a young person in the hands of a peace officer after arrest, but a young person who is so restrained shall be transferred to a place of temporary detention referred to in that subsection as soon as is reasonably practicable, and in no case later than the first reasonable opportunity after the appearance of the young person before a youth court judge or a justice pursuant to section 454 of the Criminal Code.

The amendment we propose would require that the transfer referred to take place immediately after the appearance of the young person before a youth court judge, rather than at the first reasonable opportunity. This amendment was recommended and supported by the group known as Justice for Children.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I just wanted to take this opportunity to indicate that I received the proposed motions amending Bill C-106 approximately one-half hour ago. I regret not having had an opportunity to study them in depth. Certainly I am confident that a number of them have considerable merit, but in the absence of any opportunity to examine them I do not intend to comment on them during the course of report stage debate.

Mr. Speaker: The question is on Motion No. 1 standing in the name of the Hon. Member for York South—Weston (Mr. Nunziata). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: On division.

Motion No. 1 negatived.

* * *

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-91, an Act to establish the Competition Tribunal and to amend the Combines Investigation Act and the Bank Act and other Acts in consequence thereof, without amendment.

[*Translation*]

I also have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-115, an Act granting to Her Majesty certains sums of money for the Government of Canada for the financial year ending the 31st March, 1987.

● (1540)

[*English*]

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the House that a communication has been received as follows:

Government House,
Ottawa,

June 17, 1986

Sir:

I have the honour to inform you that the Right Honourable Brian Dickson, Chief Justice of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 17th day of June, 1986, at 4.30 p.m., for the purpose of giving the Royal Assent to certain Bills.

Yours sincerely,
Leopold H. Amyot,
Secretary to the Governor General

* * *

YOUNG OFFENDERS ACT, CRIMINAL CODE, PENITENTIARY ACT AND PRISONS AND REFORMATORIES ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-106, an Act to amend the Young Offenders Act, the Criminal Code, the Penitentiary Act and the Prisons and Reformatories Act, as reported (with amendments) from a Legislative Committee.

Mr. John Nunziata (York South—Weston) moved:

Motion No. 2:

That Bill C-106, be amended in Clause 6 by striking lines 24 and 25 on page 5.

He said: Mr. Speaker, I would like to take this opportunity to apologize to the Member for Burnaby (Mr. Robinson) for submitting the amendments at this point in time. As you are aware, there was an agreement at committee to report the particular Bill out of committee last Tuesday in order to ensure that the Bill would be given third and final reading in the House and to receive Royal Assent before the House rises for the summer break. I appreciate that the Hon. Member for Burnaby was not in attendance at committee last Tuesday when there was some discussion with respect to some of these amendments. I will try, during the course of my submissions, to explain in a succinct fashion what the amendments mean.

Amendment No. 2 has the effect of striking lines 24 and 25 on page 5. That is Clause 6. What in effect Clause 6 does is repeal subsection 8(1) of the Young Offenders Act. Subsection 8(1) of the Young Offenders Act reads as follows:

No order may be made under section 457 of the Criminal Code by a court, judge or justice, other than a youth court judge, for the release from or the detention in custody of a young person against whom proceedings have been taken under this Act unless, having regard to the circumstances, a youth court judge is not reasonably available.

That would ensure, if Section 8(1) were to remain in the legislation, that where a youth court judge was available then the youth court judge should in effect make a decision relative to a young offender. So in effect the amendment that I am proposing would reinstate Section 8 of the Act requiring that a youth court judge make an order for bail, if one is available.

This amendment is recommended and supported by both the Canadian Council for Children and Youth and Justice for Children. It seems to me that when there is a youth court judge available, the youth court judge should in effect make the decision. As you know youth court judges have exclusive jurisdiction to deal with young offenders, and one would hope that where a youth court judge is available that judge would be making the decision.

A judge that is dealing with matters relating to young offenders day after day after day acquires a certain expertise and sensitivity to the issue of young offenders, an expertise that might be lacking in some other judge that does not deal with youth court matters on a regular basis.

Section 8 of the Act does not make it mandatory that a youth court judge deal with such a matter, but it simply says that where a youth court judge is available that that youth court judge should deal with bail matters. I was not convinced by the Government as to the reasons why it wanted to eliminate Section 8 of the present Young Offenders Act. Both the organizations that I mentioned, the Canadian Council for Children and Youth and Justice for Children, were very concerned about this particular provision. They expressed complete support for the retention of Section 8 in the Young Offenders Act.

Mr. Speaker: The question is on Motion No. 2 standing in the name of the Hon. Member for York South—Weston (Mr. Nunziata). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: No.

Some Hon. Members: On division.

Motion No. 2 negatived.

Mr. John Nunziata (York South—Weston) moved:

Motion No. 3:

That Bill C-106 be amended in Clause 15 by striking line 29 on page 8 and substituting the following therefore:

"such place, other than a custodial facility, as the provincial director".

He said: Mr. Speaker, very briefly, this amendment makes it clear that a provincial director does not have absolute discretion to place a young person in a custodial facility. The provincial director or anyone authorized by the provincial director under proposed Section 2.1 should not be able to circumvent the guidelines restricting court use of custodial dispositions by resort to Section 23(2)(f). As well, this amendment that I am proposing is supported by the Canadian Council on Children and Youth.

Mr. Speaker: The question is on Motion No. 3 standing in the name of the Hon. Member for York South-Weston (Mr. Nunziata). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: No.

Some Hon. Members: On division.

Motion No. 3 negatived.

Mr. John Nunziata (York South—Weston) moved:

Motion No. 4:

That Bill C-106 be amended in Clause 18 by striking line 37 and substituting the following therefor:

"(g) or paragraph 20(1)(j) or (1), other than a violation of a treatment order which is a term of a probation order under paragraph 20(1)(j), and who".

He said: Mr. Speaker, very briefly, this amendment exempts non-compliance with a treatment order, which is a term of a probation order from criminal prosecution. In our view no punitive measures should be taken for refusal to accept treatment, because treatment should be conditional upon consent of the young person.

As you know at times when a probation order issues with respect to a young offender a condition of the probation order is that the young offender obtain certain forms of treatment. What this amendment does is make it a criminal offence if a young offender refuses to accept the treatment under a probation order. It is felt by a number of experts in the field representing justice for children that treatment should be conditional upon the consent of the young person.

It would appear logical that if treatment is to work with young offenders, as an appropriate disposition, that one needs the co-operation of the young offender. If treatment is being imposed on a young offender contrary to his or her will then it is likely, almost inevitable, that the treatment would fail. We do not believe that failure to co-operate with a treatment program should result in a possible criminal charge similar to a criminal charge for a breach of any other condition of probation.

• (1550)

Mr. Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Speaker: The question is on Motion No. 4. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion No. 4 negatived.

Mr. John Nunziata (York South—Weston) moved:

Motion No. 5

That Bill C-106 be amended in Clause 28 by striking line 39 on page 19 and substituting the following therefor:

"report, after proceedings have been commenced under this Act."

He said: Mr. Speaker, Clause 28 is probably the most contentious clause of the Bill. It deals with the publication of information by the media that would lead to the identification of a young offender, a victim of a young offender or, for that matter, a witness.

At committee, we heard from representatives of the Ottawa *Citizen*, a daily newspaper in Ottawa. The publisher and the managing editor appeared before the committee and expressed some very serious concerns about the whole issue of the publication of information relative to young offenders. They pointed out that it would be in the best interest of society that in certain limited circumstances the media should be permitted to publish certain information with regard to a young offender, a victim or witness that would be appearing in a particular trial.

It was felt that Section 38 of the existing Young Offenders Act did not allow for sufficient discretion in the court to deal with this particular issue.

The Hon. Member for Burnaby (Mr. Robinson), speaking on behalf of his Party, indicated that he would not support giving the court added judicial discretion. I was convinced not only by the Ottawa *Citizen* but by representatives of the Canadian Broadcasting Corporation that there should be limited judicial discretion with respect to the publication of evidence. I felt it important that there be criteria in the legislation itself that would limit the nature of the judicial discretion.

One of the amendments that I proposed, which was ruled out of order because it does not comply with the rules of the House, would in effect give that discretion with stipulated criteria.

Motion No. 5 would amend Clause 28 of the Bill by striking line 39 on page 19 and substituting the words: "report, after proceedings have been commenced under this act." Section 38 would read: "subject to this section, no person shall publish by any means any report after proceedings have been commenced under this act."

The concern expressed by a number of individuals is that it is not clear under the existing legislation whether Section 38 would ban the publication of evidence before proceedings have commenced under the Young Offenders Act. For example, the police might be investigating a particular offence but the media would not be permitted to publish any information that might lead to the identification of the young offender, the victim or any witness. This amendment would clarify that the publication of reports prior to commencement of a proceeding under this Act is not prohibited. In effect, the media would be permitted to publish information prior to the commencement of a proceeding.

Young Offenders Act

The purpose of making it an offence to publicize certain information is to protect young offenders. The argument is very persuasive that young offenders should be protected and that if there is media coverage of a particular trial, then the young offender might be stigmatized for the rest of his or her life as a result of that publication.

As I indicated, the present language could be interpreted to require reporters to refrain from publishing material on the possibility that a proceeding might be commenced. Reporters would have to wait until a proceeding could no longer be filed before publishing a report. In my opinion, applying this retroactive ban on publication violates fundamental justice. The amendments would eliminate this possible misinterpretation, and this particular amendment is one which was recommended by the Ottawa *Citizen*, and which we in the Opposition support.

Mr. Speaker: The question is on Motion No. 5. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Motion No. 5 negatived.

Mr. Speaker: I require some advice from the Hon. Member for York South—Weston (Mr. Nunziata). Would he like me to call Motion No. 6, Motion No. 7 or Motion No. 8?

Mr. Nunziata: Mr. Speaker, perhaps you could call Motion No. 7 and I will speak to it briefly.

Mr. Speaker: Motion Nos. 6 and 8 shall be dropped.

Mr. John Nunziata (York South—Weston) moved:

Motion No. 7

That Bill C-106 be amended in Clause 28 by striking line 5 on page 20 and substituting the following therefor:

"the offence alive at the date of publication or a child or a young person."

He said: Mr. Speaker, this amendment would exempt publication of the identities of deceased victims from the prohibition on publication. The prohibition on publication would prohibit the media from publicizing the identity of a deceased person. Protection from publicity which generally justifies exclusion is no longer necessary where the victim is deceased. Also, there is significant public benefit from the ability to inform the public of who has died and how.

This particular amendment was recommended by the Canadian Broadcasting Corporation and we in the Opposition support this amendment. We propose it because we believe there is no justification for disallowing the publication of the identity of a person who is deceased.

Mr. Speaker: The question is on Motion No. 7. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Motion No. 7 negatived.

Mr. John Nunziata (York South—Weston) moved:

Motion No. 9

That Bill C-106 be amended in Clause 28 by striking lines 20 to 33 on page 20 and substituting the following therefor:

"(1.2) A youth court judge may on the application of a police officer, make an order permitting any person to publish a report described in subsection (1) that contains the name of a young person, or information serving to identify a young person, who has committed or is alleged to have committed an indictable offence, if the judge is satisfied that:

(a) there are reasonable and probable grounds to believe that the yong person is a serious threat to public safety; and

(b) there are reasonable and probable grounds to believe that publication of the report is necessary to assist, and will assist in apprehending the young person.

(i) The youth court judge shall appoint counsel to represent the young person in any proceedings in respect of an application under this subsection.

(ii) Notice of an application under this subsection shall be provided to the parent of the young person, unless it is impracticable to give such notice."

He said: Mr. Speaker, since the motion itself is somewhat self-explanatory, perhaps I could read it. The motion states:

That Bill C-106 be amended in Clause 28 by striking lines 20 to 33 on page 20 and substituting the following therefor:

"(1.2) A youth court judge may on the application of a police officer, make an order permitting any person to publish a report described in subsection (1) that contains the name of a young person, or information serving to identify a young person, who has committed or is alleged to have committed an indictable offence, if the judge is satisfied that:

(a) there are reasonable and probable grounds to believe that the young person is a serious threat to public safety; and

(b) there are reasonable and probable grounds to believe that publication of the report is necessary to assist, and will assist in apprehending the young person.

(i) The youth court judge shall appoint counsel to represent the young person in any proceedings in respect of an application under this subsection.

(ii) Notice of an application under this subsection shall be provided to the parent of the young person, unless it is impracticable to give such notice.

This, once again, deals with Clause 28 of Section 38 of the Bill which deals with the publication of information that would lead to the identification of individuals involved in a crime by a young offender. On the *ex parte* application of a peace officer, which means that a peace officer can make an application without giving notice to any other person, the youth court judge must—it is mandatory—make an order permitting any person to publish a report described in subsection (1) that contains the name of a young person, or information serving to identify that young person who has committed or is alleged to have committed an indictable offence, if the judge is satisfied that (a) there is reason to believe that the young person is dangerous to others and (b) publication of the report is necessary to assist in apprehending the young person.

● (1600)

So, practically speaking, what would happen is that a police officer would make an application to a youth court judge and would submit evidence in order to satisfy the judge that there

is reason to believe that the young person is dangerous to others and that publication of the report is necessary to assist in apprehending the young person. Once the youth court judge is satisfied with those two facts, then the judge, under this particular section, would have no alternative but to allow for the publication of evidence.

The purpose of my particular amendment is, first, to give the court some discretion in this respect. As I indicated, this amendment provides that the youth court judge may issue an order for publication but leaves the judge discretion to refuse an order. So, I would change the word "shall" to "may" so that even if a police officer is able to convince a judge of the two matters that I indicated, that there is reason to believe that the young person is dangerous to others and that publication of the report is necessary to assist in apprehending the young person, the judge would not be required to make an order to allow for the publication.

Second, the wording of my amendment would increase the standard which, under the proposed clause by the Government, under Clause (a), is that "there is reason to believe". I would submit that we should include the words, "there be reasonable and probable grounds for believing the existence of a serious threat to public safety and, therefore, the need for the publication of evidence". That simply raises the standard. It places a heavier burden, I suppose, on police officers rather than just showing that there is some reason to believe certain facts, namely, that the young person is dangerous. Amendment 9 would require that there be reasonable and probable grounds, which is a higher standard with regard to the police officer.

The third part of the amendment I am proposing would require that counsel be appointed to represent the young person. There are some difficulties with respect to this particular provision. I am recommending that the wording include "The youth court judge shall appoint counsel to represent the young person in any proceedings in respect of an application under this subsection". This particular amendment is recommended by Justice for Children and the Canadian Council on Children and Youth. It was felt that where an application is made *ex parte*, the young person should have some representation. Therefore, we are proposing that the youth court judge appoint counsel to represent the young person to ensure that the provisions of this Act are complied with, to ensure that in fact there are reasonable and probable grounds to believe that the young person is dangerous.

Of course, the young person would not be in a position to instruct counsel, and that particular counsel who would be appointed by the court would perhaps not know of the whereabouts of the particular individual; but nonetheless, it was felt to be important that the young person be represented by counsel even though the young person would not be in a position to give instructions to the lawyer.

Fourth, in view of the serious consequences concerning the privacy of a young person and the family in the event of a published order, notice will be provided to the parent of a young person unless it is impractical to give notice. Rather than there simply being an *ex parte* application, amendment No. 9 would require that notice of the application for publication be given to the parents where practical to do so.

As I indicated, the Justice for Children association and the Canadian Council on Children and Youth are fully supportive of this particular amendment that would ensure the best interests of the young person, the young offender.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Motion No. 9 negatived.

Mr. John Nunziata (York South—Weston) moved:

Motion No. 10

That Bill C-106 be amended in Clause 28 by striking lines 34 to 36 on page 20 and substituting the following therefor:

"(1.3) The length of such order is in the discretion of the court".

He said: Mr. Speaker, as I indicated earlier, Section 38 would allow for a police officer to apply to a court for an order to allow the publication of certain information that might lead to the identification of a young offender. Clause 1.3 states that an order made under this particular section shall cease to have effect two days after it is made.

● (1610)

It was argued by *The Citizen* of Ottawa and the Canadian Broadcasting Corporation that there should not be a two-day limit. They made a very persuasive argument. They argued that under this particular section, which is new to the Young Offenders Act, a court could allow the media to publish certain information about a young offender who was at large in order to alert the public that this young offender might be at large in a particular community. The publication might also assist the police in apprehending a young offender.

Let us assume for a moment that an application is made and that the media publishes the fact that a young offender who has committed a crime, let us say the crime of murder, is at large somewhere in the community. Let us say that the public is informed by the media that this particular offence has been committed and that a particular young person is dangerous and at large in a particular community. Such an order would expire after two days. So the public may be alarmed by the media, or cautioned by the media to take necessary precautions, but after the second day the media would not be free to advise the public that the young offender had been apprehended and that there was no further need to be concerned.

In the circumstances it was felt that what ought to be done is that the length of the order should be in the discretion of the court. Given the circumstances of a particular case the court could allow for an order for publication to last for a certain

period of time. To restrict it to two days might do a disservice to the community.

I hope that Hon. Members opposite will see the wisdom in adopting this particular amendment which was supported by a number of groups and individuals who made representations to the committee and to the Solicitor General.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on Motion No. 10. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: No.

Some Hon. Members: On division.

Motion No. 10 negatived.

Mr. John Nunziata (York South—Weston) moved:

Motion No. 11

That Bill C-106 be amended in Clause 28 by striking lines 38 to 46 on page 20 and substituting the following therefor:

"application of any person, make an order permitting any person to publish a report serving to identify any person in subsection (1), if the court is satisfied that, considering all the relevant circumstances, including the nature of the offence, the extent of community interest, the age of the accused, the prior criminal history of the accused, and the views of the young person or child involved and of the parent of the young person or child, the public interest would be best served by publication.

He said: Mr. Speaker, this amendment would amend Bill C-106 in Clause 38 by striking lines 38 to 46 on page 20 and substituting the following therefor:

"application of any person, make an order permitting any person to publish a report serving to identify any person in subsection (1), if the court is satisfied that, considering all the relevant circumstances, including the nature of the offence, the extent of community interest, the age of the accused, the prior criminal history of the accused, and the views of the young person or child involved and of the parent of the young person or child, the public interest would be best served by publication.

This is what I was referring to earlier. It would allow, not only a police officer but any person to apply for the permission of the court to publish information. However, it would provide for meaningful criteria. We are not suggesting that the court be given a blanket discretion to decide when and if a publication should be permitted in any particular case. What we are suggesting is that discretion be given to the presiding youth court judge, but that certain criteria be applied before the publication is made and before an order is issued.

The amendment prescribes the factors that a judge would have to consider in making such an order, including the wishes of the young person. If this amendment were adopted the judge would have to consider all the relevant circumstances, including the nature of the offence. It was argued by *The Citizen* of Ottawa and the Canadian Broadcasting Corporation that in certain cases, depending upon the nature of the offence, there is very little if any harm done to the best interests of a young offender if there is publication. There are certain cases in which serious offences have been committed which would suggest that there not be publication.

It is also recommended that the extent of community interest be a factor or criterion that the judge should take into consideration, as well as the age of the accused. If, for example, an accused person is 17 years of age going on 18 years of age, then that should be a factor taken into consideration by the judge. For example, let us assume that an offence is committed by a young person before he or she turns 18, but prior to the final disposition of the particular case the person has his or her eighteenth birthday. In those circumstances the court might want to allow for the publication of the identity of this particular young offender who ceases to become a young offender because he or she reaches 18 years of age. So there are certain circumstances in which the court might want to allow for publication, considering the age of the accused.

This amendment would also require the youth court judge to consider the prior criminal history of the accused. If the young offender is a hardened criminal, so to speak, who has a long and unfortunate history of breaking the law, then the damage done to that person through publication is less than the damage done to a young offender who has never before committed a criminal act and who is being prosecuted for the first time. It was felt that if a person had a lengthy criminal record then the court might be inclined to allow for the publication of information that would lead to the identification of that particular accused.

This amendment would also require the court to take into consideration the views of the young offender involved. In this way the young offender could, through his or her lawyer, make submissions to the court as to why the court should not allow for the publication of information. The amendment also requires the court to consider the views of the parents of the young person who is the subject of the application.

In conclusion, Motion No. 11 would give limited judicial discretion to allow for the publication of certain evidence. It would require the court to consider certain factors. Above all, it would ensure that the court consider whether the public interest would be best served by publication. If there is no public interest in publication then the court should not allow for publication. However, if there is public interest, and the criteria are considered, then in our view the court should at least have the discretion to allow the publication of evidence.

• (1620)

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on Motion No. 11. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: No.

Some Hon. Members: On division.

Motion No. 11 negatived.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Ottawa—Carleton (Mr. Turner)—Public Service—Indexation of pensions; the Hon. Member for Scarborough West (Mr. Stackhouse)—External aid—Ethiopia—Canadian development policies; the Hon. Member for Broadview—Greenwood (Ms. McDonald)—Women—Inquiry if groups subsidized last year will receive same aid this year. (b) Size of funding.

GOVERNMENT ORDERS

[*English*]

YOUNG OFFENDERS ACT, CRIMINAL CODE, PENITENTIARY ACT AND PRISONS AND REFORMATORIES ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-106, an Act to amend the Young Offenders Act, the Criminal Code, the Penitentiary Act and the Prisons and Reformatories Act, As reported (with amendments) from a legislative committee.

Mr. John Nunziata (York South—Weston) moved:

Motion No. 12

That Bill C-106 be amended in Clause 28 by adding the following subsection:

"(1.5) anyone may publish any information or report otherwise prohibited under the Act provided that the express written consent is obtained of:

(a) the child or young person involved, and the parent of the young person, or

(b) the adult involved, who was at the time of the proceedings a child or young person to whom subsection 38(1) refers.

He said: Mr. Speaker, Amendment No. 12 proposed by the Liberal Party would amend Bill C-106 in Clause 28 by adding the following subsection:

"(1.5) anyone may publish any information or report otherwise prohibited under the Act provided that the express written consent is obtained of:

(a) the child or young person involved, and the parent of the young person, or

(b) the adult involved, who was at the time of the proceedings a child or young person to whom subsection 38(1) refers.

As you know, Mr. Speaker, there is a blanket prohibition on the publication of evidence. Clause 38 would allow, in certain limited circumstances, a police officer to apply to the court for an order to allow for the publication of evidence. This particular clause would permit the publication of evidence that would otherwise be banned from being publicized if there is consent. It is felt that if the young person and the parent of the young person consents, or if the young person who becomes an adult during the course of the proceedings consents, the media should be permitted to publicize information. It could very well be in the best interests of the person involved that there be publicity surrounding the particular offence.

Very briefly, it is felt that where all parties consent to the publication of evidence it should be allowed and the consent should be written rather than oral to ensure that the consent is *bona fide*. The amendment is supported by the Canadian Broadcasting Corporation as well as the Ottawa *Citizen*.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on Motion No. 12. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: No.

Some Hon. Members: On division.

Motion No. 12 negatived.

The Acting Speaker (Mr. Charest): It is my understanding that Motion No. 13 has been disposed of as being out of order.

Mr. John Nunziata (York South—Weston) moved:

Motion No. 14

That Bill C-106 be amended in Clause 30 by striking line 1 on page 22 and substituting the following therefor:

"40.(1) In this section and in sections 41 to 46, "record" means

(a) any document within the Court's immediate possession, including the information, all docket documents, the transcript of any proceedings (including the court reporter's notes, whether written or audio), the judges' notes and any evidence produced for the purpose of trial or disposition; and

(b) the documents of any other person involved directly or indirectly with the proceedings, to the extent that the document identifies the young person as an accused person or contains details of the court proceedings.

(1.1) A youth court, review board or"

He said: Mr. Speaker, this amendment lists the definition of a record and paragraph (b) excludes medical and psychological reports from being considered records as long as they do not contain the identity of a young person or details of the court proceedings. This amendment is supported by the Canadian Council on Children and Youth and by Justice for Children.

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

Some Hon. Members: Question.

Young Offenders Act

The Acting Speaker (Mr. Charest): The question is on Motion No. 14. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: No.

Some Hon. Members: On division.

Motion No. 14 negatived.

Mr. John Nunziata (York South—Weston) moved:

Motion No. 15

That Bill C-106 be amended in Clause 33 by striking lines 30 to 41 on page 23 and substituting the following therefor:

"(f) any peace officer, for the purpose of investigating any offence that the young person is suspected on reasonable and probable grounds of having committed, or in respect of which the young person has been arrested or charged, whether as a young person or as an adult;"

He said: Mr. Speaker, this is pretty hard work. I am justifying the lucrative salary they pay us here. Thank goodness we are nearing the end. I would invite Hon. Members opposite to justify their salaries by rising to indicate why they do not support these particular amendments.

Amendment No. 15 limits the access of police officers to the records of a young offender for investigative purposes where the young person is suspected on reasonable or probable grounds of having committed an offence or where the young person has been charged with an offence.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on Motion No. 15. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: No.

Some Hon. Members: On division.

Motion No. 15 negatived.

Mr. John Nunziata (York South—Weston) moved:

Motion No. 16

Tha Bill C-106 be amended in Clause 33 by striking line 20 on page 25 and substituting the following therefor:

"(5) Any record necessary for the purpose of bringing a civil case that is kept pursuant to"

He said: Mr. Speaker, this is democracy in action. Members of Her Majesty's Loyal and Official Opposition are proceeding in a very constructive and responsible fashion by recommending and moving amendments to the legislation that would make it better legislation, but government Members are using their huge majority to strike down these very worth-while amendments one after another.

The record will speak for itself in the years to come. We in the Official Opposition will be able to say that we tried to move amendments but Hon. Members opposite kept saying nay, nay, nay. The record will speak for itself and will say that we tried to move Amendment No. 16 but the huge majority opposite used its clout to strike down this amendment.

Amendment No. 16 would allow a victim of an offence access to only those records necessary for the bringing of a civil action. This amendment was recommended by Justice for Children. We in the Official Opposition were persuaded that this amendment would improve the Bill substantially, and I would hope for a change in that Hon. Members opposite will say yea rather than nay. I am beginning to feel that we are here with a bunch of those animals that say "neigh".

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on Motion No. 16. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: No.

Some Hon. Members: On division.

Motion No. 16 negatived.

• (1630)

Mr. John Nunziata (York South—Weston) moved:

Motion No. 17

That Bill C-106 be amended in Clause 33 by striking lines 30 to 41 on page 25.

He said: Mr. Speaker, very briefly, Motion No. 17—

Some Hon. Members: Hear, hear!

Mr. Nunziata: It seems that Members on all sides of the House are becoming rather weary of this exercise, but it is important to ensure that we put forward the amendments. They were recommended by some very responsible organizations which deal with young people and young offenders. These amendments were proposed and recommended by members of the media who deal with these situations day in and day out.

Had the Government the wisdom to adopt the amendments, I believe very strongly that we would have a near perfect piece of legislation. However, given its refusal to adopt any of these recommendations, the Bill will continue to be flawed. I am sure time will tell whether these amendments would in fact improve the legislation.

For the record, so that my grandchildren and great grandchildren will be able to read it in years to come—

Mr. Nystrom: When?

Mr. Gauthier: Tell us when, John.

Mr. Lewis: I wouldn't touch that one.

Mr. Nystrom: Are you announcing something, John?

Mr. Nunziata: I have no plans as yet, but I will make sure she is a Liberal. I could not imagine living with anyone other than a Liberal.

Some Hon. Members: Oh, oh!

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

Mr. Nunziata: Mr. Speaker, I am glad there is some life on the other side of the House. I was beginning to feel, apart from the Hon. Member for Ottawa—Vanier (Mr. Gauthier) and the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey), that everyone was in a deep sleep.

Motion No. 17 eliminates the provision allowing for a police officer to disclose to any person information in a record relating to investigation of an offence or, to an insurance company, information in a record relating to investigation of a claim arising out of an offence or alleged offence. The court and not an individual police officer should decide whether disclosure is necessary.

The Acting Speaker (Mr. Charest): The question is on Motion No. 17. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Motion No. 17 negatived.

Mr. John Nunziata (York South—Weston) moved:

Motion No. 18

That Bill C-106 be amended in Clause 34 by striking out line 8 on page 27 and substituting the following therefor:

"40, 42 and 43 may, in the discretion of the".

He said: Mr. Speaker, I should like to speak very briefly to the third last amendment which will be proposed by the Liberal Opposition today. It clarifies a technical error in the Bill. We even found a technical error; it is up to the Opposition to find technical errors in the Bill.

Under subsection 45.2, records kept by the Royal Canadian Mounted Police pursuant to Section 41 must be destroyed, while under subsection 45.3 all records, including those pursuant to Section 41, may be destroyed before or after certain circumstances are realized. The amendment will make clear that the RCMP does not have discretion to keep records as subsection 45.2 would suggest. In effect, it provides that in all cases the records should be destroyed under particular circumstances, and that there should not be a distinction between the RCMP and other police forces in Canada.

I am sure the Government will want to support this technical amendment. I look forward to the Tories all shouting: "Yea, yea, yea".

The Acting Speaker (Mr. Charest): The question is on Motion No. 18. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Motion No. 18 negatived.

Mr. John Nunziata (York South—Weston) moved:

Motion No. 19

That Bill C-106 be amended in Clause 34 by striking lines 34 to 47 on page 27 and lines 1 to 18 on page 28.

He said: Mr. Speaker, Motion No. 19 would eliminate the court's discretion to grant access to records to any person according to broad criteria. Subsection 45.1 of the present legislation would provide access to records even after the qualifying period of non-disclosure had passed, if the broad criteria in the interests of the proper administration of justice were satisfied. Plus, the Crown could reopen a case because of an offence as an adult five years later.

The Acting Speaker (Mr. Charest): The question is on Motion No. 19. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Motion No. 19 negatived.

Mr. John Nunziata (York South—Weston) moved:

Motion No. 20

That Bill C-106 be amended in Clause 38 by striking line 3 on page 30 and substituting the following therefor:

"Section 61 of the said Act is repealed and the following substituted therefor:

'61. Young persons shall be presumed to have the capacity to take an oath in proceedings under this Act, including proceedings in ordinary court pursuant to Section 16' ".

He said: Mr. Speaker, finally we have reached Motion No. 20.

Mr. Rompkey: A nice round number.

Mr. Nunziata: Mr. Speaker, you will notice that the Opposition always deals in round numbers. We have proposed 20 amendments to the legislation. I am sure the record will show that the Government refused each and every one of the 20 amendments, all of which were supported not only by members of the Official Opposition but by very responsible groups who spent many years working in this particular area. These groups came before the committee and made some very persuasive submissions to amend particular sections of the Young Offenders Act.

The Young Offenders Act is only two years old. However, there were some very serious problems with the legislation originally passed by Parliament at that time. As a result of those concerns, a number of months ago the Department of the Solicitor General embarked upon a consultation tour across the country to listen to various groups and organizations and to see how the Bill could be improved. The groups have spoken

out. They have reviewed the Bill; they have recommended changes.

What we find today is that although the Government purports to listen to Canadians before it acts, although it purports to care about the consultative process, and although it purports to be concerned about having legislation which is fair and reasonable, the Government has refused or is about to refuse each and every one of 20 responsible amendments which have been proposed by the Liberal Opposition. However, the record will show that we tried. Unfortunately these groups and individuals will have to wait a few short years for a change in Government before these amendments will become law.

Motion No. 20 would eliminate the anomaly created by the repeal of the present Section 61 whereby 12-year and 13-year olds would be presumed to have criminal capacity but not the capacity to give an oath, as capacity under Section 16 of the Canada Evidence Act is not presumed until the age of 14 years. This amendment is supported by Justice for Children.

The Acting Speaker (Mr. Charest): The question is on Motion No. 20. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Motion No. 20 negatived.

• (1640)

Hon. Elmer MacKay (for the Solicitor General of Canada) moved that the Bill be concurred in.

Motion agreed to.

The Acting Speaker (Mr. Charest): When shall the Bill be read the third time? By leave, now?

Some Hon. Members: Agreed.

Hon. Elmer MacKay (for the Solicitor General of Canada) moved that the Bill be read the third time and passed.

Mr. John Nunziata (York South—Weston): Mr. Speaker, as I was indicating, the Solicitor General's Department over the last number of months—I believe the consultation process started over six months ago—listened to quite a number of organizations across Canada and dozens of individuals expert in the area of young offenders. It is obvious to us now after what we have gone through over the last hour and a half that the whole consultation process was somewhat of a farce. The Government did speak to these groups and individuals, but it is obvious they did not listen to the groups and individuals.

The Young Offenders Act was introduced two years ago by the Liberal Government of the day. It was felt that there should be uniform laws across Canada to deal with young offenders, that there should not be one law in one part of the country and another in another part. Prior to the Young Offenders Act we were dealing with the Juvenile Delinquents Act, an Act to which a lot of Members of Parliament opposite were subjected when they were younger—I am only kidding, Mr. Speaker. I just want them to wake up across the way.

The Young Offenders Act did replace the Juvenile Delinquints Act and provided, among other things, for a uniform age across Canada for criminal responsibility. Prior to the passage of the Young Offenders Act two years ago a person who in Ontario might be considered a young offender would not be a young offender in another province in Canada. In Ontario, the province where I reside, young adults were those who were 16 and older under the Juvenile Delinquints Act. The sixteen and seventeen year olds who committed offences contrary to the Criminal Code of Canada were treated like any other adult who committed a crime. It was felt that young people are as much victims as they are offenders in a lot of circumstances. A person, for example, who is 10, 11 or 12 years of age should not, in our view, be treated as a criminal. The young offender should be treated rather than punished for his or her particular offence.

It appears obvious from the outset when the Young Offenders Act was introduced that there was not the necessary public acceptance of the legislation in order to ensure its success. We found that the police and provincial Governments reluctantly co-operated with certain provisions in the Bill. There was a hue and cry for amendments to the legislation at least to assure the public that some of their concerns were being addressed.

There have been a few celebrated cases in the last two years, some major murder cases in Ontario, which caused considerable controversy and caused people to condemn the Young Offenders Act. It was felt the Act was not working. In one particular case I recall, one young person murdered a number of people. Rather than transferring the matter to adult court, the matter was dealt with in the Young Offenders Court, thereby restricting the court as to the type of disposition that could be handed down. The Young Offenders Act limits the period of incarceration to three years. In this particular case the person who had committed murder could only be sentenced to a three year period of incarceration. Had the Crown attorney in the case done his work, that case should have been transferred to adult court where the young offender could have been given the maximum sentence for murder.

Because of that particular case and others the public was alarmed. The Solicitor General's department decided to undertake certain changes to the Act. Before so doing, the Department decided to consult with provincial Attorneys General and interest groups throughout Canada. As I indicated earlier, the Solicitor General's department did not listen to the submissions made by quite a number of those groups and organizations. It is interesting that there was consultation before the introduction of Bill C-106, but there was very limited consultation after its introduction. It was difficult to determine where Canadians stood on Bill C-106. They expressed concerns prior to the introduction of the Bill. They expressed concerns relative to the general provisions of the

Young Offenders Act, but they were not given sufficient opportunity to consider the Bill as proposed.

The Bill was introduced for first reading about a month and a half ago, but it was not brought back for second reading until sometime later. We were told time and time again that it was an extremely urgent piece of legislation, yet the Government waited a full month before it brought the Bill back for consideration in order to refer it to committee. Once the Bill got to committee, as you know, Mr. Speaker, the committee was given a very limited period of time in which to deal with the legislation. We were continually rushed. The Solicitor General (Mr. Beatty) and his Department kept telling us that public safety was threatened. We did not hear from groups that should have been before committee to give us their perspective of the Bill. We did rush it through. There were agreements by all three political Parties to expedite the Bill. We in the Official Opposition indicated at the outset that we would not obstruct the Bill, that we intended to move amendments to the Bill but we wanted to see speedy passage of it.

I wonder whether we have done a disservice to the Young Offenders Act by rushing this Bill through as quickly as we have. It is an improvement of sorts, but the Bill could have been made even better had the Government adopted some of the amendments proposed by the Official Opposition. The Government, because it is the Government, is always reluctant to adopt recommendations and amendments by the Opposition. I guess the New Democratic Party is so frustrated by this whole process that it did not even propose any further amendments at report stage. Some of the concerns of the New Democratic Party were addressed by certain amendments that were adopted at committee. Some of those concerns, if not all, were concerns of the Liberal Opposition as well. We were appreciative of the fact that we were able to move some of those amendments at committee and that they were all adopted by the Government. However, most of them were technical in nature. We believe that some of the substantive motions we moved today would have improved the legislation. I suppose there will be other opportunities in the future to deal with the Young Offenders Act. Even though this Bill continues to be flawed to a certain degree, I hope the public will accept the principles underlying this piece of legislation.

• (1650)

I must say publicly that I am pleased that the Government did not move any amendments to the Young Offenders Act which would derogate from the basic principles of the Act. I know that there are those in society who would have preferred major amendments to the Bill which would have attacked the very heart of the legislation. For example, there are those who argued that the three-year maximum period of incarceration provided for under the Young Offenders Act was too short. They want that period extended to five, six, or seven years. I am glad the Government resisted in that area.

I am appreciative as well that the Government resisted the arguments to reduce the age of criminal responsibility from 12. Police forces from across Canada argued that the age of criminal responsibility should be reduced from 12. I am not sure what age they wanted to reduce it to, but the Government resisted, and that provision of the Bill remains.

We in the Opposition believe very strongly that young people under the age of 12 should not be held criminally responsible. We fail as a society when youngsters aged 6 to 11 commit Criminal Code offences. The parents of an offender of that age must take considerable responsibility. Rather than subjecting a child of tender age to criminal prosecution we believe that those children should be treated through mechanisms put in place at the provincial level through social services programs available in the provinces of Canada. I am glad that the Government did not change that age provision in the Young Offenders Act.

In conclusion, the Bill which we are passing today is a step in the right direction, but not a big enough step. If the Government had adopted the 20 amendments which the Liberal Opposition proposed, it would have been a giant step in the right direction. The Bill would still have been slightly flawed, but there is no Bill which is absolutely perfect. Had the Government listened to the Official Opposition and adopted those amendments, this would have been a near perfect piece of legislation which would have been the pride of this Parliament. It would have been one of the finest pieces of legislation to come out of this Parliament in the last two years.

I hope that all those involved with young offenders across the country will be happy with this legislation and will work together to ensure that when we deal with young offenders in Canada we consider first and foremost their best interests rather than treating them as adult offenders. Thank you for the opportunity to speak at third reading.

* * *

[*Translation*]

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Charest): I have the honour to inform the House that the Senate has passed Bill C-93, relating to self-government for the Sechelt Indian Band without amendment.

GOVERNMENT ORDERS

[*English*]

YOUNG OFFENDERS ACT, CRIMINAL CODE, PENITENTIARY ACT AND THE PRISONS AND REFORMATORIES ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. MacKay (for the Solicitor General of Canada) that Bill C-

106, an Act to amend the Young Offenders Act, the Criminal Code, the Penitentiary Act and the Prisons and Reformatories Act, be read the third time and passed.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to participate in this debate at third reading stage of Bill C-106. There are very important amendments contained in Bill C-106. Before speaking to the amendments which have been adopted, some of the amendments which we in the New Democratic Party believe should have been included in this legislation and some concerns about the juvenile justice system generally, I want to note that we are pleased that the Minister did not knuckle under to those who argued that we should abandon the fundamental philosophy underlying the Young Offenders Act.

There were those who argued that we should reduce the upper age under the Young Offenders Act from 18 to 16. That would have the effect of putting even more 16 and 17 year olds into the adult correctional system. The failures of that system are such that we would not want to inflict that on our young people. I might note that at the time of the adoption of the Young Offenders Act—Mr. Speaker, I hear knocking at the door.

• (1700)

THE ROYAL ASSENT

[*Translation*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, the Acting Speaker (Mr. Davis) with the House went up to the Senate Chamber.

And being returned:

The Acting Speaker (Mr. Charest): I have the honour to inform the House that when the House went up to the Senate Chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following bills.

Bill C-107, An Act to implement the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards—Chapter No. 21.

Bill C-108, An Act relating to commercial arbitration—Chapter No. 22.

Bill C-110, An Act to approve, give effect to and declare valid certain agreements between the Government of Canada, the Government of Ontario, Reed Inc., Great Lakes Forest Products Ltd., the Islington Indian Band and the Grassy Narrows Indian Band—Chapter No. 23.

Bill C-109, An Act to amend the Income Tax Act—Chapter No. 24.

Bill C-86, An Act to amend the Canada Deposit Insurance Corporation Act—Chapter No. 25.

Bill C-91, An Act to establish the Competition Tribunal and to amend the Combines Investigation Act and the Bank Act and other Acts in consequence thereof—Chapter No. 26.

Bill C-93, An Act relating to self-government for the Sechelt Indian Band—Chapter No. 27.

Bill C-115, An Act for granting to Her Majesty certain sums of money for the Covernment of Canada for the financial year ending the 31st March, 1987—Chapter No. 28.

Bill S-7, An Act to amend the Act of incorporation of Pine Hill Divinity Hall.

• (1710)

GOVERNMENT ORDERS

[*English*]

YOUNG OFFENDERS ACT, CRIMINAL CODE, PENITENTIARY ACT AND THE PRISONS AND REFORMATORIES ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. MacKay (for the Solicitor General of Canada) that Bill C-106, an Act to amend the Young Offenders Act, the Criminal Code, the Penitentiary Act and the Prisons and Reformatories Act, be read the third time and passed.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, after that temporary interruption I am pleased to resume my remarks with respect to third reading of Bill C-106, the Act to amend the Young Offenders Act. At the time the knock came at the door I was referring to the fact that the Government, in my view, quite properly resisted the calls by some to lower the maximum age under the Young Offenders Act from 18 to 17, or even to 16. As well, we were pleased to see that the lower age of 12 was not reduced even further. The suggestion that a child of 8 or 9 years of age should be dealt with as a criminal or as a young offender, as opposed to what is under the provisions of child welfare legislation, is certainly one that we would very strongly resist.

Finally I am pleased that the move to increase sentences under the Young Offenders Act was also resisted by the Solicitor General (Mr. Beatty). It is always an option for the Crown to seek a transfer in the case of a serious offence to adult court, but where an offence is being dealt with under the provisions of the Young Offenders Act it seems to me that a three-year maximum sentence is entirely appropriate.

I note as well that a number of the major groups, organizations and individuals that are particularly active in the field have echoed this support for the Government's decision in the Bill to maintain the fundamental philosophical thrust of the Young Offenders Act. Those groups include, among others, the John Howard Society, the Canadian Council on Children and Youth, and the Canadian Council on Social Development.

We in the New Democratic Party did, at the time of second reading of this legislation, introduce a number of concerns of a very serious nature with respect to the proposed amendments. In the course of discussions on the Bill I am pleased that I was able to persuade the Government to introduce four key

amendments to the legislation. I made it very clear that, were the Government not to move with respect to these four key areas, we in the New Democratic Party would be prepared to stand in our place both in committee and in the House and take the steps necessary to ensure that the Government did move. Move it did, and I am just going to outline briefly the nature of the amendments proposed by the New Democratic Party, and ultimately accepted in committee by the Government.

I might say as well that it was because we were successful in seeing these four important motions adopted that we did not unduly prolong proceedings by introducing amendments at report stage.

In listening to the remarks of my colleague for York South—Weston (Mr. Nunziata) I would support the thrust of a number of amendments that he put forward, but, once again, I regret that there was no notice of that whatsoever. I think the proof of effectiveness in the law-making process is results. When you look at the results, clearly it was the efforts of the New Democratic Party that resulted in success. They resulted in four key amendments being adopted in committee.

As the Hon. Member has pointed out, so successful were we in achieving these amendments that we were able to persuade the Government to move the amendments in committee on our behalf. That surely is the mark of success.

The amendments which we were successful in seeing adopted were the following: first, with respect to temporary detention an amendment was moved in committee at the request of the New Democratic Party which would make it very clear that the concept of supervision and control of a peace officer was essential. We are opposed to the provisions of this Bill which further water down the separation of young people and adults in detention. I will come to that later in the course of my remarks. We were successful in persuading the Government to strengthen the provisions as they now stand in the Bill.

Second, the Bill made provision for a transfer of a young person from open custody to secure custody. The original provision of the Bill was completely open-ended. It would have allowed the provincial director or the delegate of the provincial director to transfer a young person in circumstances in which it was necessary for the safety of the young person or the safety of others in the place or facility of open custody or for the maintenance of order.

That wide open discretion was severely criticized by many witnesses appearing before the committee. At the behest and inspiration of the New Democratic Party we were prepared to move an amendment and, indeed, on our behalf the Government moved the amendment proposed by the New Democratic Party to remove the words "or for the maintenance of order". That significantly tightened the discretion which is granted to the provincial director under the provisions of this legislation.

As well, with respect to the provisions for disclosure of information to the public, that provision was tightened by an amendment to Clause 28. Finally, I want to underline the final amendment which was sought by the New Democratic Party, because in many ways this was the most significant change to the legislation. The Bill, as it was presented to the committee, made provision for an oral waiver of the rights of a young person, those rights being the right to consult with counsel and the right to consult with the young person's parents. Surely those rights are fundamental. Under the provisions of the Young Offenders Act, as it was adopted in 1982, those rights could only be waived in writing. That was in recognition of the fact that young people are not in the same situation as adults. They do not fully understand their rights. If those very important rights are to be waived they should be waived in writing and not orally.

The Canadian Association of Chiefs of Police has persuaded the Government that it should eliminate that requirement for a written waiver and that it should allow an oral waiver to take place. I am pleased that that provision, proposed Section 56(4) of the Bill was dropped completely at the insistence of the New Democratic Party and, certainly, that is an important and significant amendment which we welcome. I would note, for example, that the editorial board of the Toronto *Star* commented on this point and noted:

> —under the proposed amendment a young person, who is often confused, frightened and vulnerable to manipulation following an arrest could waive these rights "orally". This objectionable proposal would strip young persons of their basic rights; it deserves quick death.

At the hands of the New Democratic Party a quick death is exactly what it got. Certainly we welcome that important change.

Before moving into other areas of concern on the legislation I do want just to take note of the fact that the process does leave something to be desired, as my colleague for York South—Weston indicated. The process of consultation with groups outside the House was widespread and extensive. However, that was a consultation with the Minister, without the involvement of parliamentarians. I certainly hope that this is not the last that this Parliament sees of the Young Offenders Act and legislation dealing with juvenile justice. There are many fundamental issues which remain to be addressed, but which this Bill completely ignores.

• (1720)

The federal Government must play a key role in monitoring the implementation of the Young Offenders Act. That point has been made by a number of witnesses who appeared before the committee. We have seen too many provinces paying lip service to the principles of this legislation.

There are concerns in a number of areas. For instance, the number of custodial dispositions, both open custody and secure custody, have increased quite dramatically. In the Province of Ontario, for example, there has been an increase of approximately 200 per cent in the number of young people who have been sentenced to secure custody. In my Province of British Columbia, the statistics show an alarming increase in the

number of young people who have been sentenced to secure custody and open custody. This completely undermines the principle of the original Young Offenders Act, which was that custodial dispositions should only be used as a last resort and alternatives to custody should be provided by the province. Clearly, it is important that the federal Government play a role in the funding of these alternatives, but we have seen too many provinces simply not implement alternatives to custody for young people.

The Liberal Government in the Province of Ontario has refused to implement the pre-trial alternative measures that are set out in the Young Offenders Act. I hope that federal Liberal Members might bring some influence to bear on their colleagues at the provincial level with respect to that point. As well, it is a Liberal Government in Ontario that has allowed a two tier system to prevail for young people. The Young Offenders Act states that young people under 18 should be dealt with under the provisions of the Act, but under a Liberal Government in the Province of Ontario we see one regime for young people aged 16 and 17 and another regime for young people aged 15 and under. The same is true in the Province of Nova Scotia. That double standard of justice is not only unacceptable, it is quite likely in violation of the Charter of Rights and Freedoms.

Let me deal with some of the concerns about the provincial implementation of the Act. They include inadequate detention and custody facilities and facilities that are hopelessly outdated and, in some cases, located adjacent to adult facilities. There are delays in obtaining assessments and predisposition reports. There are difficulties in obtaining access to counsel, and in some localities there is concern about the competence and training of lawyers involved in youth court.

I have mentioned the problems in the Province of Ontario with respect to alternative measures programs. There are very few programs directed toward particular concerns of female young offenders, and there is a problem in many localities with a lack of community-based dispositions.

We still hear disturbing reports that in too many jurisdictions the police are not respecting the rights of young persons. At this point it is difficult to know how widespead the problem is, but certainly it has been drawn to our attention.

There are other concerns with respect to implementing the Young Offenders Act and its underlying policy that has been ignored by the Government.

We heard very eloquent testimony from groups representing native young people. We heard from the South Island Tribal Council and the Anishinaabe Child and Family Services, representing some eight reserves in the Province of Manitoba. Chief Ed Anderson, representing the Anishinaabe Child and Family Services, spoke very eloquently.

They want an opportunity to have juvenile and probation services for Indian people, within Indian priorities. I want to pay tribute to my colleague, the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly), for the work he has done in this area of native self-government. This is an area in which the Government could move forward to ensure that native young people are not being dealt with in a criminal justice system that is totally alien to them.

Chief Anderson pointed out that native young people are disproportionately represented among the ranks of the accused and the incarcerated not only in Manitoba, but across Canada. He pointed to the problems of destructive practices in the courts as a result of a system of justice which has been described by Manitoba Senior Family Court Judge Edwin Kimelmann as "cultural genocide".

Chief Anderson underlines the concerns about education, poverty, alienation, unemployment and the alarming number of young people who appear before the courts. He noted that in the last four generations, Indian children in large numbers have been removed from their homes and communities, placed in residential schools, medical foster homes, group homes, adoption homes, institutions, and detention centres. They are dealing with non-Indian prosecutors, non-Indian lawyers, non-Indian judges and non-Indian probation officers. Once they have been prosecuted, they are sent away to non-Indian open custody homes and closed custody institutions.

These non-Indian institutions do not respect the traditions and values of native people and the authority of elders. Rather than instilling a sense of respect for the law, they engender bitterness and hostility.

It is essential that Parliament listen to the plea of native people in this country for resources to ensure that they have a system of juvenile and probation services that responds to the concerns and hopes of native people. Presently, there are far too many native people not only in our juvenile institutions but in our adult custody institutions as well. In fact, a native person has a 70 per cent chance of doing some time in jail by the age of 25. That is an appalling statistic in this country, and when Bishop De Roo speaks of one law for the rich and one law for the poor, I can think of no better evidence that that statistic.

With respect to this legislation, we still have concerns that the Government has not taken sufficient steps and, in some respects, has aggravted problems with the Young Offenders Act. There was no need for a change in the requirement that where a provincial court judge is reasonably available, that judge should deal with a young persons application for bail, not a justice of the peace.

The provisions with respect to the transfer from open custody to secure custody are far too broad. There should be an opportunity for young persons to be heard before this transfer is made. At the present time, a delegate of the provincial Director—some minor functionary—can effectively transfer a young person to jail. Surely that decision involving the deprivation of liberty is one that should only be taken

following a hearing before a judicial tribunal or, at the very least, before a provincial court in the province involved.

We are seriously concerned about the provisions of this legislation with respect to records. This issue was raised by a number of witnesses who appeared before the committee, including Justice For Children. The current provisions of the Young Offenders Act for the destruction of fingerprints and photographs in the hands of the police are being eliminated. We are being told that we must trust that the police will file them in another file. Again, that dilutes the protection of young people.

Very serious changes for the worse are being made to the provisions about detention with adults. The Bill would substantially ease many of the restrictions on the detention of young people with adults. I note that this is one area where the Young Offenders Act took a backward step from the Juvenile Delinquents Act. Prior to the adoption of the Young Offenders Act, a young person who was 12 or 13 years old could not be put in jail with an adult. That was changed with the adoption of the Young Offenders Act. This Bill would go even further because, immediately following an arrest, the police would not have to take any care whatsoever in keeping a youth separate from adults who are detained. For example, a young person of 12 or 13 could be transferred in the same vehicle with an adult of 35 or 40 who has been charged with serious offences.

Indeed, the necessity to keep detained youths and adults apart would not even arise until the arrival at the place of detention. It could wait until it becomes reasonably practical. That is totally unacceptable and effectively discriminates against young people in rural communities such as those represented by the Hon. Member for Skeena (Mr. Fulton) and the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly).

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired. There are still questions or comments.

• (1730)

The Acting Speaker (Mr. Charest): Question, comment or debate.

Mr. Manly: Question and comment, Mr. Speaker. I would like the Hon. Member to elaborate on his last comment.

The Acting Speaker (Mr. Charest): I will allow the Hon. Member to finish after that question and comment.

Mr. Robinson: I am pleased to be able to elaborate on that last point in response to the question from my colleague, the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly)—

Mr. Manly: Since you're referring to my riding.

Mr. Robinson: —since I was referring to his riding. As I was noting before my time expired, the provisions of this legislation with respect to detention, in effect, discriminate against young people in rural communities because, in many cases, the facilities are simply not available. The intent of Parliament at the time this legislation was adopted was surely that there should be one standard of justice in this country for young people and one should not be denied access to justice based upon where one happens to live. As well, I would note that for the first time under this legislation, sentences can be served in federal penitentiaries. I believe that that, again, is a regressive step. I also suggest, in response to the question of my colleague, the Hon. Member for Cowichan—Malahat—The Islands, that it is important that we note that the provisions with respect to custodial disposition should have been significantly tightened in this legislation, and there should have been a provision that secure custody will only be ordered where open custody is, in fact, not appropriate.

There are a number of other concerns in this legislation: There are no provisions for conditional discharge, and there is no opportunity for a young person to earn remission while serving a custodial sentence. There are a number of other concerns of a similar nature, but I do not want to abuse the discretion given by the Chair. I will certainly be pleased to answer any other questions in the time available to me, Mr. Speaker.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to and Bill read the third time and passed.

* * *

PAROLE ACT AND PENITENTIARY ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-67, an Act to amend the Parole Act and the Penitentiary Act, as reported (with amendments) from the legislative committee.

The Acting Speaker (Mr. Charest): Motions Nos. 13, 13A, and 14 will be debated separately and voted on separately.

Mr. Svend J. Robinson (Burnaby) moved:

Motion No. 13

That Bill C-67, be amended in Clause 5 by striking out line 43 at page 7 and substituting the following therefor:

"harm to another person, the Board may, with the consent of the Attorney General of Canada,"

He said: Shifting gears, Mr. Speaker, from Bill C-106 to Bill C-67 on Motion No. 13, this motion would have the effect of amending Clause 5 of Bill C-67.

I use the word "gating" in the knowledge that that may be a foreign concept for some, but that, effectively, is what this legislation is addressing. Before a prisoner who has earned remission can be denied that remission and be ordered to serve time until warrant expiry, this amendment would require that not just the National Parole Board but also the Attorney General give consent to the order. At the time we were previously debating the Bill, it was suggested by my colleague, the Hon. Member for York South—Weston (Mr. Nunziata), that in a number of instances individuals who have been released on mandatory supervision have committed serious crimes of violence and other crimes in our communities. No one will quarrel with that suggestion. Of course, that is a very serious matter. Many of us would suggest that there should be far more effective resources available to prisoners who are leaving institutions in order to assist them to reintegrate into the communities. However, I would note that the effect of the Bill is really just to delay, by an average of some two years, the release of those very same individuals.

Let us look at that in practical terms. Let us consider the individual to whom my colleague from York South—Weston was referring or those to whom colleagues from other parts of the country have referred. I believe one of my colleagues from the Metropolitan Toronto area mentioned an individual from Brandon who was accused and convicted of having murdered while he was out on mandatory supervision. The argument is that had he not been out on mandatory supervision, he would not have been in a position to commit that terrible act. The reality is that that same individual, had this Bill been in effect, would have been released some two years later. Let us look at the circumstances of the release. That individual would have earned remission within the prison and then would have been told, some few months before his release date, after having been in prison for a number of years and expecting to be released, "Even though you have earned remission, you will not be released until the warrant expiry date, the end of your sentence". Well, that individual will not exactly be less hostile, less belligerent, less violent at the end of that two year period; in fact, it would be quite the contrary. What we are doing in these circumstances then, is not releasing an individual, at two-thirds of the sentence date, under mandatory supervision, and in some cases it could be and should be under very strict conditions of supervision, but at least releasing that individual and giving him chance to phase back into the community. If such proposal is adopted, that person would be released directly from a maximum security institution, right on to the street, without any supervision whatsoever. How could anyone suggest that that is a safeguard to the community?

Mr. Fulton: Only a Tory would.

Mr. Robinson: My colleague, the Hon. Member for Skeena (Mr. Fulton) says, "Only a Tory would". Unfortunately, the Liberals supported the same principle. Indeed, my colleague from York South—Weston said, "Yes, yes, this gating power is all right, but it should be done by a judge instead of the National Parole Board". If the Bill is adopted, instead of the level of violence in our communities decreasing, what we will see is a group of very dangerous, bitter and hostile prisoners who are forced to remain behind bars right until the end of their sentence, and then they will be released on to the streets from a maximum security institution with no surveillance whatsoever. If that is not a greater threat to our communities than the current situation, I do not know what is. Therefore, I say that the Bill, which deals with prisoners, is a colossal con job on Canadians. The victims of this con job will be the people in the constituencies that all of us in this House represent.

As well, there is no doubt but that there will be a higher rate of recidivism. As well, there will be even more people incarcerated as a result of these provisions. The prisons which are already overcrowded, already involved in double-bunking, will be even more crowded. That is why prison guards and prison wardens are totally opposed to these provisions as well. In fact, there are not many people in the country who support them.

• (1740)

The committee on which I had the honour to sit representing the New Democratic Party heard from many witnesses. We heard from the John Howard Society, from the Elizabeth Fry Society, from the Canadian Council of Churches and from the Canadian Association of Criminal Justice. Witness after witness said: "Stop! This approach is fundamentally wrong. It is misguided. It will not decrease the level of violence in our communities". Yet the Government is determined to plow ahead.

The purpose of this amendment is to insert, at the very least, an additional level of safeguard into the Bill. The National Parole Board now has a sweeping and almost unfettered discretion. As I pointed out earlier today, its record is not a particularly good one. In this regard we can look to the statistics with respect to release on parole as opposed to release on mandatory supervision, which is now automatic release. One would have thought that if the Parole Board were effective then people who were released on parole would have a significantly lower rate of commission of violent crime than those who are released on mandatory supervision automatically, those who have been deemed by the Parole Board to be too dangerous to get out on parole. It ain't so. In fact, the level of violent crime is almost the same. So that great mass of discretion—in fact, it has been referred to as tyrannical discretion by former Chief Justice Laskin of the Supreme Court of Canada—is being used in a way which really does not make an awful lot of difference in the end. It contributes to significant overcrowding and to warehousing in our penal institutions.

I say that this amendment, which includes the Attorney General as an additional level of safeguard, is one which should be supported. I hope that Members of the House will vote in favour of Motion No. 13.

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT

NOTICE OF ALLOCATION OF TIME TO CONSIDER THIRD READING STAGE OF BILL C-96

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I wish to inform the House that there have been consultations among the respresentatives of the Parties in this House and that it has not been possible to reach an agreement pursuant to Standing Orders 115 or 116 with regard to the allocation of time on the third reading stage of Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-secondary Education and Health Contributions Act, 1977. Therefore, at the next sitting of the House it is my intention to propose the following motion pursuant to the provisions of Standing Order 117:

That, in relation to Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-secondary Education and Health Contributions Act one sitting day be allotted to the third reading stage of the said Bill; and

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

Some Hon. Members: Shame, shame!

Mr. Fulton: It's not acceptable.

Mr. Lewis: Yes, it is.

The Acting Speaker (Mr. Paproski): It is a notice and the Minister can move it at any time.

Mr. Fulton: He can?

The Acting Speaker (Mr. Paproski): Yes. The Hon. Member for Skeena (Mr. Fulton), who has been around here for a long time, and also the Hon. Member for Regina West (Mr. Benjamin)—does he have a point of order?

Mr. Benjamin: Mr. Speaker, is it permitted under the rules to ask any questions with regard to this proposal?

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): I regret to say that the Hon. Member should know very well that that is not permitted. The Hon. Member for Regina West has been here since 1968 and he should know the rules.

* * *

PAROLE ACT AND PENITENTIARY ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-67, an Act to amend the Parole Act and the Penitentiary Act, as reported (with amendments) from the legislative committee: and the amendment of Mr. Robinson.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 13 standing in the name of the Hon. Member for Burnaby (Mr. Robinson). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it. I declare the motion lost.

Motion No. 13 negatived.

Hon. Elmer M. MacKay (for the Solicitor General) moved:

Motion No. 13A

That Bill C-67, be amended in Clause 5 by adding immediately after line 16 at page 8 the following:

"(4.1) For the purpose of determining the order to be made in respect of an inmate pursuant to subsection (4), the Board shall take into consideration any factor that is relevant to the case of the inmate and, without limiting the generality of the foregoing,

(a) a pattern of persistent violent behaviour established on the basis of any evidence and, in particular,

(i) the number of offences committed by the inmate causing physical or psychological harm,

(ii) the seriousness of the offence for which the sentence imposed is then being served,

(iii) reliable information demonstrating that the inmate has had difficulties controlling violent impulses to the point of endangering the safety of any other person,

(iv) the use of weapons in the commission by the inmate of any offence,

(v) explicit threats of violence,

(vi) behaviour of a brutal nature associated with commission of any offence by the inmate, and

(vii) a substantial degree of indifference on the part of the inmate as to the reasonably foreseeable consequences to other persons of the behaviour of the inmate;

(b) psychiatric or psychological evidence that the physical or mental illness or disorder of the inmate is of such a nature that the inmate is likely to commit, prior to the expiration according to law of the sentence the inmate is then serving, an offence causing the death of or serious harm to another person;

(c) reliable information the existence of which compels reaching the conclusion that the inmate is planning to commit, prior to the expiration

according to law of the sentence the inmate is then serving, an offence causing the death of or serious harm to another person; and

(d) the availability of supervision programs that would offer adequate protection to the public from the risk the inmate might otherwise present until the expiration according to law of the sentence the inmate is then serving."

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, in answer to the question posed by the Hon. Member for Burnaby (Mr. Robinson) this morning, I would like to bring to the attention of the House that this part of Clause 5 deals with the procedure to be followed by the board in reviewing the cases of inmates referred to it for potential detention until warrant expiry date. In deciding the order to be made as a result of the review, whether it be a detention order or release subject to a residency condition, or subject to the usual condition, the board would be required to follow certain guidelines.

When Bill C-67 was first introduced these guidelines were included as part of draft regulations. In response to suggestions made during the discussions which have taken place since that time we are moving that the guidelines be enacted as part of the statutory provisions rather than as part of the regulations. These guidelines delineate factors which the board shall take into consideration, and include such things as persistent violent behaviour by the inmate, psychiatric evidence of dangerousness, and the availability of supervision programs which would provide adequate protection to the public from the risk the inmate might otherwise present.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I wonder if the Parliamentary Secretary might indicate whether there is any basis whatsoever for the suggestion that "psychiatric or psychological evidence that the physical or mental illness or disorder of the inmate is of such a nature that the inmate is likely to commit, prior to the expiration according to law of the sentence the inmate is then serving, an offence causing the death of or serious harm to another person"? That is one criterion. No witnesses who appeared before the legislative committee which studied this Bill indicated that it was possible, or that there is any scientific evidence to support the suggestion that such evidence has any predictability whatsoever. In fact, the Solicitor General's (Mr. Beatty) own study on conditional release and on mandatory supervision clearly stated that it was not possible to predict in the manner in which this criterion suggests it is possible to predict. With leave of the House I wish to ask the Parliamentary Secretary whether he might indicate whether there has been some new evidence that has come to the fore since the committee heard witnesses on this question.

The Acting Speaker (Mr. Paproski): Is there unanimous consent to permit the Parliamentary Secretary to answer the question?

Some Hon. Members: Agreed.

Mr. Towers: Mr. Speaker, it has not been that long since this Bill was passed. This question was brought up and discussed quite thoroughly at the committee hearings. There has been no new evidence brought to the attention of the Government. It is just a matter of using common sense, that is all.

• (1750)

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 13 in the name of Mr. Robinson. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the yeas have it. I declare the motion carried.

Motion No. 13 agreed to.

Mr. Svend J. Robinson (Burnaby) moved:

Motion No. 14

That Bill C-67, be amended in Clause 5 by striking out lines 42 to 44 at page 8.

He said: Mr. Speaker, the effect of Motion No. 14 would be to amend Clause 5, the clause that establishes the new gating procedure, by eliminating Subclause 7 of Clause 15.4. That clause indicates that an inmate who is in custody pursuant to an order made under paragraph 4(a) is not eligible for parole. It is a clause which is clearly totally without foundation and, ironically, ties the hands of the National Parole Board after having just given it sweeping discretion to designate certain individuals as posing a potential threat to the community.

Mr. Benjamin: We can designate the Minister of Agriculture (Mr. Wise).

Mr. Robinson: My colleague suggested that we designate a variety of other people. When he participates in the debate, he can certainly elaborate on that point.

We heard representations on this particular point from a number of witnesses. I would like to draw to the attention of the House concerns that were raised by a number of professors from the Department of Criminology at the University of Ottawa, these being Professors Acosta, Ciale, dos Santos, Gaucher, Laplante, Pires and Melchers. These are very

respected criminology professors and this is what they have to say with respect to the proposition that is now before the House:

The Solicitor General of Canada is once again prepared to change the rules of the prison system by giving increased power to the National Parole Board and the Commissioner of Correctional Services Canada. We view with grave misgivings the power contained in article 15.1 and 15.3 of Bill C-67.

They point out that it is best left to the courts and not the National Parole Board to decide who is to be held in custody while a sentence is being served. They go on to say the following:

An inmate who has been denied parole or has refused to apply for parole will not know until he has reached his probable release date whether he will be released or not. The anxiety and stress it will create among the classes of inmates who have committed crimes as noted in schedule 15.3 is inestimable. It is cruelty of the highest order and devised either by a bureaucratic mind or monster.

It is a return to pre-Beccarian times, an era characterized by unequal, arbitrary and barbarous punishments obeying the whims of an impersonal fate.

They point out that the Bill does not take into consideration the reaction it will produce among federal prisoners who will basically perceive these changes as an automatic increase of one-third in their sentences. When this is put together with serious overcrowding which is already taking place within our institutions, we will have a profound institutional crisis.

The professors go on to say the following:

Bills 67 and 68, institutionalize the arbitrary nature and severity of existing penitentiary sentences. The proposed measures contained in these bills is extremely dangerous for guards because they will have to face more anxious and frustrated inmates. These measures do not protect the community because the prisoner who will eventually be released, will have suffered greater social deterioration than he would have within the traditional carceral system, which was already highly damaging.

This motion deals with the ability of the Parole Board to look at least at each individual to see if he has made some progress during the period of incarceration. The Parole Board would have the discretion to release individuals back into the community on parole. As it now stands, it does not have this discretion. I would note that this is a provision that was not included in the predecessor legislation, Bill S-32.

As I mentioned, we heard from many witnesses on this point. One of the witnesses from whom we heard was a representative of the Elizabeth Fry Society of Halifax who expressed concern with respect to the denial of the possibility of re-applying for parole. The Elizabeth Fry Society representative pointed out that that provision taken in conjunction with all of the other provisions of this legislation might very well open it up to challenge under the provisions of the Charter of Rights and Freedoms as it is a denial of the values which have been set out and established in the Charter of Rights and Freedoms.?

I mentioned earlier today that the Senate has studied this legislation and has tabled an interim report. That interim report goes directly to the amendment which is now being discussed. The interim report which was tabled on May 14 has four basic concerns.

I emphasize that this report was a unanimous report prepared by the Senate Legal and Constitutional Affairs Committee representing both the Liberal Party and the Conservative Party. They said that any detention decision to warrant expiry with respect to an alleged dangerous offender should be reached by judicial resolution and not by the National Parole Board. Fortunately, my friend, the Hon. Member for York South—Weston, has come around to our side and has agreed on the fundamental point of judicial review as opposed to review by the National Parole Board.

As well, the Senate report suggested that earned remission should remain effective if revocation is a result of a contravention of the terms or conditions of mandatory supervision. In other words, mandatory supervision should not be one shot and there should not be a denial of the right to earn remission if the revocation was on a purely technical basis. I see you are signalling that it is six o'clock, Mr. Speaker.

The Acting Speaker (Mr. Paproski): I am signalling that it is about 10 seconds to six o'clock. Would you like me to put the question?

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All right, then we will call it six o'clock. It being six o'clock p.m., pursuant to order made Wednesday, June 11, 1986, the House will now proceed to consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

EXTERNAL AID

ADVISABILITY OF ESTABLISHING A LEVEL OF GNP

Mr. Jim Manly (Cowichan—Malahat—The Islands) moved:

That, in the opinion of this House, the Government should consider the advisability of introducing legislation to establish a level of 0.7 per cent of the Gross National Product for official developmental aid.

● (1800)

He said: Mr. Speaker, I appreciate the opportunity to bring this motion before the House. I am very thankful that the committee, in its wisdom, decided that this would be one of the motions which could be voted upon.

The purpose of my motion is to send a strong signal to the Government that it should establish the level of official development assistance at .7 per cent of the Gross National Product, and that this should be established by legislation rather than simply at the whim of the Government of the day. It is important for all Hon. Members to be able to vote on it, and I hope the process will continue so that the issue can come to a vote.

Official Developmental Aid

I want to see this level established by law in order to remove it from the vagaries and uncertainties of the budgetary process. The development needs of the world are too great for them to be subjected to the different political and financial priorities of our Governments. When we change Government, we naturally change priorities. Canadians, and the world in general, must recognize that this is a fundamental priority which should not be subjected to that kind of whim or change. It should not be possible to change our goals in this respect without the matter even coming before Parliament in the form of a Bill.

Parliament already recognizes that there are certain areas which need this kind of protection. We have legislation establishing formulae for such things as family allowances, old age security, established programs funding, and equalization payments. As a matter of fact, the Government just finished announcing closure on a Bill to change the formula for Established Programs Financing. We do not like to see some of the changes of the Government, but at least it must come before Parliament when it wants to make a change. That important principle should also be incorporated into our entire foreign aid program.

The need for such a principle in our foreign aid program or development assistance program can be seen by looking at the history of the way in which we have dealt with the entire .7 per cent program. The .7 per cent of the Gross National Product goal for official development assistance was first accepted by the Canadian Government in 1970, following the recommendation in the Pearson report which was done for the United Nations. That report recommended that each aid giver should increase commitments of official development assistance to the level necessary for net disbursements, to reach .7 per cent of the GNP by 1975 or shortly thereafter. It also indicated that in no case should it be later than 1980. It is worth repeating that the report recommended 1975 as the target date and that it should be no later than 1980. We accepted this somewhat like a reluctant bridegroom in 1970, but we did not set any timetable for it. In 1980, we said we would make our best effort to reach the .7 per cent goal by 1990. That promise was repeated in 1983 by the Liberal Government. In the 1984 election campaign, the goal was endorsed by all three political Parties.

At that time the Canadian Council for International Co-operation asked candidates of all three Parties in 135 different ridings whether they supported increased, untied development assistance. The background material sent out by the Council explained the .7 per cent target. It is very instructive to look at the results of the survey, in that 91 per cent of the candidates who responded were elected to the House of Commons in the 1984 election. Of the 91 elected, 63 were Conservatives, 12 were Liberals and 16 were New Democrats. Of this total from all three Parties, 81 said that they supported increased aid; 81 out of 91 respondents supported increased aid, five were negative, and five were uncertain. This indicates a very high level of political support for the principle of increased aid or increased developmental assistance.

When the new Government was sworn into office in September, 1984, the Secretary of State for External Affairs (Mr. Clark) went to New York and appeared before the 39th General Assembly of the United Nations. At that time he made a very good speech, from which I should like to quote. He said:

> Our new Government intends to maintain Canada's commitment to reaching .7 per cent of the GNP by 1990 in Official Development Assistance.

That was the commitment which the Secretary of State for External Affairs made on behalf of Canadians to the people of the world at the United Nations in September, 1984. That was after the new Government was elected and all its promises were shiny and bright; some people thought that the Government might even keep them.

Then came November and the financial statement introduced by the Government in which the .7 per cent goal for ODA was postponed from 1990 to 1995. Further, in the February Budget of this year, it was postponed to the 21st century. The budget speech indicated that in the Government's perception the economy had performed better than expected. It said that the economy was doing well. Despite that, it cut back on the timetable for reaching the goal of .7 per cent of GNP for official development assistance.

Also the Secretary of State said:

> Despite serious economic problems at home, we shall not turn our backs on the world's disadvantaged peoples.

In 1986 the Government said that the economy had improved better than expected, but it turned its back and postponed the goal once again.

In the past year Canadian attitudes toward development assistance and aid generally have been documented by Decima Research in a project commissioned by the Canadian Emergency Co-ordinator for African Aid. The results were made available in a little booklet entitled "How Much Aid?", which I urge all Hon. Members to read. It is available from CIDA. Some of the more interesting conclusions in the survey show that a growing percentage of young people want Canada to become a world leader in providing aid rather than being eleventh out of 21 OECD countries.

Young people particularly do not want Canada to be a mediocre follower. They want to see Canada as a leader which takes seriously the problems of world hunger and world underdevelopment. Despite a general desire to restrain Government spending, the survey indicated that 74 per cent of Canadians opposed cutting back on foreign aid. That is exactly what was done when the Government postponed the timetable for increasing aid to the .7 per cent goal.

Also Decima found that 39 per cent of the people interviewed thought that poverty and hunger were the most serious issues facing the world. This was compared with 24 per cent who named the arms race and 22 per cent who named economic problems. A majority of people, whatever they chose

as the main problem facing the world, did not see the Government as having the same priority. Some 45 per cent who were interviewed said that the Government's main priority was economic issues, only 22 per cent saw the Government as being concerned about poverty and hunger, and only 19 per cent saw it as being primarily interested in reducing the threat of war. The priorities of people do not correspond to the priorities of the Government.

In conclusion, I simply point out that being eleventh out of 21 OECD countries is not good enough for Canada. Other countries such as Denmark, France, the Netherlands, Sweden and Norway have all reached and surpassed the .7 per cent goal. These are countries that take good care of their people. Mediocrity in the face of 800 million people who go to bed hungry every night, if they have a bed, is not good enough for Canada. I urge all Members to give their support to this goal that has widespread support among Canadians. We should urge the Government to bring in legislation to establish .7 per cent of our GNP for development assistance, that that be done by legislation and not left to government whims.

• (1810)

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister for External Relations): Mr. Speaker, I welcome this opportunity to take part in the debate this afternoon. I do not agree with the previous speaker that our party or our Government is a Government of followers, as he says. The Hon. Member was in New York two weeks ago when the Minister announced a number of important measures under the Africa 2000 program, and we are not only not a Government of followers, we have also shown this Government provides leadership.

It is true, Mr. Speaker, and the Hon. Member for the New Demagogic Party's main argument was that we had promisd to meet that commitment, that all three parties in the House were unanimous, and the Decima Research polls had shown that Canadians were prepared to do their share and have the Government do its share for international development and international aid. That is absolutely true, but although we made that promise, we also promised to provide sound management.

Mr. Speaker, if there was a consensus in the House, there was also a consensus among almost all Canadians in 1984 that we needed a Government that was responsible and fair and serious about its responsabilities.

Furthermore, Mr. Speaker, the polls have shown—and I am very pleased because we are talking about a poll that was taken after the crisis in Ethiopia—that Canadians agreed with the Government's action. In fact, they not only agreed, but the Government had to run to keep up with all the initiatives launched by Canadians individually. That is how with less money we were able to do more. Let the Hon. Member wait his turn!

Mr. Benjamin: You won't be let off the hook that easily.

Mr. Hudon: I hear barking on the other side of the House.

Mr. Speaker, the fact remains that in a democratic system we must have fair Government and we must have sound financial management.

Mr. Speaker, we are still committed, but as long as we do not have the requisite budget and budget items and as long as we cannot reconcile this with the budgetary measures to which we are committed, I cannot vote in favour of this proposal at this time.

Our commitment remains, and we will meet that commitment and let Canadians—in fact they did so for the famine in Ethiopia—take the lead and encourage them in a positive movement towards increased aid for the countries concerned.

We have two options. As far as the economy is concerned, we promised to restore the confidence of the people in our system, Mr. Speaker. Either we go on like that, or we ask Canadians to tighten their belts. Obviously, I intend to argue against the second option, which asks Canadians to tighten their belts, since that is the one they have chosen.

Had the first option been chosen, Mr. Speaker, what would have happened in a few years? If you examine the federal budget you can see that the last few years were highlighted by a drastic increase in public expenditures and a sharp rise in the budget deficit, which led to an immediate increase in interest rates and the inflation rate. If this trend continues, Mr. Speaker, it will be easy to tell Canadians: Not to worry about next year, the deficit will grow to $60 billion, then to $90 billion the year after. That is the easy way to administer the country. But what is going on, and why indeed can our country grow richer or become poorer? It is strictly a matter of confidence. The Canadian currency, the Canadian economy, it is just like any other market where supply and demand principles prevail.

When foreigners want to invest in Canada, what is their first question? Is this a serious country? Is this a country which has control over its economy? If the answer to those two questions is not affirmative, they go elsewhere. They want their investment to be profitable. Mr. Speaker, this is why certain countries are closed tight to foreign investments: people have lost confidence in the economy, the administration or the policy of those countries. So we could have opted for the first method and said: Let us spend our way out of this mess. In other words, a larger share of our revenues would have been earmarked for debt servicing. But, Mr. Speaker, the more we do that, the heavier the deficit grows, the more we have to tax Canadians. We decided to go for the second method.

We told the people: Let us tighten our belts. And when we ask people to tighten their belts, we expect the Government to do the same, and this applies to external aid as well. What this actually means, Mr. Speaker, is that we have to learn to do more with our limited financial resources. We have had examples of this, you referred to the Ethiopian crisis a moment

ago, it is true, a striking example where with less money we managed to convince Canadians to contribute more, and this has a significant driving and collective impact on international aid. It is the method advocated by the Government at this time. There is something else we said—they keep referring to our broken promises—one of the thing we promised was to restore sound management, a balanced economy and fair government.

Can we tell people today, and I know the Hon. Member would object, that we will no longer index family allowances, we will no longer index old age security pensions for the first 3 per cent as well, and that we will spend more on external aid? If we ask Canadians to tighten their belts, I think we should also ask people outside our country to tighten their belts, and in the final instance we will have to find new ways of making our money more productive. That is how society works and that is also how a just society works. Mr. Speaker, the lower interest rates and lower inflation rate we are enjoying today, something which benefits all Canadians, remain in the eyes of some people just the Government's doing. But it is not just the Government's doing, it is thanks to the renewed confidence of all Canadians and of outside investors in the Canadian economy. This means we can make more resources available to the people of this country, in some cases with less financial outlay. That is the kind of solution we have chosen, and I repeat, Mr. Speaker, we are a responsible and a fair Government. I do not want to ask Canadians to make more sacrifices for our economy than other countries have to make. That, Mr. Speaker, is the most important promise that we have kept.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, while I was listening to the Hon. Member, I was reminded of when I was a student, in the days of the former Premier of Quebec, Mr. Duplessis, who had a natural flair for the dramatic turn of phrase. Duplessis, when faced with the external aid proposal made by St. Laurent, then Prime Minister of Canada, remembered the aid he had given to the village of Cabano in the Lower St. Lawrence area which had burnt to the ground. St. Laurent, on the other hand was asking Canadians—this was in the fifties—to realize they had international responsibilities under what was called the Colombo Plan. So Duplessis' slogan became: "Duplessis gives to Cabano and St. Laurent gives to Colombo", to confuse people.

What we must understand today is that the Hon. Member presented this motion because we must remind Canadians that this is our objective. The Right Hon. Lester B. Pearson under whom I had the honour of being elected and of serving as a Member of Parliament, had tabled this UN report which was adopted by Canada in 1970, as the Hon. Member recalled, and we made this our objective: 0.7 of 1 per cent of our Gross National Product would go to external aid.

Due to circumstances, the objective was postponed from 1975 to 1980, at the latest. My party remains committed to achieving this objective as soon as possible. Just because this country is having problems with the economy and the deficit, and so forth, and I know we are, and I hope it will be temporary, it does not mean we should shirk our international responsibilities.

Not long ago, Canadians reacted with great enthusiasm while Government was hesitant about spending quite considerable sums of money in connection with the famine in Africa. Canadians knew where their responsibilities lay, and the Hon. Member said so himself. It was the Canadian people who pushed the Government. This means that there is in our society a tremendous amount of understanding for these things, and we should not let this understanding for our international responsibilities and international sharing be diverted to the economy or the Budget or the deficit. Because if we do, there will always be people, both in the House of Commons and across the country who will say: They are right, charity begins at home.

• (1820)

[*English*]

It is a very bad principle to start talking about our international responsibility. We must have a goal. The goal which was set and accepted was .7 of 1 per cent of our Gross National Product. If you start attracting the attention of Canadians to our difficulties and deficit, you stand the chance of killing the base of good will which Canadians have recently manifested toward aid for those who have much less than us. It is not enough to pretend that we are going through difficulties in Canada and to reduce our commitment toward the international community and the people who need so much and look toward Canada as a leader.

My colleague who presented the motion reminded us that young Canadians want leadership on this question. The major preoccupation of young Canadians is the hunger in the world. Young Canadians will pay more taxes than I because I am on my way out while they are on their way in. Yet, their commitment is toward hunger in the world. Their second preoccupation is disarmament. We could link disarmament with development if we understood better what disarmament meant and stopped being paranoid that communists are going to rearm, and always trying to be a step ahead of them. What is going on today on the question of armament is pure madness.

I have no hesitation in connecting the two. If we understood the madness of armament versus disarmament and the immense base of money which could be spent on development, we would understand very well that we would have an easier time. Everything is interlinked. You cannot talk about hunger and poverty and then say that the debate is over and that we will now discuss disarmament. That is all interconnected, Mr. Speaker, as you know very well.

The goal should be to remain committed. That is exactly what my colleague has asked. He asks that we reaffirm that commitment. We may not achieve it, but at least we are committed to it, which means that we will work harder. If you reduce your commitment, of course you work less hard to achieve it. The commitment was reaffirmed at the United

Nations by the Secretary of State for External Affairs (Mr. Clark) in September, 1984. He said that we are still committed to .7 of 1 per cent. He was greatly applauded. Everyone said that this was a country which understood its commitment, it is in difficulty and yet reaffirms its commitment. They said that was the kind of Canada they liked. Suddenly we say that .7 is difficult and we will make it .6 until 1990. However, it is now .6 until 1995. I am afraid it is going to be .5 by 1995. When you have no goal or vision, it is easier to reduce your commitments.

I suppose that the intention of my colleague from the New Democratic Party today is to ask Members to recommit themselves publicly, to say that regardless of the difficulty they have noticed that Canadians are way ahead of them and that they are recommitting themselves to that goal. I beg of you not to reduce our commitment. We must not postpone what we strongly believe. There are only six Members left in my Party who sat under Pearson. You would, therefore, understand that I am more committed than others because I have followed his policy ever since.

I am not laying blame. I am only begging people to understand. Regardless of how many pockets of poverty there are in our country and regardless of how much temporary difficulty we may have, there is no better country in the world in which to live than Canada. I said that last Friday when I spoke on the emergency debate on South Africa. People expect leadership from Canada on the issue of apartheid in South Africa. People expect leadership from us. The Government's own polls show that. The youth of the country are committed. They understand the commitment. They will pay taxes much longer than us.

There is no doubt that we can link aid and disarmament. We must understand that any country to which Canada is providing leadership is going through much greater difficulty than Canada has ever known. We must understand that those we help and co-operate with today are the partners of tomorrow. That is something to reflect on. You do not throw money away. You do not exchange technology. You create future partnerships with people who have less than you. That is the message for those who are strictly business-oriented. I am not, but I am practical. I understand that for some people that is their commitment. I think of them as future partners in development for people who have nothing.

• (1830)

Please, I beg of Members to understand the meaning of the resolution put forward by my friend, which is to publicly recommit ourselves to that goal. It should remain the goal of Canada.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I welcome the opportunity to participate in this debate. I thank my colleague for having introduced the motion. It is very timely and worth while. The idea of introducing legislation to set aid levels is interesting and unique. Obviously it is no guarantee that Governments will set appropriate targets. All we need do is look at the present debate on Established Programs Financing.

The Government is moving in the direction of cutting back on transfer payments to the provinces for education, health and human development in Canada. In fact the Government has just moved closure on that legislation, so it is moving very quickly in that direction. However, even though it is possible for a mean-spirited Government whose priorities are not well placed to ignore the human development needs on this globe, that does not mean that legislation like this would not be a useful vehicle in setting goals for international aid. It would certainly give these programs more permanency than they have right now.

The goal of .7 per cent of GNP for international aid was set by the UN so it is an international goal. We should associate ourselves with it in order to show solidarity with the aspirations of all peoples around the globe for the development of the individual and community. It is a minimal obligation to which we can tie ourselves.

The most striking aspect of international development aid, at least to me, is the comparison between the amount of money we spend in that direction compared with the amount we spend on armaments. If we could transfer but a fraction of the money we spend on arms to spending on human development and international aid, we could make a real difference. We could improve the quality of the accommodation people live in and the quality of water they drink. We could eradicate forever a number of diseases with just a fraction of the money which goes to armaments. To move money from our military budgets to our development budgets requires that we find ways to resolve peacefully those conflicts which break out on this planet.

While it is important for us to urge the Government to adopt the goal of .7 per cent of GNP for international aid, it is also important to impress upon people the need to provide leadership in peaceful conflict resolution. It is only when we have found the means for resolving conflicts among nations in a peaceful way that people will feel comfortable about putting down their arms. Therefore, this Government should be taking a direct leadership role on the international stage in order to promote conflict resolution.

Another area of interest is the involvement of Canadians in the international arms race. Not only are private companies selling arms on the international market, arms which are bought by military dictatorships and used to repress their people and block human development, more than that, our tax dollars are supporting that kind of trade. My tax dollars, your tax dollars, the tax dollars of those watching this program tonight go to support the arms trade. We are investing public funds in companies so that they can further promote the sale of arms on the international market. This is tragic to say the least. It is obscene. The Government has announced legislation dealing with pornography; it is too bad it did not have the vision to think of the obscene international arms trade and the

direct role the Canadian Government plays in that area by subsidizing our arms trade.

We have brought before this House on a number of occasions examples of where the Canadian Government has been supporting military trade with Chile. Military arms sold to that country are inevitably used in repressing dissent. Therefore, if we are to reach the objective of international aid, then we have to get this country out of the business of subsidizing the arms trade. We have to use those dollars to encourage companies to undertake other types of economic activity. We know from numerous studies that if companies get involved in other kinds of economic activities, they produce more jobs. We would get a better return for the public dollar invested.

It is important to remind the Government of the international goal of .7 per cent of GNP for international trade. It is important for this Government to be reminded that it needs to set its priorities on the basis of what Canadians want. I cannot quote any specific public opinion poll, but I know from talking to people in my community of Winnipeg that the vast majority of Canadians want action on international development. They want Canadians to be in the forefront of promoting justice on this planet through human development. The Government should be setting those priorities on the basis of what Canadians want rather than on the basis of some other set of priorities.

I think I see you signalling that my time is coming to a quick end, Mr. Speaker. I just want to say that I congratulate my colleague for having brought forward this resolution. It is a creative idea for bringing home to this Government the fact that it needs to place a much higher priority on international development and that Canadians want it to do so. It is the responsibility of the Government to respond and this is a creative way of saying that.

• (1840)

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, I thank the Member who has introduced this motion which focuses our attention on one of the most compelling issues that confront humanity. As so often happens, perhaps the most important subject that the House will debate today has been the program for Private Member's Hour. I thank the Member and those associated with him who have made this the primary concern of all of us during this hour together. It is right for them to remind us that the people of Canada share this concern with all of us.

One of the results of the recently concluded study of foreign policy by the Special Joint Committee on Canada's International Relations has been the high priority which the subject of external affairs enjoys throughout the land. It is a priority that has not always been measured within these walls. It has often been assumed that nobody in Canada really cares about foreign policy. That may have been true at one time, but we live in the age of the global village and our people are fully conscious of their belonging to one world. Therefore, people are fully aware of the need for Canada to address the problems of the world if we are to do justice to our own needs as a nation.

I welcome this opportunity to discuss foreign aid and overseas development. I have to put before the House a concern that the presenter of the motion, and the Member who spoke in support of it, have been guilty nonetheless of certain fallacies; one of them being the fallacy of not relating the necessity to generate wealth in order to provide humanitarian assistance and social development.

One of the most striking fallacies of which we can be guilty of in this chamber is the failure to recognize the need to generate adequate wealth if we are to afford those programs and services without which our life as a people would be poorer, and without which the life of the human race throughout the world would be poorer. It amazes me to hear Members on the other side of the House urge on us one spending program after another, and at the same time oppose efforts that are designed to increase the wealth of this country so that we can possibly afford those spending programs. We often become very superior and very sophisticated about business, industry and commerce. These are in contrast to the intellectual, the cultural, the social activities which are so much more worthy of the mind and the spirit of men and women.

I have to draw to your attention that one Member of the House earlier this afternoon was pleading for funds for the erection of a ballet theatre in the City of Toronto. Now, without the kind of wealth that we hope our burgeoning, booming economy can generate how would such a cultural centre ever be a possibility? We have to keep that in mind whenever we are tempted to close our eyes to the priority of economic concerns. That is equally true when we are talking about overseas aid and foreign development.

The only way by which this country can possibly have the surplus to share with the underdeveloped, with the have-not nations of the world, is by sufficiently generating the wealth that provides that surplus. If all we can produce in this country is that which is required for our subsistence and survival as a people, we have nothing to share. It is only when we have a booming economy, it is only when we have our deficit under control, it is only when we have an economically sound country that we can possibly have something to share with other countries.

I would hope that in the interests of human betterment and overseas aid we would find support for our deficit control policies for they are designed to give us, once again, the surplus that can lift the level of life in this country, and lift the level of life beyond our borders. I point out that our first need as a people, as a parliament, as a government, is to generate the wealth without which our progress as people will be impossible. That is the first fallacy that I noted in the remarks.

The second fallacy is the fallacy of being insensitive to the need for recognizing that simply spending money overseas can be as unproductive as spending it at home. Mention was made

of Prime Minister Pearson, for whom we all share an admiration. I recall the war on poverty that he began. He initiated a spending program that people throughout the country supported because of our desire to follow the Government in ending poverty within this land. So year after year the spending continued and mounted and so did the poverty statistics. The intention was worthy, the objective was noble, the effort was admirable, but the results are still there. We now have more people below the poverty level than we had when the war on poverty began. This is true not only in Canada.

Only the other night I read about how this is the sad experience of the people of Sweden. Sweden, of all places, the darling of all the social democrats, that gem of a country, the model that we should all follow. Sweden has now discovered that they have more people below the poverty line than they had 20 years ago. They now have to reassess their approach, not because they have less concern for the poor than they had, but because they are recognizing, as we are recognizing, that you simply do not spend your way into human betterment. We have to recognize that the answer to the needs of the people in the underdeveloped parts of the world lies not simply in our increasing the amount of money we spend there, but lies more in our joining with them in those programs, in those methods by which they will achieve the good life to which they aspire.

For example, in a recent editorial in the London *Times*, and it is certainly in the parliamentary tradition to quote the *Times*, and I do so with reference to an editorial called "Africa Help for Self-Help", the *Times* argues quite rightly that if the level of life in Africa is to be raised it will be raised, solely when the countries of Africa attract, once again, investment capital, in contrast to their failure of recent years. Only 3 per cent of the overseas investment capital of the world has gone into African countries in recent times. So the *Times*, understandably, urges the Governments of Africa to adopt those policies that once again could attract private investment and join with private investment within the borders of their own countries.

I speak of that because I believe that we have to address ourselves as a Parliament and as a Government to linking our overseas aid with certain developments within the receiving countries, that joined with our aid it will add to the betterment of life within those borders. One of them has been suggested in previous speeches in criticism of military spending. I hope that all Members of Parliament will be conscious of the waste of resources on military spending within so many underdeveloped countries and that we might join together in improving those programs that will lift the level of life. Surely that is the goal of us all.

• (1850)

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, let me say at the outset that I believe this is a somewhat historic moment in the history of Private Members' Business in the House of Commons of Canada. Unless I misunderstand, this is the first day we have had a debate on one of the votable items of the 20 Bills on the order of precedence. The Bill of the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) is one of the three Bills selected so far by the Standing Committee on Private Members' Business that will come to a vote should time permit. There is a possibility that if prorogation occurs, these Bills will die on the Order Paper and not actually come to a vote, but it is worthy to note that this is the first occasion that we are debating a votable Private Members' motion.

It is unfortunate that more Members are not present because the intention of the reform was that there might be more interest, given that a particular subject might actually come to a vote. I must say that there are more Members in the House than is normally the case during Private Members' Hour and perhaps we are on the road to improvement in that respect.

I want to comment on the speech given by the Hon. Member for Scarborough West (Mr. Stackhouse). I am sorry that he cannot hear me say this—

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member has been here quite a while. He should not reflect on who is in the House and who is not in the House. There are monitors outside and I am sure Members are watching the Hon. Member right now and enjoying his speech. There are many Members behind the curtain who are watching the Hon. Member. Therefore, I hope he will stick to debate.

I appreciate him saying that this is the first of the five hours on this votable Private Members' motion.

Mr. Blaikie: Mr. Speaker, I did not mean to reflect any motives about the absence of Members. It was simply my way of expressing my regret. I appreciate the fact that you believe so many people are listening to me.

If memory serves me correctly, it was not Lester Pearson who initiated the war on poverty, but Lyndon Johnson. It was an American phenomenon. I know that the Hon. Member for Scarborough West is not a professor of history. He is a professor of Christian ethics, which is even more amazing. However, it was the Americans who launched the war on poverty.

I must say that with respect to what is happening in the modern welfare state, democratic socialists have not been proven wrong by the welfare state, democratic socialists have been proven right by the fact that the welfare state has not closed the gap between the rich and the poor. We have said all along that the redistribution of wealth without the redistribution of power would not bring about the kind of equality that we in the New Democratic Party want.

I want to address the arguments put forward by the Hon. Member for Scarborough West because I found them quite provoking. Part of the Hon. Member's argument was the old "charity begins at home" routine. I want to say for the interest

of those Members who might be listening and to the masses who you say are listening to me, Mr. Speaker, that at one time the Hon. Member for Scarborough West was my professor of Christian ethics. That is either a statement about the infinite flexibility of Christian ethics, or about either one of us, that we can so radically disagree about the argument made by the Hon. Member that we should make sure that our own economy is in perfect order before agreeing to the goals set out in the motion by the Hon. Member for Cowichan—Malahat—The Islands.

I am reminded of a scripture: "Seek ye first the Kingdom of God and its justice and everything else will be added on to you." We should be seeking to do justice in the international economic order and seeking to do justice with respect to what we know is needed in the developing countries in the belief that in the long run it will result in economic benefits as well. It is only through building up the global economy and improving the economies of the developing countries that we will achieve the kind of global community, both economically and politically, that we are looking for.

When the Tories talk about unproductive spending abroad, one can clearly see their long-standing paranoia that someone in the Third World might be getting something for nothing and money may not be spent as productively as possible. It is that kind of argument we have heard from the Conservatives over the years about CIDA and other development projects. It is a totally unworthy argument because no one advocates spending money wastefully or non-productively. I suggest that using the excuse that waste has occurred on occasion as a reason for opposing the objectives in the Hon. Member's motion is totally unacceptable.

The Hon. Member's point about military spending was well taken. Much of the wealth in the entire world is spent in this terribly wasteful way. However, the Hon. Member would have been more credible if he or his Party criticized the way in which the arm's race in the Third World is fueled by the arm's race between the superpowers and the wars by proxy which they like to fight against each other in various parts of the world. If he said that as a result of his view of military spending he was encouraging the Government to use its relationship with the United States of America to ask that country to stop contributing to the very military spending that he was deploring, I would have been more supportive. However, he did not do that. In my opinion, there were many flaws in the argument presented by my former teacher. I hope he will have an opportunity to reflect on what I have said.

The Acting Speaker (Mr. Paproski): There is still one minute remaining. I will recognize the Hon. Member for Oxford (Mr. Halliday).

Mr. Bruce Halliday (Oxford): Mr. Speaker, I want to make only one comment on the motion. I congratulate the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) for bringing forward this motion. I believe the majority of Members of the House as well as most Canadians support his goal.

However, I was somewhat disappointed that he would suggest that we lack leadership in this country. I remind him of what happened in the United Nations some three weeks ago when a former leader of his own Party scored a real coup. Mr. Lewis, our Ambassador to the United Nations, scored a real coup in having 158 countries approve a development plan for Africa.

I was rather disappointed that the Hon. Member would not recognize that as leadership by the Government in having appointed him as our permanent Ambassador to the United Nations.

[*Translation*]

The Acting Speaker (Mr. Paproski): Order, please. The hour provided for Private Members' Business has now expired.

Pursuant to Standing Order 36(2), the order is dropped to the bottom of the order of precedence on the *Order Paper*.

GOVERNMENT ORDERS

[*English*]

PAROLE ACT AND PENITENTIARY ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-67, An Act to amend the Parole Act and the Penitentiary Act, as reported (with amendments) from a legislative committee; and Motion No. 14 (Mr. Robinson) (p. 14564).

The Acting Speaker (Mr. Paproski): Is the House ready for the question? The Hon. Member for Burnaby (Mr. Robinson) has 30 seconds to finish his debate.

Mr. Robinson: Mr. Speaker, at the time I was interrupted by this historic debate, I was concluding my discussion of the interim report that was tabled in the Senate. I was pointing out that the Senate Legal and Constitutional Affairs Committee had unanimously recommended certain changes. For the benefit of thousands of Canadians watching this debate with rapt attention, we are dealing with legislation concerning mandatory supervision. Of course, the Government House Leader will have a particular interest in the position that is taken by Tory Senators in view of his antecedents, and the good Senators, both Tory and Liberal, propose that regulations affecting personal rights and liberties be part of the legislation and not part of regulations and that the same should apply to information communicated to the inmates. Finally, they propose parliamentary review in three years and a sunset clause in five years.

• (1900)

The Government has ignored each and every one of these recommendations. I would hope that the Government would be

prepared to listen to the collective wisdom in the committee on legal and constitutional affairs and accept these very reasonable proposals that have been made.

Mr. Hnatyshyn: Bring back Stan Knowles.

Mr. Robinson: Mr. Speaker, it has been suggested by my colleague, the Government House Leader, that we bring back Senator Knowles. I am not aware of a Senator Knowles. There was a Senator Hnatyshyn, although, and I know he served with great distinction.

The Acting Speaker (Mr. Charest): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it. I declare the motion lost.

Motion No. 14 negatived.

The Acting Speaker (Mr. Charest): The next grouping of motions will be Nos. 17, 18, 18A, 19 and 20—

Mr. Robinson: I rise on a point of order, Mr. Speaker. I believe the Chair may have inadvertently overlooked Motion No. 4, which I believe should be put to the House at this time. It has not yet been put to the House and it was in fact ruled in order.

The Acting Speaker (Mr. Charest): I am informed that Motion No. 4 is to be combined with Motion No. 29. If the Hon. Member for Burnaby (Mr. Robinson) will bear with us, maybe we could deal with this group of motions and ensure that Motion No. 4 is dealt with. Is that agreeable with Hon. Members? I was saying that Motion Nos. 17, 18, 18A, 19, 20 and 20A are combined for debate and Motion No. 17 will be voted on separately. A vote on Motion No. 8 will also apply to Motions Nos. 19 and 20. Motion Nos. 18A and 20A will also be voted on separately.

Mr. Svend J. Robinson (Burnaby) moved:

Motion No. 17

That Bill C-67, be amended in Clause 5 by striking out line 4 at page 9 and substituting the following therefor:

"order, and shall allow the inmate a hearing for the purpose".

Motion No. 18

That Bill C-67, be amended in Clause 5 by striking out line 6 at page 9 and substituting the following therefor:

"of a review of the case of an inmate".

Mr. Robinson: I rise on a point of order, Mr. Speaker. I just need clarification. Is it in order for a motion proposed by a Minister to be seconded by a Parliamentary Secretary?

The Acting Speaker (Mr. Charest): Yes, it is.

Hon. Ray Hnatyshyn (for the Solicitor General of Canada) moved:

Motion No. 18A

That Bill C-67, be amended in Clause 5 by striking out line 12 at page 9 and substituting the following therefor:

"(3) Subsections 15.4(2), (4.l) and (5) apply,".

Mr. Svend J. Robinson (Burnaby) moved:

Motion No. 19

That Bill C-67, be amended in Clause 5 by striking out line 14 at page 9 and substituting the following therefor:

"stances required, in respect of a".

Motion No. 20

That Bill C-67, be amended in Clause 5 by striking out line 18 at page 9 and substituting the following therefor:

"require, in respect of a review pur-".

Hon. Ray Hnatyshyn (for the Solicitor General of Canada) moved:

Motion No. 20A

That Bill C-67, be amended in Clause 5

(a) by striking out lines 43 to 46 at page 9;

(b) by renumbering paragraphs (b) to (h) on pages 10 and 11 as paragraphs (a) to (g), respectively.

Mr. Robinson: Mr. Speaker, just on a point of order, I had suggested earlier that perhaps the Parliamentary Secretary might speak to those motions in the name of the Solicitor General (Mr. Beatty) before I spoke to the motions in my own name in order that there might be an opportunity for clarification to avoid unduly prolonging debate. I wonder if he might want to clarify the motions in the name of the Solicitor General.

The Acting Speaker (Mr. Charest): I will recognize the Hon. Parliamentary Secretary. Are you rising on debate or on a point of order?

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): I am rising with regard to Motion 18A. This section of the clause deals with the procedure to be followed by the board at the annual review of an inmate who has been ordered detained past his or her presumptive release date. This motion is consequential to the one proposed at line 16 on page 8 adding the guidelines to the statute. This motion will require, in statute, that the board apply the same guidelines in annual reviews.

Perhaps we could deal with Motion No. 20A just after the Hon. Member has a chance to speak to this.

The Acting Speaker (Mr. Charest): The motions are combined for debate, so may I suggest that the Hon. Parliamentary Secretary address the issue immediately.

Mr. Robinson: Speak to them both.

Mr. Towers: I am speaking to Motion No. 20A, which would amend Clause 5, which specifies the regulation-making authority of the Governor in Council with respect to two various procedures relating to the detention review process. This motion is consequential to the one proposed at line 16 at page 8, removing the guidelines from the regulations and placing them in the statute. This motion deletes the regulation-making authority to establish a change to the guideline and to renumber the subsequent paragraphs in the subsection.

The Acting Speaker (Mr. Charest): I will call on the Hon. Member for Burnaby (Mr. Robinson) for debate.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am speaking to Motions Nos. 17, 18, 19 and 20. Motion No. 17 would ensure that before the decision is made to hold a prisoner beyond the eligibility date for mandatory supervision, until warrant expiry, the prisoner would be entitled to a hearing. I think that in making such a fundamental decision, which has been held by the courts to be a decision that does involve the liberty of the subject and for which counsel should be present, the individual surely has a right to a hearing. That is the purpose of Motion No. 17. I hope that it will have the support of Members of this House.

• (1910)

Motions Nos. 18, 19 and 20 collectively, when linked with Motion No. 16, would ensure that there are more frequent reviews of an individual who has been gated by the National Parole Board. As it stands now, that review process would only happen once a year. That is simply not good enough. There should be a more frequent review in view of the fact that, once again, we are dealing with the liberty of the subject. I mention the importance of the need for a review process here, a process by which the prisoner affected might be heard.

The statistics show that the record of the National Parole Board with respect to prediction of violence leaves a great deal to be desired. I now have the specific illustration of that. On many occasions we have been told about the fact that between 1975 and 1979 some 52 people were killed by prisoners who had been released on mandatory supervision. Of that number, 31 were the victims of murder, and 21 were the victims of manslaughter. That represents the following percentage of the total releases on mandatory supervision: 1.2 per cent of all those released on mandatory supervision were involved in murder, and .8 per cent were involved in manslaughter. Of the prisoners released on parole, as opposed to mandatory supervision—in other words those released at the discretion of the National Parole Board—we have the following figures: nine of the prisoners who were released on parole betwen 1975 and 1979 were convicted of murder and a further nine were convicted of manslaughter, for a total of 18 individuals. However, because the numbers involved on parole were much smaller than for those released on mandatory supervision, the actual percentage was higher. It was 1.3 per cent.

What do we have? We have a situation in which a larger percentage of those who are released on parole at the absolute discretion of the National Parole Board are involved in crimes of homicide as opposed to those who are released automatically on mandatory supervision. What does that say about the ability of the National Parole Board to predict violent crime? It very clearly says that the board has been a failure. We are giving this body, which has so demonstrably failed in its duty, even more discretion and even more power to detain people when it has been admitted without any hesitation whatsoever, and without any doubt, that it has a bad record, and when it has been admitted that violence cannot be predicted.

It is for this reason that, among others, a major campaign was launched out of the prison at Collins Bay by the John Howard Society, Collins Bay Chapter, to abolish mandatory supervision. It was called the one-cent campaign. I personally received hundreds and hundreds of envelopes bearing one-cent stamps which urged the Government to abolish mandatory supervision.

Given the fact that we are wasting millions of dollars on a program which has been proved to be ineffective, and which results in such bitterness and such anger among prisoners who believe that they have been denied their earned remission, I believe that is a recommendation that should be very seriously looked at.

I note as well that it is a recommendation supported by, among others, the John Howard Society, the St. Leonard's Society, many distinguished professors of law and criminology, the Canadian Association for the Prevention of Crime, the Elizabeth Fry Society, and many other concerned Canadians. I hope that the Government will accept these motions, which would certainly move some distance toward ensuring adequate due process in a very Draconian system of designating individuals to remain behind bars after they have earned their remission.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on Motion No. 17 standing in the name of the Hon. Member for Burnaby (Mr. Robinson). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it. I declare the motion lost.

Motion No. 17 negatived.

The Acting Speaker (Mr. Charest): The next question is on Motion No. 18 standing in the name of the Hon. Member for Burnaby. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it. I declare the motion lost.

Motion No. 18 negatived.

The Acting Speaker (Mr. Charest): I remind Hon. Members that the vote on Motion No. 18 disposes of Motions Nos. 19 and 20.

The next question is on Motion No. 18A standing in the name of the Solicitor General. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the yeas have it. I declare the motion carried.

Motion No. 18A agreed to.

The Acting Speaker (Mr. Charest): The next question is on Motion No. 20A standing in the name of the Solicitor General. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the yeas have it. I declare the motion carried.

Motion No. 20A agreed to.

Mr. Svend J. Robinson (Burnaby) moved:

Motion No. 21

That Bill C-67, be amended in Clause 5 by striking out line 23 at page 10 and substituting the following therefor:

"commencement of a hearing".

Motion No. 22

That Bill C-67, be amended in Clause 5 by striking out lines 29 to 37 at page 10.

He said: Mr. Speaker, these two motions deal with the very important issue of what information must be provided to a prisoner before his or her hearing on parole or before his or her hearing with respect to a decision on gating. As it now stands, the Bill would allow vital information, key information, with respect to this decision to be provided to an inmate or a prisoner, or any other person, by the board before the commencement of, or during, a hearing held pursuant to the provisions of the Act. It is simply not good enough to suggest that a prisoner come into a hearing—such an important hearing on parole or one with respect to gating—and not have any information until he or she literally arrives at the hearing and is told: "Look. Here is the information that we intend to share with you". I say "share" because the National Parole Board has this euphemism of "oral sharing" of information during hearings.

The amendment in Motion No. 22 would delete paragraph (e). The combined effect of these two motions would be to ensure that prisoners are entitled to any information which will be the basis of a decision of the National Parole Board before the hearing and that they have that information at least 15 days before the hearing. I think that that is an elementary and natural form of justice. I hope that the Government will recognize the importance of this particular proposal.

• (1920)

I would like to point out that the provisions with which we are dealing, and particularly "gating", have been described by

the former Chairman of the National Parole Board, Mr. William Outerbridge, in the following way:

—it's a brutal tool, it is a clumsy tool and it is a Band-Aid, because it only helps us for a short period of time.

That is the law we are being asked to adopt in Parliament today. In fact, I think we would be doing a disservice to our constituents were we to adopt this law which clearly would result in an increase in the level of violence in our community.

As well, since we are dealing with information provided to prisoners, I would like to take this opportunity to read a letter which was sent to me by a prisoner at the Bowden Institution in Alberta, a letter which touches directly on this point. It reads as follows:

Dear Sir:

I am incarcerated in Bowden Institution in Alberta, finishing an eleven and a half years sentence which started in May 29/75. I have been incarcerated several times in Canadian Institutions starting in 1958, Kingston, Collins Bay, Joyceville and several farm camps.

I have seen so many changes over the last 27 yrs, actually living conditions have improved two hundred per cent, but at the same time violence has increased four times as much on the inside, it seems as institutions increase security, inmates increase their hostilities and people become more dangerous, not because they were actually dangerous to start with, but because their surrounding becomes more hostile. I've known many inmates who while serving sentences for non-violence, have come involved in stabbing and murders while inside.

One thing that is definitely going to increase the violence inside prisons is by the Government bringing in these changes to the Mandatory Parole Act, which actually places an inmate on an indefinite sentence, the Parole Board having the power to take part or all one's remission, if inmates have nothing to lose then look out. I can see prison officials not liking an individual and have the power to have that person incarcerated as long as the sentence is, and also the Prisons & Parole Boards using this power to produce more informers on the inside and on the outside of Prisons. The courts have been well aware for years when sentencing offenders that they received remission on their sentences for good behaviour, but now giving the Parole Board such great Powers over people is terrible, regardless if we are outcast or not.

By Parliamentary act the Parole Board is even untouchable by our Supreme Courts. The Institution now have the power to take remissions when a prisoner misbehaves, for each time he faces charges they can take remission if the charge is serious, they can take them to outside court, but to wait until the mandatory date approaches, and then to tell the prisoner he is one of those chosen, to have to do the remainder of his remission in the Institution, Boy! I just hope Parliament is willing to accept the consequences, many prisoners are a little emotionally screwed up now, but that will be nothing compared to what they will be.

I certainly wouldn't envy anyone working in Federal Institutions, and there will definitely be more killings and violence amongst prisoners and staff.

It all seems strange when people who make the rules actually don't really know what's happening.

I am finished my sentence on October 21, 1985, and will be on my way. It's just too bad the Solicitor General couldn't of spent even one year in here to know what he's talking about.

That is a very serious letter from a prisoner who has had considerable experience within the system. His views are echoed by prisoners from across Canada. The Senate Committee on Legal and Constitutional Affairs made the same point.

The whole premise of this legislation is that somehow we will protect our community from dangerous individuals. However, if we are not doing that but only delaying the release of those individuals and at the same time significantly increasing the level of tension within institutions, then of course we are dealing with a potential time bomb.

The motions which are before the House attempt to introduce an element of basic due process in the hearing system and attempt to ensure that there is a hearing before the review and that before the hearing takes place, the individual is provided in writing with all of the information which is the basis of the decision. These are motions which I hope the House will support.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on Motion No. 21 standing in the name of the Hon. Member for Burnaby (Mr. Robinson). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it. I declare the motion lost.

Motion No. 21 negatived.

The Acting Speaker (Mr. Charest): The next question is on Motion No. 22 standing in the name of the Hon. Member for Burnaby (Mr. Robinson). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion, the nays have it. I declare the motion lost.

Motion No. 22 negatived.

The Acting Speaker (Mr. Charest): The next two motions, Motion No. 23 and Motion No. 23A, will be the object of separate debate and separate votes.

Mr. Svend J. Robinson (Burnaby) moved:

Motion No. 23

That Bill C-67, be amended in Clause 5 by striking out lines 22 to 25 at page 11 and substituting the following therefor:

"15.2".

He said: Mr. Speaker, the purpose of this motion is to delete the reference in proposed Clause 15.6 of the Bill which would allow the Governor in Council or the Cabinet, by simple Order in Council, to amend the Schedule of the Bill to add or delete any offence under any Act of Parliament. In other words, we are dealing with a situation in which Cabinet is being given the discretion to add an offence which could in turn result in loss of liberty. I think that we should not be leaving a decision this important and fundamental to Cabinet or to the Governor in Council. We should ensure that Parliament itself is involved in that decision and that there is an opportunity to debate in the House and in committee that important decision. That, Mr. Speaker, is the basis of the amendment before the House.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on Motion No. 23 standing in the name of the Hon. Member for Burnaby (Mr. Robinson). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: No.

Some Hon. Members: On division.

Motion No. 23 negatived.

Hon. John Wise (for the Solicitor General of Canada) moved:

Motion No. 23A

That Bill C-67, be amended in Clause 6 by striking out line 46 at page 11 and lines 1 to 3 at page 12 and substituting the following therefor:

"arrest shall cause the inmate to be brought before a person designated by the Chairman of the Board

(a) where that person is available within a period of twenty-four hours after the inmate is arrested, without unreasonable delay and in any event within that period; and

(b) where that person is not available within the period referred to in paragraph (a), as soon as possible."

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, this clause deals with Section 19 of the Parole Act which will allow a peace officer to arrest a suspended or revoked parolee without warrant in hand as long as the peace officer has reasonable grounds to believe such a warrant exists. In the analagous Code provision, Section 454, the offenders shall be brought before a justice within 24 hours or, if a justice is not so available, then as soon as possible.

Clause 6 requires that the peace officer take the parolee before a person designated by the Chairman of the Parole Board within 24 hours. An exceptional provision allowing this to be done outside the initial 24 hours as in the Code was not included in Clause 6. This motion adds the exceptional provision using the wording of Section 454 of the Code. The provision is intended to cover rare situations such as may occur in isolated communities where a reviewing authority is not always quickly available.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on Motion No. 23A standing in the name of the Hon. Solicitor General of Canada (Mr. Beatty). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion No. 23A agreed to.

• (1930)

The Acting Speaker (Mr. Charest): The next grouping of motions is Motions Nos. 24, 25, 31, and 32. They will be grouped for debate. A vote on Motion No. 24 will also apply to Motions Nos. 25, 31, and 32.

Mr. Svend J. Robinson (Burnaby) moved:

Motion No. 24

That Bill C-67, be amended in Clause 6 by striking out lines 2 and 3 at page 12 and substituting the following therefor:

"before a Justice of the Peace".

Motion No. 25

That Bill C-67, be amended in Clause 6 by striking out lines 5 and 6 at page 12 and substituting the following therefor:

"ant to subsection (3) before a Justice of the Peace, that".

Hon. John Wise (for the Solicitor General of Canada) moved:

Motion No. 31

That Bill C-67, be amended in Clause 12 by striking out lines 14 to 17 at page 18 and substituting the following therefor:

"arrest shall cause the inmate to be brought before a person designated by the Chairman of the Board

(a) where that person is available within a period of 24 hours after the inmate is arrested, without unreasonable delay and in any event within that period; and,

(b) where that person is not available within the period referred to in paragraph (a), as soon as possible".

Mr. Svend J. Robinson (Burnaby) moved:

Parole and Penitentiary Acts

Motion No. 32

That Bill C-67, be amended in Clause 12 by striking out lines 19 and 20 at page 18 and substituting the following therefor:

"ant to subsection (3) before a Justice of the Peace, that".

He said: Mr. Speaker, I rise on a point of order. Perhaps the Parliamentary Secretary could clarify the purpose of the motion moved by the Government, as has been our practice to this point.

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, under Section 15.31 of the Parole Act, the CSC is required to refer a potential detention case to the board not later than six months before the inmate's presumptive release date.

Section 15.33 allows the Commissioner to refer a case within the six-month period under limited circumstances because of new information or changed circumstances. Upon proclamation of the Bill there may be inmates, whose presumptive release date is less than six months away, who should be referred to the board but do not fit the conditions defined in Section 25.33.

It is the intention of the Government that the detention provisions of the Bill be effective immediately upon proclamation. Correctional authorities must be able to refer inmates from a detention review hearing within the first six months of operation if public safety is at stake. Consequently, we are moving that a traditional provision be added to the Bill to allow clearly the referral of potential detention cases within the first six months. Any such referral will have to be made as soon as practicable, and the procedures normally applicable to the review will apply with such modifications as circumstances require.

Mr. Robinson: Mr. Speaker, having heard that explanation, it is quite clear that what we are doing is streamlining justice in the interest of time. I am totally opposed to the provision which is being suggested by the Solicitor General (Mr. Beatty) in the amendment before us. It is important to note that if we are serious about dealing with the concern about the violence in our communities, and if we are serious about dealing with the very real problem of violent crime, this Bill and the approach taken in it are fundamentally wrong and misguided. Surely we should be looking at the causes of violent crime. We should do, to the greatest extent possible, what we can to eradicate the causes of violent crime. However, the Government does nothing whatsoever to deal with that factor.

As well, it is important to examine conditions within our federal prison system and to recognize that conditions in many cases are appalling. It was in 1976-77 that a special subcommittee of Parliament unanimously recommended that unless there were major changes within the prison system, further crises would in fact erupt. A number of recommendations were made in respect of using imprisonment as a last possible resort. Instead, we sentence people to some of the longest sentences in the western world. Our sentences are far too long, and far too many people are in prison. It should be very clearly set out in the Criminal Code that prison should be the last possible resort for a judge and should only be used when all else fails. Surely the rule of law should apply within prison walls as well as outside prison walls. We have seen too many instances, whether it be at Kingston Penitentiary or elsewhere, where prison officials arbitrarily ignore the law, whether it be commissioners' directives, criminal law or other law.

The purpose of this grouping of amendments is to ensure that the decision to revoke an individual's liberty is not made by a person appointed by the chairperson of the National Parole Board, but at the very least is made by a justice of the peace. In any other deprivation of liberty clearly it should be and must be a justice of the peace or an independent judicial officer, as opposed to some person designated by the chairperson of the National Parole Board, who is given the power to arrest and detain an individual for some considerable length of time. I would hope that the Government would recognize the importance of this series of amendments and move to accept it.

In looking at the whole issue of prevention, as I mentioned earlier we pay lip service to it within the prison system. There are totally inadequate work programs; some of the best work programs have been shut down. Prisoners themselves are the first people to say that they want to work. They want the right to work in institutions, not just on meaningless, mindless drudgery, but on real jobs which will provide them with skills to help them to obtain jobs outside prison.

There may be Conservative Members who want to speak in this debate. I would welcome their participation. However, I note the hypocrisy of the Government's approach in saying that it wants to cut down on violent crime, but at the same time starves institutions of resources for dealing with prisoners who may in fact be violent. Recent figures have shown that there are only 65 psychologists working in all federal penitentiaries in Canada. Many institutions have fewer than three of them on staff. For example, Kingston Penitentiary with over 400 prisoners, many of whom have serious problems, has two-time psychologists. Instead of this backward approach which will increase the level of violence in our communities, why do we not get serious about prevention? Why do we not recognize that we need more resources within institutions to deal with sex offenders, those offenders with psychological and personal problems. Instead, we have seen the federal Government cutting back on programs for sex offenders. The case-loads of psychologists within institutions are absolutely enormous. Basically, handling units have very serious problems and are completely unable to cope with them, given the resources which they now have.

I reject the approach taken in this legislation, as do my colleagues. We suggest that it is about time the Government took seriously its mandate to prevent violent crime, not to increase the possibility of violent crime through legislation such as this. I call upon the Government to adopt the motions which are now before the House.

The Acting Speaker (Mr. Charest): The question is on Motion No. 24 standing in the name of the Hon. Member for Burnaby (Mr. Robinson). A vote on Motion No. 24 will also apply to Motions Nos. 25, 31, and 32. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it. The motion is defeated.

Motion No. 24 negatived.

Mr. Towers: Mr. Speaker, I rise on a point of order. There seems to be some confusion with regard to Motion No. 31 which is a Government motion.

Mr. Robinson: It was just defeated.

• (1940)

The Acting Speaker (Mr. Charest): Mr. Wise for the Solicitor General moved Motion No. 31.

Mr. Robinson: Mr. Speaker, I rise on a point of order. We have already voted on Motion No. 31. The Speaker ruled and I am quoting now from the ruling of the Speaker:

Motion Nos. 24, 25, 31 and 32 will be grouped for debate. A vote on Motion No. 24 will also apply to Motion Nos. 25, 31 and 32.

That was the Speaker's ruling. The Speaker's ruling was not in any way disputed. There was a vote on Motion No. 24 which was negatived. That, in turn, negatives Motions Nos. 26, 31 and 32. It is completely out of order at this point to suggest a separate vote on a motion that has already been negatived.

The Acting Speaker (Mr. Charest): On the very specific point brought to the attention of the Chair by both the Parliamentary Secretary and the Hon. Member for Burnaby (Mr. Robinson), I can inform the House that there has been an error, a transposition. Motion No. 31 should have read Motion No. 31A, the motion of the Hon. Member for Burnaby and not Motion No. 31 *per se*. That is where the error and the confusion comes from. If the House would bear with the Chair, I would propose to the House that the vote would apply to Motion No. 31A and not Motion No. 31.

Mr. Robinson: No way, Mr. Speaker.

The Acting Speaker (Mr. Charest): I am putting that proposition to the House. Is that acceptable?

Mr. Robinson: Mr. Speaker, clearly such a disposition would require unanimous consent. I am certainly not prepared to grant unanimous consent to that suggestion.

The Acting Speaker (Mr. Charest): That would, therefore, dispose of the matter.

That leaves us with Motion No. 31A to dispose of at this point.

Mr. Svend J. Robinson (Burnaby) moved:

Motion No. 31A

That Bill C-67, be amended in Clause 12 by striking out lines 16 and 17 at page 18 and substituting the following therefor:

"before a Justice of the Peace".

He said: Mr. Speaker, Motion No. 31A is a motion which would ensure that the principle to which I referred earlier that a hearing should take place, not before a person designated by the chairperson of the National Parole Board, but before a justice of the peace and that that principle should apply at all stages within this Bill. I would hope that even though we have defeated that principle in the previous motions which were put to the House, perhaps the House might now recognize the error of its ways and adopt Motion No. 31A.

The Acting Speaker (Mr. Charest): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it. I declare the motion negatived.

Motion No. 31A negatived.

The Acting Speaker (Mr. Charest): We now move to Motion No. 26 to be debated on separately and voted on separately.

Mr. Svend J. Robinson (Burnaby) moved:

Motion No. 26

that Bill C-67, be amended in Clause 8 by striking out line 17 at page 14.

He said: Mr. Speaker, the purpose of this amendment is to delete the reference in sub-paragraph (i) of the schedule to assault. In view of the fact that that offence can be committed in many different ways, including ways which do not involve any violent conduct at all, I would suggest that this unduly

extends the scope of the Bill and I hope we would be prepared as a Parliament to delete that reference, Mr. Speaker.

The Acting Speaker (Mr. Charest): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Charest): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it. I declare the motion negatived.

Motion No. 26 negatived.

The Acting Speaker (Mr. Charest): We will now move to Motion Nos. 29 and 4. I direct the attention of the House to the fact that they have not been dealt with at a previous time this morning when they were previously grouped together. The Chair will now put them to the House at this time.

Mr. Svend J. Robinson (Burnaby) moved:

Motion No. 4

that Bill C-67, be amended in Clause 5 by striking out line 23 at page 4 and substituting the following therefor:

"class of penitentiary after the"

Motion No. 29

That Bill C-67, be amended in Clause 11 by adding immediately after line 32 at page 17 the following:

"(3) this section applies to inmates released on mandatory supervision after the coming into force of this section".

The Acting Speaker (Mr. Charest): I remind Hon. Members that the motions will be grouped for debate and voted on separately.

● (1950)

Mr. Robinson: Mr. Speaker, in many ways these two motions go to the heart of this Bill and deal with a very fundamental issue. Very briefly, the issue is whether this legislation is to operate retroactively or to apply from the date upon which it is proclaimed. As the Bill is now worded, it would apply to those prisoners who are already incarcerated as well as to those who were sentenced after the adoption of this legislation. In my view it is profoundly unjust and unfair to apply this legislation to prisoners who are already in institutions having been sentenced under a particular regime and then denied the right to which they should be entitled, the benefit of the earned remission that they have accrued during that sentence.

The prisoners that we are talking about were sentenced by judges who were well aware of the provisions of the Criminal Code and various parole Acts affecting sentence. There have been a variety of court cases on this point. It is very clear that judges have taken this into consideration in determining the appropriate length of sentence. Indeed, in the British Columbia Court of Appeal it was held that remission and parole are proper matters for consideration in the determination of sentence in appropriate cases.

A recent study on sentencing by Professor John Hogarth dealt with this important question. In that study provincial court judges were asked to indicate whether they adjusted their sentences in light of the possibility of parole being granted or, presumably, mandatory supervision. Two out of three judges who were interviewed admitted that they did increase the length of sentence imposed. The majority of provincial court judges admit that they evade the directions of the Ontario Court of Appeal on this matter.

This means the prisoners who are now in federal institutions have been sentenced to terms of imprisonment based upon the existing provisions of mandatory supervision and parole. We are now changing the rules in midstream. We are telling those prisoners that even though they were sentenced on the basis of a previous regime, we are going to apply the new rules to them as well. I suspect that that is in breach of the Charter of Rights and Freedoms of Canada as well as being fundamentally unfair, unjust and unworkable.

This point was made by many witnesses who appeared before our committee. For example, the Canadian Association of Elizabeth Fry Societies pointed out that the detention order could be applied to all prisoners regardless of whether they were convicted before or after the coming into force of the Act. As they said, it is blatantly unjust to prisoners to apply retroactively measures with such potentially serious repercussions.

We have the views of the John Howard Society of Canada. They say that Section 11(i) of the Charter of Rights and Freedoms provides that no accused can be sentenced to a higher punishment merely on account of a legislative increase in penalty after commission of the crime but before sentence. In other words, increased penalties cannot be applied retroactively. The John Howard Society also refers to Section 7 of the Charter. It seems clear, therefore, that applying the gating order provisions to prisoners who are already serving their sentences and have earned their remission before the passage of the legislation is a blatant violation of Section 11(i) and Section 7 of the Charter.

Finally on this point, the Canadian Bar Association and the Criminal Lawyers Association said:

Our associations are particularly concerned with the retroactivity of these various legislative proposals . . . . Simply put, these sections would make the new regime of "gating" and "one shot mandatory" applicable to persons who have already been sentenced.

They continue:

Is this Committee assured that Sections 5 and 12 of Bill C-67 will survive attacks based on Sections 7 or 15 of the Charter? Is it fair for Parliament to change the rules without some prior notice?

Do you not face the very real possibility that many prisoners will now decline release on mandatory supervision entirely, particularly with regard to the findings of the Ouimet Committee to the effect that at that time only about 60 per cent of eligible prisoners applied for parole because prisoners "prefer to complete their sentence in the institution rather than place their—remission period in jeopardy"?

These are grave issues of justice and liberty. Once again the Government has said that it does not care about those provisions and is prepared to apply the whole thing retroactively.

In the House of Commons in the United Kingdom in July of 1910 Winston Churchill put it very clearly. He said:

The mood and temper of the public with regard to the treatment of crime and criminals is one of the most unfailing tests of the civilization of any country.

I suggest that if we adopt the legislation now before the House we as a Parliament and a nation will have failed that test, not only from the perspective of prisoners but also from the perspective of the communities which we represent and from the perspective of the victims of crime. I, therefore, urge the Government to accept this amendment and to ensure that we are not harshly applying these rules retroactively but that if they must come into effect we apply them from the date that the legislation is proclaimed.

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on Motion No. 4. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: No.

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Charest): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those against the motion will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it. I declare the motion lost.

Motion No. 4 negatived.

The Acting Speaker (Mr. Charest): The question is on Motion No. 29. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): I declare the motion lost.

Motion No. 29 negatived.

The Acting Speaker (Mr. Charest): Motion No. 28 and Motion No. 30 seek to amend Clause 11 of the Bill. At the direction of the Hon. Member for Burnaby (Mr. Robinson) Motion No. 30 will be debated and voted on separately. Motion No. 28 will not be proposed and will be dropped from the Notice Paper.

Mr. Svend J. Robinson (Burnaby) moved:

Motion No. 30

That Bill C-67, be amended by deleting Clause 11.

He said: Mr. Speaker, the purpose of Motion No. 30 which is now before the House is to delete Clause 11 of this Bill. Clause 11 is the clause which would implement a scheme of denying earned remission to those individuals whose mandatory supervision has been revoked when those individuals fall within a particular category set out in the legislation. This so-called one shot mandatory supervision will have a very serious impact on the population of our prison system which is overcrowded. Indeed, the correctional investigator was recently very critical of the federal penitentiary system in that it double-bunks prisoners. To the extent that this Bill is going to add to the population of our prison system, it will obviously cause very significant problems.

I would also note that as the Bill is now worded it would deny earned remission to those prisoners whose mandatory supervision is revoked merely as a result of the contravention of terms or conditions of "mandatory". The Senate Legal and Constitutional Affairs Committee unanimously recommended that this should not be the case. I refer to their interim report to the Senate of May 14, 1986. They are referring to one shot mandatory supervision, in other words, the denial of the right to earn further remissions to certain inmates whose mandatory supervision has been revoked.

• (2000)

I might pause here to note that the whole concept of earned remission has been strongly supported by prison guards as well as by prisoners. It provides some incentive for good behaviour in the institutions. As it stands now, if you are not eligible for earned remission then there is no incentive for good behaviour. If we eliminate earned remission for these prisoners we will simply make them that much more likely to cause problems and aggravate tensions in the institutions. They have absolutely nothing to lose.

The Senate committee said that the scope of the amendment on mandatory supervision was considerably narrowed in the legislative committee. Only inmates who have been made the subject of formal consideration for detention under the Bill, but who are not detained by order of the board, are to lose the right to earn further remission on reincarceration following revocation of their release on mandatory supervision. This amendment, however, fails to take into account the criticism that an inmate may have his release revoked for contravention of terms and conditions of that release which have nothing whatever to do with his or her perceived or potential dangerousness. Even the narrow class of inmates who would become subject to the one shot amendment should not lose the right to

earn remission by reason of a technical or minor breach of conditions which results in revocation. That right should only be lost if there is a criminal conviction while on release.

How can Members of the House disagree with that unanimous recommendation of Liberal and Conservative Senators? After all, if mandatory supervision is revoked because an individual travels more than 25 miles beyond the area in which he is supposed to be residing, or if he has a drink when he should not, or if he takes out a line of credit when he is not supposed to take out, we are going to throw the person in jail. Not only that, they will not have any opportunity to earn remission on the remainder of their sentence. That must surely constitute cruel and unusual punishment.

In addition to that, it will add to overcrowding of institutions. What we have proposed is that if this one shot mandatory supervision is to apply, at least make sure it applies only where an individual has been involved in criminal activity, not where he has merely breached a term or condition of his mandatory supervision. That is the reason, among others, that we have suggested that this provision in Clause 11 be deleted. I hope Members of the House will support this very reasonable and modest proposal.

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on Motion No. 30 standing in the name of the Hon. Member for Burnaby (Mr. Robinson). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: No.

Motion No. 30 negatived.

Hon. André Bissonnette (for the Solicitor General of Canada) moved:

Motion No. 30A

That Bill C-67, be amended

(a) by adding immediately after line 32 at page 17 the following:

"12.(1) Notwithstanding subsection 15.3(3) of the Parole Act, as enacted by section 5 of this Act, the Commissioner may, within six months after the coming into force of that subsection, refer the case of an inmate to the Chairman of the Board pursuant to that subsection later than six months before the presumptive release date of the inmate, but the Commissioner shall do so as soon as practicable after the belief referred to in that subsection is formed with respect to that case.

(2) Notwithstanding subsection 15.3(2) of the Parole Act, as enacted by section 5 of this Act, the Service may, within six months after the coming into force of that subsection, refer the cases of an inmate to the Board pursuant to that subsection later than six months before the presumptive release date of the inmate, but the Service shall do so as soon as practicable after the opinion referred to in that subsection is formed with respect to that case.

(3) Where the case of an inmate is referred to the Board pursuant to subsection (2) during the six months immediately preceding the presumptive release date of the inmate, subsections 15.3(5) to (7) of the Parole Act apply to that case, with such modifications as the circumstances require."

(b) by renumbering Clauses 12 to 14 as Clauses 13 to 15, respectively".

Mr. Angus: Mr. Speaker, I just want to compliment the Government for simplifying this Act through this wording.

Some Hon. Members: Oh, oh!

Mr. Robinson: Mr. Speaker, I listened with great care to the reading of this particular motion by the Chair and I wonder if the Parliamentary Secretary to the Solicitor General could clarify its purpose.

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, the section concerned allows the Commissioner to refer a case within a six-month period under limited circumstances because of new information or changed circumstances. Upon proclamation of this Bill there may be inmates whose presumptive release date is less than six months who should be referred to the Board but who do not fit the conditions defined in Subsection 15.3(3). It is the intention of the Government that the detention provisions of this Bill be effective immediately upon proclamation, and correctional authorities must be able to refer inmates for a detention review hearing within the first six months of operation if public safety is at stake. Consequently, we are moving that a transitional provision be added to clearly allow the referral of potential detention cases within the first six months. Any such referral will have to be made as soon as practicable and the procedures normally applicable to the review will apply with such modifications as the circumstances require.

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on Motion No. 30A standing in the name of the Hon. Solicitor General. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion, the yeas have it.

Motion No. 30A agreed to.

The Acting Speaker (Mr. Charest): Since Motion No. 33 and Motion No. 34 affect the same line of the Bill, the Chair has consulted with the Hon. Member for Burnaby (Mr. Robinson) and will select Motion No. 33 for debate. It will be debated and voted on separately. Accordingly, Motion No. 34 will be dropped from the Notice Paper.

• (2010)

Mr. Svend J. Robinson (Burnaby) moved:

Motion No. 33:

That Bill C-67 be amended in Clause 13 by striking out lines 40 to 43 at page 18 and lines 1 to 16 at page 19 and substituting the following therefor:

13.(1) Three years after the coming into force of sections 15.2 and 15.6 of the *Parole Act* and the schedule thereto as enacted by sections 5 and 8 respectively of this Act and subsections 24(3) to (5) and section 24.11 of the *Penitentiary Act* as enacted by subsection 10(2) and section 11 respectively of this Act shall cease to be in force.

He said: Mr. Speaker, Motion No. 33, which is now on the floor for debate, would provide in effect for a sunset clause within this legislation. Many of us would argue that the sun should not rise with this particular legislation, but at the very least if it does rise it should set three years after it comes into effect. That is precisely what the purpose of this motion is. It would provide that the sections in question, the heart of this Bill, would cease to be of any force or effect three years after the coming into force of the Bill.

What that would do is to ensure that the Government puts substance into its promise that it intends to undertake a comprehensive review of correctional law. This review is long overdue. It has been ten years since Parliament last examined the whole question of corrections and prisons in our country, and what we have seen is a prison system which has grown out of control.

It is a system in which prisons are built not on the basis of correctional criteria, but built on the basis of patronage, such as Port Cartier Prison, which by sheer coincidence happens to be located within the Prime Minister's constituency, or Renous Penitentiary, which was built by the previous Government on exactly the same socio-economic conditions, pork-barrelling to help a Liberal Member in New Brunswick.

We believe the time has come for a very fundamental review. Even the Nielsen task force said that it was about time that we recognized that the $800 million plus a year that we are spending on corrections should be reviewed. We are sending far too many people to prison in this country and not using alternatives to imprisonment, wherever possible. We are not emphasizing prevention of crime, which is so fundamental.

The legislation before us which would be the subject of a sunset clause contains many very serious implications, the first one being the loss of inmates' earned remission and the possibility of any earned remission. Second, I would note that prisoners who were incarcerated prior to the passage of the Bill would automatically and arbitrarily have their sentences basically increased by one-third because of the fact that judges will not have taken into consideration in sentencing the fact that an individual would serve the total amount of time.

It would grant new quasi-judicial powers to the National Parole Board when we have seen clearly that it has not used the powers which it has with any great degree of wisdom. Judicial powers are the mandate of the courts, and not the mandate of a Parole Board which has been appointed by the Government of the day, and the members of which in too many cases have been appointed on the basis of partisan political considerations. We have seen a lot of former Members of Parliament who finally found their resting place on the National Parole Board. Surely that is not acceptable with a body which has such sweeping quasi-judicial and judicial powers.

The Bill will lead to an increase in tension between and among inmates and penitentiary staff, which may increase the level of violence within institutions. It will lead to overcrowding, which may also lead to such violence because of increased stress and the total absence of any meaningful programs within the penitentiary system. It will lead to increased psychological damage to prisoners and their families. It will lead to an increase in the level of violence in our communities due to the fact that the prisoners who have been designated as the most dangerous of all are going to be released directly on to the street without any form of surveillance whatsoever.

I would note as well that the Elizabeth Fry Society in Halifax pointed out that a Government which endorses a free enterprise system should not consider the counterproductive measure of removing all incentives from confined human beings. As they say, the increased anxiety and bitterness generated among the inmates who will have their rights denied by the passage of this Bill increases the potential of even more violence in society once these embittered people are released from the human warehouses in which they now find themselves.

The suggestion that there be a sunset clause is not one which is particularly radical. The Senate unanimously recommended such a sunset clause. The Standing Senate Committee on Legal and Constitutional Affairs in the report to which I referred earlier recommended that. It said the following:

The fourth and final issue has to do with the duration of this proposed legislation, and the process by which it should be reviewed. The Solicitor General has indicated that Bill C-67 is in many respects a stop-gap measure intended to deal with some pressing issues pending a more thorough revision of corrections legislation in the near future.

The last time we heard about a stop-gap measure which was just a temporary measure pending more fundamental review was on the prostitution legislation. Members of the House remember that the Minister of Justice (Mr. Crosbie) said that Bill C-49 is a stop-gap measure, an interim step, and he promised that he would be bringing in more comprehensive legislation to deal with the issue of prostitution. Of course the Government got cold feet and backed off. The so-called stop-gap measure, a repressive sledge-hammer piece of legislation, remains on the books today. It is a piece of legislation which was criticized by the Government House Leader when he was a distinguished member of the Justice and Legal Affairs Committee. That legislation is on the books today. It was a stop-gap measure and certainly was not followed by any comprehensive legislation.

That is the fear that we have with this legislation which is now before the House. We are told it is a stop-gap measure, but we know very well that it is likely to be the end and not the beginning of any meaningful change.

Parole and Penitentiary Acts

The Senate recommended that there be a sunset clause and I quote:

—committee is of the opinion that the Bill should contain a "sunset" clause which would deem its provision to have no force after a certain date. We would fix that date at five years from the coming into force of the legislation.

Mr. Speaker, they are a fairly conservative body over there so I suggested three years, but the principle of a sunset clause is one which was unanimously supported by the members of the Senate Committee on Legal and Constitutional Affairs, and I would hope that this House would see the wisdom of supporting a similar provision.

Finally, I just want to draw to the attention of the House an excellent article which was written by Graham Stewart, the Executive Director of the John Howard Society of Kingston and district. His article, which is entitled *Mandatory Supervision: Politics and People*, sets out very clearly the arguments for abolition of mandatory supervision. Mr. Stewart also appeared before the legislative committee studying this Bill and made very powerful and compelling arguments as to why we should not adopt this backward approach. In the article Mr. Stewart sets out the objectives of mandatory supervision and shows how these objectives have not been realized since it was adopted in 1970. He concludes:

From a correctional perspective, the Committee—

The committee which studied mandatory supervision, a committee established by the Solicitor General—

—could not possibly have produced a more scathingly critical indictment of Mandatory Supervision.

He then suggests:

—the money spent on Mandatory Supervision could be spent much more effectively; first, in demystifying the correctional process for the public, and secondly, by ensuring that housing, employment and family support networks are maintained for inmates and ex-inmates. This action may not satisfy those who seek punitive revenge, but it might do something to save ourselves and our neighbours from being victims of future crimes. That seems reasonable to me.

That seems reasonable to this Member of Parliament and to this Party as well. I suggest that far from saving ourselves and our neighbours from being victims of future crime, if we adopt this legislation we will be adding to the level of violent crime in our society. For that reason I propose that we reject the Bill before the House, that we adopt the sunset clause, and that we come to our senses and recognize that it is time to examine the fundamental approach taken in this country to corrections, correctional law and the prevention of crime.

The Acting Speaker (Mr. Charest): The question is on Motion No. 33 standing in the name of the Hon. Member for Burnaby (Mr. Robinson). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

I declare the motion lost.

Motion No. 33 negatived.

• (2020)

The Acting Speaker (Mr. Charest): I will recap very briefly. The Chair has already stated having procedural difficulties with Motion Nos. 1, 5, 6, 7, 12 and 15. It also stated its intention to hear procedural arguments on these motions. I will offer this opportunity to Hon. Members if they have procedural arguments to make on the motions that have been declared out of order.

Mr. Robinson: Mr. Speaker, I want to take this opportunity to say that I have had discussions with the Clerk at the table, who was most helpful. On the basis of those discussions and that review, I certainly have no objection to the proposal of the Chair with respect to the admissibility of the motions before the House.

The Acting Speaker (Mr. Charest): Therefore, the ruling, as the Chair had stated, is now definitive and I declare the motions out of order.

Hon. Ray Hnatyshyn (for the Solicitor General of Canada) moved that the Bill be concurred in.

The Acting Speaker (Mr. Charest): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion, the yeas have it.

Motion agreed to.

PAROLE ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-68, An Act to amend the Parole Act, the Penitentiary Act, the Prisons and Reformatories Act and the Criminal Code, as reported (with amendments) from a legislative committee.

The Acting Speaker (Mr. Charest): There are three report stage motions on today's Notice Paper in amendment to Bill C-68, An Act to amend the Parole Act, the Penitentiary Act, the Prisons and Reformatories Act and the Criminal Code. They will be debated and voted on separately.

Mr. Svend J. Robinson (Burnaby) moved:

Motion No. 1

That Bill C-68, be amended in Clause 6 by striking out lines 43 to 45 at page 4 and lines 1 to 25 at page 5.

He said: Mr. Speaker, the focus of my concern in the discussion of Bill C-67 and Bill C-68 was on the Draconian and unacceptable provisions of Bill C-67. Motions Nos. 1, 2 and 3 now before the House are largely of a technical nature, although they address important concerns that were raised by witnesses during the course of the committee hearings.

I was pleased to receive the assurance of the Minister during the hearings, and following the amendments that were tabled, that the amendments put forward to Bill C-68 by the Government did in fact respond to the major concerns addressed by the Canadian Bar Association and the Criminal Lawyers' Association. On that basis, I believe that the three motions in question do speak for themselves and, while I would certainly seek to have them put before the House, I do not intend to elaborate on the motions.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on Motion No. 1 standing in the name of the Hon. Member for Burnaby (Mr. Robinson). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

Motion No. 1 negatived.

Mr. Svend J. Robinson (Burnaby) moved:

Motion No. 2

That Bill C-68, be amended in Clause 10 by striking out line 30 at page 6 and substituting the following therefor:

"14.(1) Where on or after".

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on Motion No. 2 standing in the name of the Hon. Member for Burnaby (Mr. Robinson). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

Motion No. 2 negatived.

Mr. Svend J. Robinson (Burnaby) moved:

Motion No. 3

That Bill C-68, be amended in Clause 32 by striking out lines 38 to 42 at page 16 and lines 1 to 7 at page 17.

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on Motion No. 3 standing in the name of the Hon. Member for Burnaby (Mr. Robinson). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

Motion No. 3 negatived.

Marine Atlantic Inc.

Hon. Ray Hnatyshyn (for the Solicitor General of Canada) moved that the Bill be concurred in.

The Acting Speaker (Mr. Charest): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the yeas have it.

Motion agreed to.

* * *

MARINE ATLANTIC INC. ACQUISITION AUTHORIZATION ACT

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-88, An Act to authorize the acquisition of Marine Atlantic Inc. and to provide for other matters in relation thereto, as reported (without amendment) from a legislative committee.

Hon. Ray Hnatyshyn (for the Minister of Transport) moved that the Bill be concurred in.

Motion agreed to.

Mr. Hnatyshyn (for the Minister of Transport) moved that the Bill be read the third time and passed.

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am pleased to rise and say a few words with respect to third reading of this Bill. I understand that some colleagues may want to add a few words about the Bill.

Let me simply indicate to the House that the ferry services in Atlantic Canada have not done a bad job. In fact, they have done a very good job. We have heard that they could do better. We have heard that perhaps the sea lane links to Prince Edward Island and Newfoundland should in effect, be extensions of the Trans-Canada Highway. I must say, as an Atlantic Canadian, that is not a concept that I have opposed. Indeed, it is one that I supported for 25 or 30 years.

• (2030)

The Bill in front of us tonight does not deal with that. It deals with the simplicity of giving form and legal structure to a child of Canadian National Railways, born some seven or eight years ago in the form of CN Marine. At the time, all in this Chamber were agreed that when CN Marine, Incorporated found its feet, found itself in the position of being able to serve Atlantic Canadians in terms of freight, passenger and vehicle traffic between the mainland and the islands and the intercoastal trade, that we would place it in a position of being independent, separate and apart; indeed, we describe it as an entity on its own and a Crown corporation responsible to itself.

There is always a conflict when we ask an agency to respond to the needs of another agency that, in fact, serves an entirely different goal. The matter in front of Your Honour tonight gives body and spirit to that. It gives to the management and employees of CN Marine its own identity. We call it Marine Atlantic, Atlantic Marine, and we do so because it reflects the Atlantic regional nature and concept of the effort and activity of CN Marine. We call it that because in fact it does finally separate it from CN. We do so because we believe that, and so do the employees. They are quite prepared now, today, and tomorrow to stand up on their own, to build for Atlantic Canadians that type of service, that type of facility, that is required by people living in Prince Edward Island and in the great Province of Newfoundland.

We would hope that members of this Chamber would give it expeditious passage. It was dealt with, I must say, with expedition. I must commend the Chairman of the legislative committee. Regretfully, he is not able to be with us this evening. I would commend the members of both opposition Parties for their role in rapidly dealing with this. I would commend them for their very reasonable consideration of evidence that was given to us by the President of CN Marine, who will become the President of Marine Atlantic. I would ask that this matter pass somewhat expeditiously.

The Acting Speaker (Mr. Charest): I will call on the Hon. Member for Thunder Bay—Atikokan (Mr. Angus).

Mr. Angus: Actually, Mr. Speaker, I think there is the suggestion that Mr. Baker should have the floor.

The Acting Speaker (Mr. Charest): Yes, the Hon. Member for Egmont (Mr. Henderson). I am sorry about that.

Mr. George Henderson (Egmont): Thank you very much, Mr. Speaker. I am glad Your Honour has the name of my riding correct, and I want to tell my hon. friend from the New Democratic Party that I am Mr. Henderson, not Mr. Baker. Anyway, the first name is correct.

Mr. Angus: George is such a great speaker.

Mr. Henderson: I do not want to ever insinuate that I am as great an orator as is my colleague, the Hon. Member for

Gander—Twillingate (Mr. Baker), although we share the same first name.

I would like to briefly speak on Bill C-38. We will not prolong the Bill this evening. Changing the name of CN Marine to Marine Atlantic is not really a significant change. I would like to address the service itself. Ferry service should be made more efficient for the customers. The customers of whom I speak are people from my province, the great Province of Prince Edward Island and also those who visit from other parts of North America, who find themselves, on many occasions, waiting quite extended periods of time in order to get on the ferries. Increasingly, they also find it is becoming more and more expensive.

Almost every year, we see increases in the ferry rates, but we do not see a corresponding increase in efficiency to the travelling public. Not only are we paying more to use the service, but we seem to find, almost annually, fewer and fewer crossings. In my riding, in the last year and a half, I have heard many complaints from truckers. They are taking produce, mainly potatoes, but also some other perishables such as fish, and they must leave at certain times in order to catch the ferry. Some times of the year, certainly in July and August when the tourist traffic is heavy, we find that there are long line-ups. Sometimes they have to wait for two or three crossings before they can actually get their trucks on the ferry, because they are competing with the tourist industry. That delays them. When going to Montreal from Prince Edward Island with a load of fresh fish, three or four hours delay has a tremendous effect on the quality of the product and, if it is too long a delay, can reflect in the price paid back to the producer.

It is very important that the Government not only change the name of CN Marine to Marine Atlantic but that it also insist, in the mandate that is given to this Crown corporation, that it provide the proper kind of service to the travelling public. Of course, if one lives in Cape Tormentine, New Brunswick, where the Borden ferry reaches the mainland, one can get into one's car and drive to Vancouver, British Columbia, without paying any kind of a toll at all on the Trans-Canada Highway or other highways. Unfortunately, if one is from Newfoundland or Prince Edward Island and one leaves Summerside or Charlottetown or Tignish, one must pay the cost of using that ferry, going back and forth.

• (2040)

I have had in the past, and I will have in the future—unless some Government in the future does something about it—some sort of disagreement with that sort of concept. I believe that the residents of the Provinces of Prince Edward Island and Newfoundland should have free access on the ferry in order to give everyone right across the country an equal opportunity. It should be the same as it is for those who live in Ontario or Manitoba, or in any other province, where one can drive on the highways without paying for the cost.

Some people have said: "What about Vancouver Island?" I believe it is a different situation on Vancouver Island. If one is a British Columbian and comes from Vancouver Island, then one is part of British Columbia. However, that area falls under provincial jurisdiction. All the different islands and areas are tied up making them one province. I make that remark because Prince Edward Island and Newfoundland are somewhat different. I would not say that there should actually be more than one free crossing. However, there should be at least one.

Those are my remarks. I hope that the Government of Canada and the Minister of Transport (Mr. Mazankowski) will not be content to say: "We have done something for CN Marine by changing its name". I hope that they will carry that just a little bit further and insist that this new Crown agency provide the kind of service that is necessary in order to give the people who are living on the two islands an equal opportunity and to make them equal partners with the rest of Canada.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I too wish to join in briefly in the debate on Bill C-88, an Act which will carve out Marine Atlantic Inc. from CNR. Before I start I would like to apologize to the Hon. Member for Egmont (Mr. Henderson) for having referred to him by the name of one of his colleagues. Perhaps I did it because to someone from central Canada, such as myself, all the folks in Atlantic Canada look the same. I suspect that the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) will begin to look the same as the Hon. Member for Egmont as he adds a few years to his age. I apologize to the Hon. Member.

I find it ironic that we are dealing with third reading of this Bill today. I realize that is not because of any plan—God knows there is no plan in this place these days. It is ironic that on the day that another decision has been announced by Canadian National Railways with respect to a change in services provided in Atlantic Canada, and when we recently saw a carve-out of another arm of CN, that we are today in effect finalizing the fragmentation of that great company known as the CNR. Today we are carving out the marine side, at least as it applies to the ferry service. Earlier today there was an announcement made with respect to the privatization of the Moncton shops, and whatever that may mean.

Mr. Nickerson: It means we are going to save the jobs in Moncton.

Mr. Angus: The Hon. Member talks about perhaps saving the jobs in Moncton. Time will tell. Perhaps the answer to that question will be determined at the next election, especially in respect to what the people of Moncton think with regard to the decision that was made by CN and, ultimately, by the Government of Canada.

A decision was also made to privatize the CN trucking operation, CN Route. I find it ironic that today of all days we are in the process of finalizing what in theory is just a paper move. We are changing a name. We are changing the ownership from indirect ownership by the Government of Canada to a direct ownership. I am a bit worried about that. I am worried

because I am not sure what the ultimate impact will be on the people of Atlantic Canada. I am not sure that there will be no change, as the Government suggests. The Government suggests that there will be no change in service and no change in the way in which Marine Atlantic Inc. operates *vis-à-vis* CN Marine.

We have been told that there will be no change in the rates, other than those that are normally applied through inflation. Time will tell. I hope that this move will not have a negative effect on the people of Atlantic Canada. I say that because of my belief in this nation. We would be quite happy if there were a negative change and if it were taken out on the Government of the day. That would help those of us on this side of the House. I do not say that in a partisan way. I strongly believe that what we should be doing is supporting the people of Canada.

The area upon which I would like to focus is an area which has caused the Parliamentary Secretary to the Minister of Transport (Mr. Forrestall) to have a gleam in his eye for the 20 years or more that he has been in this House. I refer to the extension of the Trans-Canada Highway—

Mr. Forrestall: I agree with that.

Mr. Angus: —to include those vital links to our water-isolated provinces in Atlantic Canada. Someone who lives in northern Ontario can drive from Thunder Bay to Toronto, Montreal or Vancouver without having to pass through a toll booth and without having to pay a specific fee to use a surface transportation link. As a Canadian, that person finds it disgusting to know that the people in Atlantic Canada, who have no choice when it comes to communicating with other parts of this land, have to pay a fee to use that extension of the Trans-Canada Highway.

I moved an amendment in committee which would have ensured that Marine Atlantic Inc. would operate under the same fee structure as the Trans-Canada Highway. In other words, it would operate at no direct charge to the user. Had the Government the fortitude to accept my amendment, it would have united the country in a real way and not just a theoretical one.

In order not to mislead anyone, I want to make it clear that we taxpayers would share even more than we do today in the cost of providing those services. Through our federal tax dollars we would pay for the ease of access from Prince Edward Island and Newfoundland to the mainland to ensure that those Canadians, those residents of those waterbound provinces, would have the same access in the sense that it would not cost them any more than it costs you or I, Mr. Speaker, to reach another part of this great nation.

Obviously, the chance for us to make that change has been lost. Given this Government's fascination with cost recovery and user pay, it is doubtful that under this administration there will be a change for the better. I warn Hon. Members that there will be a change for the worse. As the Conservative Government applies more and more user fees, the people of Prince Edward Island and Newfoundland will have less access to the same services to which we in the rest of Canada have access.

Last Friday I received some information regarding a cost-recovery Bill that was passed in the United States which gives that Government the power to charge for customs services. It gives it the power to charge every truck, every package of mail that goes through customs and every commercial vessel that enters into American waters a fee. This is directly related to the costs of Marine Atlantic and it will come home to roost with this Government.

• (2050)

Every time a ferry docks at Bar Harbour in Maine, it will have to pay $397. That does not seem like very much, but we must look at the frequency of visits to that community. That community in the United States is one which we service though we probably do not have to. However, we do so because it is appropriate and important for the people of the community of Yarmouth that we have that link.

We as Canadians will have to pay more. Marine Atlantic will have to come up with another $66,000 per year in fees that it will have to pay for the service. One of two groups will have to pay for that. It will either be the users through tolls charged by Marine Atlantic or an increase in the subsidies which are already at around 55 per cent. Those subsidies are paid by the taxpayers of Canada.

The Government will have a hard time fighting against the imposition of user fees in the United States because it believes in user fees. It believes that we should draw more and more money from the specific users of a service. It does not believe that we as a nation have a responsibility to provide the infrastructure and the transportation and communication links. The Government will be like a toothless tiger if it goes to Washington to complain about this new fee that will be charged as of July 7.

I know that Government Members from Atlantic Canada understand the negative impact of that kind of approach. I regret that this is the situation in which we find ourselves. I regret the impact that this will have on the users of Marine Atlantic and on the communities in Atlantic Canada.

Before I close, there are a few other things I wish to say. The Minister of Agriculture (Mr. Wise) was present in the House tonight and perhaps he is watching us now on television. We know that the potato producers in Prince Edward Island do not have any alternatives. If they want to get their produce to market, they have to rely on marine services. Anything that the Government does that will have an impact on their costs will clearly have an impact on their ability not only to sell produce, but to actually receive a return for their labour. I would caution the Government to avoid excesses and to avoid this fantasy it has of getting more money out of the users of

these services. Ultimately, this will kill agricultural, commercial, small business and fisheries industries in Atlantic Canada.

We will support Bill C-88. We recognize that it only enacts something which actually happened over a year ago and we accept that. However, I will repeat what I said earlier and that is that we wish the Government had come to Parliament first to have the Bill debated before the carve-out actually occurred. Let us think about that. In the future, legislation should be debated and then things should happen, not the other way around.

The Acting Speaker (Mr. Redway): Questions or comments? Debate.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I would like to say a few words on Bill C-88. As my colleague, the Hon. Member for Egmont (Mr. Henderson), has said, a great deal more must be done than to merely change the name of this company from CN Marine to Marine Atlantic Inc.

Mr. Forrestall: You had 30 years to do that, Russ, and you didn't.

Mr. MacLellan: I would also like to comment on what the Parliamentary Secretary is mumbling about, and that is the CN system of companies which I feel have become a national disgrace. They have been allowed to get out of hand and to go their own way without any concern for the people of Canada. For instance, I look at what Petro-Canada has done to Canadians at the pumps through the exorbitant price it is charging for gasoline and the way it is ripping off the producers by charging a lower price than comparable producers receive in the United States—

Mr. Forrestall: Mr. Speaker, I rise on a point of order. Without reflecting on the Chair, I wonder whether the Chair might want to give some direction to the Chamber with respect to relevancy. We are dealing with the change in the name of a Crown corporation.

The Acting Speaker (Mr. Redway): Of course the Hon. Member should respect the rules and I am sure that he will keep his remarks relevant to the subject matter of the Bill in question.

Mr. MacLellan: Mr. Speaker, I certainly will keep my comments relevant. I go on to say that I can see that Petro-Canada will follow in the footsteps of the CN family of companies.

Nevertheless, I am very pleased to see that CN Marine has been spun away from CN. I hope that will make a difference. I hope that the influence of CN on CN Marine will be broken and that it will not be tied by an umbilical cord of nonsense, impropriety and services which run contrary to the benefit of the people of Canada.

CN Marine has had to bear a very difficult weight on its shoulders by being associated with CN. It has had to pay for marshalling services for which it really should not have had to pay, costs which should have been the responsibility of CN Rail. CN likes to say that it was not getting any funding from CN Marine or any of the subsidiaries or from the Government of Canada and that it was totally self-sufficient. It was bleeding enough from companies like CN Marine and VIA Rail to make up for any loss it would ever have had to make up. Of course, VIA Rail is not in question here tonight, but VIA Rail has been stymied even more than CN Marine.

As my colleague, the Hon. Member for Egmont, has said, the very fact that this name is being changed will not alter the activities of the new company unless the Government gives it proper direction. It will not change unless the Government listens to Canadians and considers the connection between North Sydney and Port aux Basques an extension of the Trans-Canada Highway. The great increases that have recently been put on should stop and the service should be run in the best interests of the people.

The Government recently spent a good deal of money for a new vessel, *Caribou*, which has good sleeping quarters and can be a very positive feature of the gulf crossing. However, what has CN Marine done? It has put the *Caribou* on during the day crossing and has put a ferry, which does not have any sleeping accommodations, on the evening runs. Therefore, there is no sleeping capacity in the evening and all sorts of sleeping capacity during the day.

• (2100)

What kind of service are people getting on the gulf crossing? They are waiting for hours. The new vessel, which was supposed to be able to turn around quickly, is leaving port in North Sydney two hours late because the loading ramp and vessel do not coincide. CN Marine originally located in Moncton, and rightfully so. Initially it was a spinoff of CN, and CN has its Atlantic quarters in Moncton. It was only right that it should be located there. However, in addition to having its headquarters in Moncton, this is a company which has a legal office in Halifax and a gulf headquarters in St. John's, Newfoundland. Neither city is served by CN Marine. They are there for political reasons. It is because the Members from those two locations, who are both Ministers of the Government, felt that the Crown corporation should have a presence in their constituencies.

Particularly in the case of St. John's, jobs were taken away from North Sydney and an area of Cape Breton Island with an unemployment rate of approximately 40 per cent. I do not begrudge St. John's, Newfoundland or any other community jobs. However, we should not take from one area of the country to give to another. We should not do so arbitrarily, at the expense of relocating people who have lived in communities all their working lives and of putting them in an area which does not have any relationship to the company through which they will be employed.

Marine Atlantic Inc.

Granted, the subsidy for CN Marine is extensive. It has been stated tonight that the subsidy is 55 per cent. Undoubtedly it is a weighty expense for the Government of Canada. However, it is also important to consider service to Canadians. Service to Canadians must be foremost. This is really what CN Marine and the new company, Marine Atlantic Inc., must be all about. In addition to the subsidy, the Government of Canada is paying to Atlantic Container Express, which ships directly from Montreal to St. John's, a subsidy of millions of dollars per year to compete against CN Marine. What will be the result of this? Because Atlantic Container Express is being subsidized to compete against CN Marine, CN Marine will lose more money and will have to be further subsidized. Therefore, the private sector and the public sector are both being subsidized by the Government of Canada. However, if we took the subsidy off the private sector, the subsidy to the public sector would be less and Canadians would save millions of dollars per year. This is the burden under which the new company will have to operate. This is the burden of complete inattention and unconcern on the part of the Government for a service on which people in Atlantic Canada must rely.

What is CN Marine doing with regard to public relations in the communities which it is serving? For example, in North Sydney, CN Marine will not do a thing to promote its downtown area. It will not erect a sign indicating where the downtown is located or how one gets there. In fact, it discourages people from leaving their cars and going to the downtown area of North Sydney, although it is only a few hundred feet away.

These people are waiting for hours in their cars to take the ferry to Newfoundland, and CN Marine and the Government of Canada have provided nothing for them to do while they are waiting. It is really a case of discouraging people from taking the ferry service. It is not that they could take an alternate service, but it has a direct bearing upon Newfoundland tourism. If people hear about long waits and overdue ferry departures, they will be discouraged from taking the service to Newfoundland. In effect, it is discouraging tourism in that province at the same time as the Province of Newfoundland is spending hundreds of thousands of dollars to promote it. The Government of Canada is working contrary to the Province of Newfoundland and acting against the interest of that province.

Also a little game is being played by the federal Government and the Province of Newfoundland. The federal Government, through CN, is discussing the possibility of closing completely the rail line in Newfoundland. The Province of Newfoundland is saying that it does not want that. One of the terms of union in 1949 was that the rail line would be maintained, and it cannot be closed unless the province gives its permission. Of course there is the question of what the Province of Newfoundland will take for its permission or how much it will accept. That is something we have yet to determine.

One can believe that a figure will be reached because CN is playing its old game of let the services deteriorate until they get so bad that no one will want to use them or they will not be safe to use. Then a large amount of money will have to be put into this system in order to bring the services up to standard, and no one will be able to afford it. In that event, the province is faced with the likelihood that the service could be closed.

What would be the result of the railway service in Newfoundland being closed? It means that there would only be a short period of time before the next step is contemplated, that is, the closing and shutting down of the rail line between eastern Nova Scotia and Cape Breton Island. This is the secret agenda which CN likes to work over at the expense of people in Atlantic Canada. This is the secret agenda which it denies. This is the secret agenda which it works on and plans toward. Such was the situation in the shops in Moncton. There was no indication or statement with regard to those shops. CN was asked many times what it would do with them. It was announced today that they would be sold to the private sector and that there would be no loss of jobs for the people in Moncton. I should like to know how the federal Government will enforce that. Once the shops are sold, how will the federal Government prohibit the private sector company from reducing the workforce? Once it is sold, it is sold. There is no way unless we get special conditions from the purchaser beforehand, and I do not believe any of these conditions have been obtained.

In closing, I should like to say that the situation in Atlantic Canada in respect of transportation is a very bad one. This Act may or may not have a positive bearing. It remains to be seen. It is largely upon the back of the federal Government to give proper instructions to the new company to operate in the best interest of Atlantic Canadians and to ensure that subsidies are maintained, so that rates are not increased to such an extent that no one will be able to use them.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I am pleased to rise to participate in the debate on Bill C-88. Hon. Members opposite were attempting to distract me from my duty and to prevent me from participating in this final opportunity to try to restore to the House of Commons some sense of sensitivity, understanding, and appreciation of the values which make Canada the kind of country it is. When Hon. Members opposite find the courage, integrity, and backbone to rise in their places to defend this measure, they would have us believe, as the Parliamentary Secretary to the Minister of Transport (Mr. Forrestall) attempted a few days ago, that Bill C-88 is a Bill about a change of name for a Crown corporation.

• (2110)

This bill would formalize in law, in legislation, the severing of the relationship between CN Marine and CN that has taken place over the last year. The Parliamentary Secretary and other Members opposite want us to believe that nothing more than a name change in Bill C-88 is what is on the agenda of the House of Commons tonight. Nothing could be further from the truth. Above and beyond simply changing the name

of CN Marine to Marine Atlantic Inc., the implications of the Bill are profound for the people of the Atlantic region.

The Government of Canada is asking Members during these dying days of Parliament, when it hopes the people of Canada and Members of this Parliament are not paying attention, to slip through this Draconian measure called Bill C-88 which will force upon the Atlantic region a user-pay philosophy. With one broad sweep of the sword, one foul vicious insensitive and cruel sweep of the sword, the Government of Canada is attempting not only to sever CN Marine from the main company, CN, but it is attempting to impose on the people of Atlantic Canada a user-pay concept that fails to recognize those things that make the Atlantic region of this country unique and different from the country as a whole.

It is interesting to note that Bill C-88 received first reading in the House of Commons in December, 1985. I want you to note that date, December 1985, Mr. Speaker. It was September, 1985 that the ministerial task force on program review, more colloquially and commonly known as the Nielsen task force, the task force of the Deputy Prime Minister (Mr. Nielsen), submitted its report to the Cabinet of Canada. It was a task force established to assist the Minister of Finance (Mr. Wilson) in setting within his Department a program of expenditure reduction.

In September, 1985, that task force looked at the Atlantic region of Canada and said it was possible for the Government of Canada, by walking away from some concepts we hold near and dear in this country, to save some dollars, to alter the bottom line of the ledger of the Government of Canada. That task force, which reported in September, 1985, a scant two months before this measure found its way on to the floor of the House of Commons for first reading said, and I am paraphrasing, that the cost of ensuring that the people of Atlantic Canada would feel, with respect to transportation systems, a sense of being first-class Canadians was a cost too high. The price was too high. The Nielsen task force report recommended that the Government of Canada could achieve substantial savings in the Atlantic region by lowering the level of service to Atlantic Canadians provided under CN Marine by lowering the quality of service and by increasing the rates.

The Government of Canada was so proud of that one year initiative undertaken under the direction of the Deputy Prime Minister that for the first time in the history of Parliament, the Government of Canada did not provide free copies of the report. The Government said to the people that if you want to know what the Deputy Prime Minister is suggesting in all regions, not just Atlantic Canada, for a mere $300 or $400 we will send you a copy of the 27 volumes.

What is the Government attempting? What is the Government doing to reduce the deficit? A Conservative Member said the Government is attempting to reduce the deficit. The Government said it would reduce the deficit by identifying a whole series of programs and government initiatives that represented fat and waste. We on this side of the House, who would endorse such an exercise of cutting fat and waste, have been waiting with bated breath for the Government to come forward with a long list of scurrilous and disgusting and wasteful programs.

We have waited in vain because there is no long list. Instead what we have seen is Bill C-96 which would cut $8 billion from the national deficit by transferring that $8 billion on to the backs of the provincial Governments. Members and the Canadian public would say what is Bill C-96, what does that officious sounding name denote? It happens to be a Bill that would cut from the health and education programs some $8 billion by transfering that deficit on to the backs of provincial Governments.

In the same vein, with the same insensitive approach, the Government of Canada has produced Bill C-88, a Bill to sever CN Marine from CN, to set up a separate Crown corporation in order to identify the cost of providing that service to Atlantic Canadians and to be able to target better fare increases and system reductions in the Atlantic regions.

Atlantic Canadians being frugal people, and I am proud to say I am an Atlantic Canadian, do not mind any Government cutting the fat away from the system, but when the Government wields the long arm of the sword indiscriminately and slashes through the fat into the muscle and bites deep into the bone straight through to the marrow and bleeds that marrow out of the system—the marrow which is important in preserving the body—then the people of Atlantic Canada begin to wonder about this faithless, mindless approach—

Mr. Redway: Mr. Speaker, I rise on a point of order. I wonder what relevance the Hon. Member's comments have to Bill C-88 which is merely to change the name of CN Marine to CN Atlantic Inc. I see no relevance in his comments whatsoever. I hope you will ask him to make his comments relevant to the Bill.

The Acting Speaker (Mr. Charest): The Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) would be wise to review the Bill. I have difficulty finding his comments relevant to the subject matter. Maybe he could further inform us.

Mr. Tobin: Yes, Mr. Speaker. Seeing how the Speaker has demonstrated a level of intelligence that would suggest the Speaker is open to being educated to the reality of Atlantic Canada—

Some Hon. Members: Order.

Mr. Tobin: Let me say to the Speaker, that the people of Atlantic Canada think indeed that a measure—

Mr. Hnatyshyn: Come on, Brian.

The Acting Speaker (Mr. Charest): Order, please. It seems the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) has provoked another point of order.

Marine Atlantic Inc.

Mr. Brisco: Mr. Speaker, I seek the Chair's advice as to whether or not the comments of the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) are a challenge of the Chair. They are at the very least totally unwarranted and unjustified.

• (2120)

The Acting Speaker (Mr. Charest): Order, order. The Chair does not intend to pursue the matter. I listened very carefully—

Mr. Nunziata: Tell them to stop interrupting a good speech.

Mr. Beatty: If we hear one, we won't.

The Acting Speaker (Mr. Charest): Order, order. It is not good to interrupt the Speaker to ask him to stop interrupting other people. I remind the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) that, according to the Canadian Constitution, education is a matter of provincial jurisdiction.

Mr. Tobin: Mr. Speaker, it is because of the great respect I have for the Speaker that I agree with you. I am delighted to learn that education is a matter of provincial jurisdiction, as if I ever had any doubt on that matter. However, I would remind you that the Bill which I was referencing, Bill C-96, which expresses the same kind of governmental mentality as Bill C-88, would cut about $5 billion from the education system of the country. That Bill originates in this Parliament rather than in provincial legislatures. Being the fairminded and objective person that you are, Mr. Speaker, you will acknowledge that fact. It is only because of the warped mentality that gives rise to a disinvestment in our youth through a cut in the education system that I make reference to Bill C-88 which indicates a lack of confidence in the Atlantic region.

Members ask how my comments are relevant to Bill C-88, which is merely a name change for CN Marine. Because you are a fairly objective, honest, caring, sensitive and dedicated servant of the House, you would obviously want to know how Bill C-88 represents much more than a simple name change of CN Marine. Members opposite laugh their way through this session and into oblivion. Oblivion will one day catch up with them for this insensitive behaviour.

Members should know that in Atlantic Canada the level of service provided by CN Marine, or the new company, Marine Atlantic Inc. as designated by this Bill, is not the pleasant scenic route by the sea. We in Newfoundland do not take CN Marine ferries for the pleasant scenic route by the sea. We take them because, contrary to popular opinion, we do not have trucks which float on water, and neither do we occupy, despite common misconceptions, God boots which allow us to walk on water. The CN Marine ferry service is the only way in which we can move our people, goods and services around the Atlantic region on a practical day-to-day basis.

This Bill does substantially more than simply changing the name of the service. It takes out of the pockets of CN Marine, the company which exists in advance of the passage of this Bill, some $30 million in accumulated revenues which the company has built up to allow it to fulfil its capital program which is to provide three new ferries for the East Coast ferry system. Through the new financial arrangements provided for in this Bill, $30 million is taken out of the pockets of CN Marine.

Those Members who sit amidst the glitter of the chandeliers, who are blinded by the shine of the marble, who are caught up in the richness of the texture of the wood and have forgotten from where they come may not think that $30 million is a lot of money. To the people of Atlantic Canada who are riding a ferry service little better than a cattle car, that $30 million represents an investment in the hope that the system might become civilized. This Bill takes that $30 million of accumulated revenue, hits it like a neutron bomb and vapourizes it away from the CN Marine company, in due course vapourizing the hopes of Atlantic Canadians to be served by a ferry service which indicates that the Government has some confidence and faith in and appreciation for the people of Atlantic Canada.

That is how my comments are relevant. I know that you, Mr. Speaker, feel much more informed and have much more empathy for the people of Atlantic Canada, having heard those pearly words of wisdom which I uttered on their behalf.

Before I was so rudely interrupted by Members opposite expressing their insensitivity for the region, I started to say that Bill C-88 was another step along the course of user-pay. Members should ask themselves what user-pay is. What is this concept which says that the people of Atlantic Canada shall pay a price to live in Atlantic Canada?

Mr. Forrestall: Oh, come on.

Mr. Tobin: The Member had an opportunity to speak but he found neither his legs nor his backbone nor his integrity nor his courage nor his tongue to speak in this place. Suddenly he stands and mumbles unofficially from his seat utterances which make no sense and make a contribution to this place equivalent to that of an unguided missile. If he wants an opportunity to speak, I will gladly take my seat and allow him to speak because I would like to hear a defence of this Bill.

Mr. Forrestall: You're boring.

Mr. Tobin: As I was saying, Mr. Speaker, the user-pay concept which the Government of Canada intends to foist upon the people of Atlantic Canada would be equivalent to the Government of Canada saying to the grain farmers on the prairies that because their prices are the lowest in 60 years they, the grain farmers of the prairies who till the soil and preserve the breadbasket of Canada, should walk away from their fields. Is there a Member of Parliament who would suggest that to the grain farmers on the prairies?

Proposing this Bill and seeing it pass is equivalent to telling the dairy farmers of Ontario and Quebec, who receive a $300 million subsidy a year, that because their milk production is inefficient and uneconomic, they should slaughter their herds. Is there a Canadian who would tell the dairy farmers of Quebec who receive a $300 million subsidy for their herds every year that they ought to slaughter them? Not even the Newfoundlanders, who are the beneficiaries of a scant $25 million subsidy to provide a ferry service which the Government of Canada now wants to cut out, would say that to their fellow Canadians in the Provinces of Quebec and Ontario.

If Members opposite cannot find their legs and tongues, I at least beg them to find their courage and stand for a Canada which treats all its citizens as first-class citizens, regardless of where they live, and defeat this Draconian measure, Bill C-88, which is described as a mere name change.

Mr. Nunziata: Mr. Speaker, I would like to take this opportunity to congratulate my friend and colleague for a most informative and eloquent speech. I knew very little about this piece of legislation until I walked into the House and listened to my colleague. In the few short moments that my colleague has spoken, he has enlightened me tremendously with respect to this piece of legislation.

Being a Member from the urban riding of York South—Weston in the metropolis of Toronto, at times I am not as familiar as I should be with matters of concern to Atlantic Canadians. I would like to indicate to my constituents and all the residents of Metropolitan Toronto that we are well served when a Member such as the Member for Humber—Port au Port—St. Barbe (Mr. Tobin) considers this piece of legislation and criticizes the Government because government Members are not standing up to speak out in favour of their constituents.

• (2130)

I would like to ask the Hon. Member a specific question regarding user-pay. I understand that a number of weeks back the House considered Bill C-75 in amendment to the Canada Shipping Act. That Bill, too, introduced a form of user-pay. During his submissions, my colleague indicated that the legislation was another step along the way toward user-pay, another step toward reducing the deficit by making the less fortunate pay for services which before now—

Mr. Forrestall: On a point of order, Mr. Speaker. Nothing in the Bill before us in any way alters any charges or costs to the taxpayers whatsoever. Aggrandizement is one thing, and it is rather useful, but can we stay with the Bill?

The Acting Speaker (Mr. Charest): I was going to say that I take the point made by the Parliamentary Secretary as being a point concerning the rule of relevance which, from time to time, does merit some consideration in this House. I say for the benefit of all Members that we would do well to keep it in mind.

I believe the Hon. Member for York South—Weston (Mr. Nunziata) was about to conclude.

Mr. Nunziata: Mr. Speaker, as my colleague pointed out, that is precisely the point. Members opposite are so irrelevant they cannot find their tongues to speak.

Mr. Forrestall: Oh, Mr. Speaker, on a question of privilege.

The Acting Speaker (Mr. Charest): Order.

Mr. Forrestall: I will not have the likes of that impugn my motives in this Chamber.

Mr. Nunziata: Far be it for me to in any way impugn the motives of the hon. gentleman opposite. I will not in any way question his motives but I will question the motives of this Government. I would like to put my question to my colleague. Why is this Government introducing this legislation which it claims is a simple name change? I suspect that there is method to its madness. This is part of a scheme to take from Atlantic Canadians something which they have cherished for so many years. Why? What is the motive, my friend? Tell us.

Mr. Tobin: Mr. Speaker, let me simply say that when the Government has succeeded in laying waste to the Atlantic Canada landscape, it will not really matter much whether that destruction has been wrought by accident or design. The result in the end will be the same. The Government of Canada, either because of insensitivity or, frankly, stupidity, will have altered the nature of the regions of this country by imposing a user-pay concept that strains and tears at the fabric of this country, which in turn defines for Canadians a sense of national identity and national unity. The Parliamentary Secretary could not be more wrong, and he generally tries to be somewhat relevant in his comments, nor more inadvertently, accidentally misleading when he says to Parliament that this Bill represents nothing more than a mere name change.

This Bill is an attempt to hive off the ferry services of Atlantic Canada which are essential in particular to the island province of my colleague from Egmont. They are essential to my own island Province of Newfoundland as a means of moving freight and people. The Government of Canada has lifted the gun to its shoulder, drawn the long bead with its eye, targeted the victim, Atlantic Canada, and this Bill is the bullet it intends to shoot into the heart of the economy of my region by attacking the most fundamental and necessary means of transportation in that region.

Members opposite may sit and huff and puff and twist and turn, but their silence is what Atlantic Canadians shall remember them for. They are only noticeable for and represented by the echo of their silence in this House, their inability to stand against the whip of party discipline and speak on behalf of the people who sent them here. They should oppose this legislation which would deny Atlantic Canada its unique and valued contribution to the Canadian mosaic. This Bill says to the people of Atlantic Canada that they shall pay a heavy price for where they chose to live in this country. The people of

Atlantic Canada do not appreciate this Genghis Khan kind of consultation which will ride roughshod across their traditional rights and ignore the very nature of this country.

I will say this. The people of Atlantic Canada are tolerant. They are patient. However, they shall never forget that it was this Government, in its haste to balance the books, that decided the people of Atlantic Canada were expendable and the services they have come to depend upon can be wiped away at the slash of a pen.

I advise Members opposite from Atlantic Canada not to sleep soundly at night because the people of Atlantic Canada shall pass their judgment, as surely as I stand here, come the next election. I warn those Members that the people are weighing our words, watching us here, and they have not seen Members opposite find the courage to stand in their place and speak.

The Acting Speaker (Mr. Charest): Questions or comments.

Some Hon. Members: Question.

Mr. Forrestall: Mr. Speaker, I must take this opportunity to try and bring some semblance of rationalization to this debate. What we are endeavouring to do here tonight is not to crush Atlantic Canadians. We are here trying to do service to a matter initiated by the Party, of which the Hon. Member who has seen fit to satisfy his ego on the floor here tonight as opposed to doing justice to the Bill, is a Member, the very Party he supports. We are here giving order and legitimacy to Marine Atlantic, not Marine Atlantica. We are simply doing that. We are changing absolutely nothing. If he has objections to CN Marine, then let him address his remarks and comments to his present and former leader, and former Ministers of Transport in his Party. Do not stand in this Chamber and lay upon me, Sir, any lack of concern about Atlantic Canada. You, Sir, are a puppy. You are a young man; grow up in your concern for Atlantic Canada and be honest when you are on your feet in this Chamber. You might just last around here a little while.

The Acting Speaker (Mr. Charest): The Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin), only a couple of seconds.

Mr. Tobin: Mr. Speaker, I hope you make it at least 15 or 20 seconds. Even Newfoundlanders have trouble in less than three seconds making an articulate comment.

The Acting Speaker (Mr. Charest): Well, there goes the time.

Mr. Tobin: Mr. Speaker—

The Acting Speaker (Mr. Charest): Debate. The Hon. Member for York South—Weston (Mr. Nunziata).

• (2140)

Mr. John Nunziata (York South—Weston): Mr. Speaker, the hour is late. Members opposite are getting rather testy when Members on this side of the House are making worthwhile submissions that go to the very heart of this particular piece of legislation. I would have preferred to have my colleague, the Member for Humber—Port au Port—St. Barbe (Mr. Tobin) carry on with his submissions. I did not intend to speak to Bill C-88, but listening to the Parliamentary Secretary provoked me into making some submissions with regard to Bill C-88.

As I indicated earlier, I am a Member from an urban riding in Metropolitan Toronto, and Bill C-88 does not directly affect in any manner my constituents in York South-Weston. We have no ferry services in my particular riding. In fact, we have very limited ferry service on Lake Ontario.

The Parliamentary Secretary stands up and has the temerity, the unmitigated gall to criticize my colleague, the Member for Humber—Port au Port—St. Barbe for standing up for the people of Atlantic Canada. I have been in this House close to two years and day, after day, after day, my colleagues from Atlantic Canada stood up in this House of Commons and have spoken out for the people of Atlantic Canada. Not only have they stood in their place and spoken in this House of Commons, they have spoken at caucus and they have spoken across the country. They are doing a service not only to their constituents, but to all Atlantic Canadians.

What about the Atlantic Canadian Members across the way? They are quite content to sit on their hands and to hurl cheap insults across the way. They have the temerity to criticize Members of the Opposition who dare speak up for Atlantic Canada.

I suggest if you take a poll in Atlantic Canada and ask the people who live there who was speaking out for their best interests, they will name Liberal Member after Liberal Member. They will say these are the politicians in Ottawa who are speaking out for Atlantic Canada, not Members like the Parliamentary Secretary to the Minister of Transport (Mr. Forrestall) who is content to simply sit on his hands while this particular piece of legislation is debated.

I challenge Members opposite to stand up for a change. We can respect Members in this House who stand up and express an opinion with regard to a piece of legislation. We may disagree on this side of the House with the submissions made on that side of the House, but at least we will know that Parliament is being served, democracy is being served. What we are doing is debating, the cut and thrust of debate, requiring different points of view.

What we have found day after day in this House is that the Liberal Members are standing to speak, the odd New Democratic Member is standing to speak, and there is a wall of silence across the way. I note that the Government House Leader is in the House today. Rare is the time, rare is the occasion when the Government House Leader will stand in his

place to speak out for the people of his riding, the people of his region in Canada.

We are dealing here with what we consider to be an extremely important piece of legislation. My colleague, the Member for Humber—Port au Port—St. Barbe went on at some length as to the concerns he had with respect to this particular piece of legislation. I must commend my colleague for his submissions with regard to this Bill.

The Parliamentary Secretary and other Conservative Members in the House say it is only a Bill to change the name, an Act to authorize the acquisition of Marine Atlantic Inc., and to provide for other matters in relation thereto.

If you read through the legislation as I have, there are four pages to the legislation with a schedule. It would appear at first glance that that is the intent of the legislation, to simply change the name, or to authorize the acquisition of Marine Atlantic Inc. I would like to know from Conservative Members of Parliament why they have brought forward Bill C-88. We do not know. Is it part of a master plan with respect to transportation in Atlantic Canada? Is it because the Conservative Government is paranoid with regard to the deficit and this is part of the cost-cutting plan of this Conservative Government? We do not know because Members opposite do not have the courage to stand up, to explain to the people of Canada what this particular piece of legislation is all about.

We on this side of the House are left in a position where we must speculate as to what the Government is doing. We know, and I am sure you will agree with me, that it is difficult most of the time to understand what this Government is doing because it is obvious, given the legislative agenda that has been presented to the House over the last 20 months, that this Government has no direction, it has no vision for Canada, it simply does not know where it is going. It is like a ship adrift in the high seas without a captain.

Speaking of captains, we had the pleasure last night of watching the Prime Minister of Canada (Mr. Mulroney) explain his position on free trade. Mr. Speaker, you are shaking your head, and you might ask what the relevance is of the Prime Minister's performance last night on national television to Bill C-88.

An Hon. Member: What is the relevance of free trade?

Mr. Nunziata: The Conservative Member way down in the corner says, "What is the relevance of free trade?"

An Hon. Member: The Prime Minister was good last night.

Mr. Nunziata: The Member says the Prime Minister was good last night. I am not sure what he was referring to.

If I may continue, the Government, through the Prime Minister, last night tried to explain to the people of Canada what it is doing with regard to free trade. One of the reasons why the Prime Minister found it necessary to go on national television, the first time in the short mandate of this Government, is because he realized that the people of Canada did not understand what the Government was doing with regard to free trade. There was mass confusion from the Conservative benches. If the Members opposite would stand up and try to explain themselves, then it would not be necessary for the Prime Minister of Canada to go on national television to try to explain himself with regard to free trade.

Likewise, with regard to Bill C-88. The Members opposite should stand up to indicate why it is necessary for the Minister of Transport (Mr. Mazankowski) to be authorized to require all the common shares of Marine Atlantic Inc. held by the national company. The national company is defined in the legislation as the Canadian National Railway Company, CN in other words.

• (2150)

This Bill, pursuant to clause 4, authorizes the Minister to acquire all the common shares of Marine Atlantic Inc. which are held by the national company. The Bill goes on to state that shares acquired by the Minister pursuant to clause 4(1) shall be held by the Minister in trust for Her Majesty in right of Canada.

Members opposite have not indicated why it is necessary to allow the Minister of Transport to acquire all the shares of Marine Atlantic Inc. and to hold those shares in trust for Her Majesty in right of Canada. The Bill authorizes CN, the national company, on the direction of the Minister, to transfer to the Minister all the common shares of Marine Atlantic Inc. held by the national company.

Again, there appears to be some redundancy with regard to the legislation. I know that some Members opposite may want to speak. If there is some indication that they want to do so, I would be pleased to resume my seat. However, since no Member opposite is standing to speak to this legislation, I am pleased to continue.

The Minister of Transport is a man of integrity. In the two years that I have been in the House of Commons, I have found that he is one of the finer Ministers in the Government.

Some Hon. Members: Hear, hear!

Mr. Nunziata: I have absolutely no hesitation in saying so. The Minister has been honest and forthright in my dealings with him throughout the course of this Parliament. He and his staff have attempted to assist in every way possible in dealing with concerns relating to his Department. When questions are put to the Minister in the House, he honestly tries to answer with the least amount of partisanship, unlike many of his colleagues in the Cabinet who believe that Question Period is meant as an opportunity for them to take cheap partisan shots at the Opposition.

Since the Minister has displayed integrity and honesty, and has attempted to give explanations, I hope the Minister's Parliamentary Secretary will share some of the Minister's

qualities and offer some explanation as to the intent and purpose of this legislation.

We know that this legislation will indeed be referred to the committee where we will have an opportunity to further consider it and hear from the various interest groups.

Mr. Angus: It's third reading.

Mr. Nunziata: I am advised that the debate on this legislation is drawing to an end, thank goodness. It has been a very long day, Mr. Speaker.

The Government would like to pass this Bill and move on to Bill C-75, which is another piece of legislation of extreme importance to Atlantic Canada. It affects Atlantic Canadians very directly, especially with regard to clause 4 which was met with almost universal objection.

I will conclude my remarks because my friend and colleague from Newfoundland, the Hon. Member for Humber—Port au Port—St. Barbe has returned to the House. I know he will have several questions to ask me and will perhaps comment on the submissions I have made on his behalf.

Mr. Angus: Mr. Speaker, I do not want to prolong this, but is the Hon. Member for York South—Weston (Mr. Nunziata) aware of the impact that Bill C-88 will have on the Toronto Island ferry? Will he comment as to the ramifications for his constituency?

Mr. Nunziata: Mr. Speaker, the fact that the Hon. Member from the New Democratic Party should ask that question obviously illustrates the ignorance he has with regard to CN Marine. Of course, it has no impact at all. The mere fact that the New Democratic Member should ask such a silly question would indicate the depth of his knowledge with regard to Bill C-88 and the impact of this legislation on Lake Ontario.

Mr. Tobin: Mr. Speaker, I wish to make a comment. First, I want to say that I am pleased that my colleague from the great City of Toronto has found the time and was disposed to stand tonight and speak to Bill C-88. I think it speaks volumes about his vision of Canada, that he would decide, contrary to the comments of my learned friend, the Hon. Member for Thunder Bay—Atikokan (Mr. Angus), who usually makes much more sense than he did with his question tonight, that notwithstanding the fact that this Bill has no impact on his constituents or on Toronto, that he would stand and speak on behalf of Canadians. He has decided, as a Member of the Parliament of Canada, that it is his responsibility and indeed part of the privileges he enjoys as a Member, to stand and speak on behalf of his fellow Canadians, no matter where they live in this country.

One of the prevailing problems in this Parliament during the course of debate is that Members who come from farming constituencies profess to be experts on farmers and the only ones who have any empathy for the farming constituency. Members who come from the urban centres consider themselves the experts about urban centres and the only ones who can profess to have any empathy for urban constituencies. There are Members from Atlantic Canada, some of whom profess to be the only experts on Atlantic Canada and the only ones who can have any empathy for Atlantic Canada.

There are those who believe that all of us own a piece of Atlantic Canada and believe that every Member of Parliament should be able to call the smallest bay home. Unfortunately, they discover that when it comes time to stand up in defence of the poorest regions of this country, those Members who do not come from the poorest regions say to themselves that it is not their home turf and none of their business. They say: "It is their problem, let them sink or swim with it."

Therefore, I find it refreshing and encouraging that a Member of Parliament from the great City of Toronto would stand in his place today and expand upon his vision of this country by ensuring that the voice of Atlantic Canada, small as it may be, because Members opposite have decided not to speak, will be heard. When Conservative Members have exercised their option to imprint their *derrières* upon the cushions that grace the chairs of this House, it is refreshing that a Member from Toronto would stand and expand upon the problems, the frustrations and the aspirations of the people of Atlantic Canada.

• (2200)

I want to say to the Hon. Member for York South—Weston (Mr. Nunziata) that the people of Newfoundland say a collective thank you. It is the Hon. Member's type who makes this country a better place. It is his type which shall ensure that even as the Government tears at the fabric that holds this country together, and even as the stress and strains grow, we know that ultimately the country shall survive because there are those who can see beyond their own backyards.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

PUBLIC SERVICE—INDEXATION OF PENSIONS

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, I am pleased to participate in the adjournment debate tonight as a follow-up to the question I put on May 2 to the President of the Privy Council (Mr. Hnatyshyn) concerning pensions for public servants, the military and the RCMP. It is now 10:03 p.m. and it has been a long day. I am sure you will agree, Mr. Speaker, that your day started about 15 hours ago, as did mine.

However, the day started many years ago for our federal pensioners, whether they were in the RCMP, the Armed Forces or the Public Service. I want to see that they get a fair

shake for their paid-for pensions. I feel that the Government is coming very close to making some type of an announcement on the pension issue. I hope to hear that good news before Parliament recesses for the summer. I wish to give credit to the President of the Treasury Board (Mr. de Cotret) and his staff who I know have been working for many months to ensure that an equitable solution is realized. They have certainly worked hard and long on this matter since we came to Government.

I have asked questions in the House numerous times on this issue. The answers have been consistently the same; that is, the Government will keep the promises it made during the election campaign to maintain indexed pensions for those who paid for them. My role is to question the Government, when appropriate, and to defend the interests and concerns of my constituents in Ottawa—Carleton and, on occasion, those from other parts of Canada.

As Hon. Members know, in the National Capital Region, and in the riding of Ottawa—Carleton which I represent, there are many military people, many RCMP people and many public servants who are on pensions already. There are many more who will be on them very shortly. I feel it imperative to speak on their behalf, not to question policy directions which the Government might be taking but to question the issue of input into the decision-making process as far as their indexed pensions are concerned.

My colleague, the Hon. Member for Ottawa—Vanier (Mr. Gauthier), referred to this same issue on June 12. In the Adjournment Debate he asked whether pensioners had been involved in the negotiations and, if so, at what level. He went on to say that he had asked numerous questions in the last year or so concerning the issue, as others and I have done in this Chamber.

The Public Service Alliance of Canada has been very effectively representing the concerns of public servants on their pension issues and those who will be receiving pensions shortly. The PSAC has been very vocal on their behalf at the bargaining table. The Federal Superannuates National Association has been doing all it can as well to represent superannuates. It has become slightly frustrated at the lack of full representation on the Minister's advisory council.

The FSNA has observer status on the council, but it does not have full membership. The council is composed of six members from management and six members from the union. The association would like to have more representation. The Minister has indicated that he is willing to expand the council to ensure that the association has direct participation. I suggest that there might be one elected person and one appointed person, which would give a stronger voice in an advisory capacity. I think that the RCMP should also have a representative on the council, either as an elected representative or as an appointed one. That representative could be a person who is on active duty in the RCMP or possibly one who has retired, again to give the RCMP a better voice in pension decisions.

• (2205)

The Canadian Armed Forces Pension Association, represented by its duly elected President, Ed Halayko from London, and his colleagues, met with the President of the Treasury Board on February 5 of this year for the first time and had some input into the process. At that time, they expressed some of their concerns. As I am sure you can imagine, Mr. Speaker, these are very proud people. They are ex-servicemen and women and indeed we are very proud of the efforts they made to make Canada a safer place to live. I feel that they too should have more say and should have representation on the advisory council, possibly through an elected person or an appointed one. That would give them more input into decisions made on their pensions, but that has not happened yet either.

There is some confusion over responsibility for the management of the Canadian Forces Superannuation Act and the RCMP Superannuation Act. The Canadian Armed Forces Pensioners Association, which speaks for about 75,000 retirees, though it has a very limited number of paid memberships, is concerned about the $13 billion it has put into the fund.

I would like to emphasize that it is important that a decision is made very shortly. I am disappointed that there was not more input into the process from retirees of the RCMP and the Armed Forces. I suspect we will hear very soon that the Government will keep its campaign promise to index pensions, and I hope that we will hear this before the end of the session so that we may take the good news back to our constituencies across the country. I hope we may be able to tell our constituents that a positive decision has been taken concerning pensions for all of those who paid for them and are very deserving of them.

Unfortunately, these people have not had as much input as they would have liked into the process, with the exception of PSAC through the bargaining table. However, in the months and years ahead, we hope the Government will see fit to include more of them on its advisory council so that the Government may listen to their good counsel and benefit from their many years of experience.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, regardless of the hour, it is clear that the Hon. Member for Ottawa—Carleton (Mr. Turner) will continue to make his clear and very well meant representations on behalf of the many people who are affected by the pension policy that will be forthcoming from the President of the Treasury Board (Mr. de Cotret).

In trying to address some of the issues the Hon. Member has raised, the first point I would like to touch on very quickly is the response to the question of June 12, 1986. Basically that response dealt with the complexity of the issue and the real concern over the Government dealing piecemeal with a decision that has not been adequately considered or consulted on. In fact, a good measure of the length of time it has taken to produce the final result has been used to make sure that all of

the important and complex issues have been addressed as adequately as possible.

The anxiety of the pensioners, as has been adequately reflected by the words of the Hon. Member for Ottawa—Carleton is very clear to the Government and the President of the Treasury Board. It has formed the background of the concern of the Government for making sure we provide the fullest possible consideration for members of the Canadian Armed Forces, the RCMP and the Public Service who are all affected by the ultimate decision.

The Minister has regularly reported to the House on the progress of all considerations, and in the fall he reported that actuarial studies were being conducted and that he would propose no changes without full consultation. As time went on, he advised that discussions were under way and that the documents were before Cabinet. Finally, last week the Parliamentary Secretary to the Minister indicated again that the Minister's advisory committee on PSSA had been reviewing matters.

Throughout all of these reports, the Minister has said that the reforms would be made with due respect to equity and justice for all concerned and with due regard for the commitments of the Government made during the election campaign and in the interim. Since in fact a package of reforms is under discussion, it seems necessary to wait for an over-all agreement rather than release it a piece at a time. That would open up the entire agreement to public discussion.

• (2210)

I should like to make a special point concerning the fact that there was no real representation from the group being affected. In fact the advisory group was making decisions, and it was on the President's advice that the First Vice-President of the Federal Superannuates National Association, which represents some 35,000 federal pensioners, was appointed to one of the six chosen positions. Prior to this appointment, there was no representation from the affected groups. We have made a step in that regard. Perhaps there is more to do. That matter will receive consideration by the Government.

In conclusion, I have been personally assured—and the Government wants to assure those interested people who will be affected—that the education process which is under way is completed. Ensuing consultations have been virtually completed, and we anticipate further information from the President in a very short time.

EXTERNAL AID—ETHIOPIA—CANADIAN DEVELOPMENT POLICIES

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, I draw to the attention of the House the connection between government policies and human suffering in Africa, particularly in Ethiopia. Much of that suffering has been due to natural causes, but there is reason to believe that much of it has been due to the tragic excuse for leadership forced upon many of the countries concerned, especially Ethiopia.

For example, as was reported in the May 30, 1986 edition of *The Globe and Mail*, an assistant professor of economics at Bloomsburg University and a native of Ghana wrote that more than two million Africans perished from famine last year and that millions were still in danger. He continued by indicating that the basic causes of the agricultural decline in Africa could be found in Government policies of exploitation and oppression of peasant farmers.

To that I add the testimony of Dawit Wolde Giorgis, the defected head of Ethiopia's Relief and Rehabilitation Commission who is now in the United States, having turned his back on the Marxist Government of which he was once a part. He left it because of the contradiction he found between the support from the West which was needed by Ethiopia and the Soviet alliance to which his Government was committed. In an interview in *The New York Times*, he called it a drought problem but said that it was more of a policy problem. He went on to say that drought complicated the problem and that if there were no change in their policies, there would always be millions of hungry people in Ethiopia. Since then he has been interviewed by both the BBC and the CBC. In the course of those interviews he said:

> The leadership in Ethiopia lives in a fantasy world created by its own policies and imagination.

It is evident that these policies of fantasy and imagination have contributed to the suffering of the people over which the regime presides through extravagant spending on military purposes. Almost half the national budget goes to the armed forces. Some $8 billion worth of Soviet military equipment is being imported by a country dependent upon the West to help feed its people and to help provide necesssary medical care.

To that we could add a tragic and indefensible human rights record of such magnitude that, according to the Economist's World Human Rights Guide, Ethiopia has the worst record of any country in the world. For example, there are an estimated 10,000 political prisoners at least. Some of them, like the family of the late Emperor, have been incarcerated for over 10 years without even a charge being brought against them. It is not only people of that standard. Only last week an Ethiopian man visited my office who had been released from a political prison in that country after being incarcerated for seven years simply on suspicion. He was allowed to go free finally when the police informed him that he was no longer suspect. He has never been charged, let alone found guilty of any offence against the country.

• (2215)

With that kind of Government in charge in Ethiopia, not only there but in similar Governments in charge in other countries of Africa, we have to be concerned as a Parliament with the way in which Canadian food aid, development aid, is being used. Is it being used to shore up radical, oppressive, militaristic regimes or can our Government use the leverage which is surely within its grasp to exert a moral influence on immoral regimes that can persuade them if not to turn to

justice, at least to moderate injustice? I am sure that great, great numbers of people in various African countries would cry out with gratitude to any democratic Government that would use the power within its grasp to act on behalf of those who cannot act for themselves. This is not to say we should not be as active in aid causes as we have been. Quite the opposite. But it is to say that we should not be active as an aiding and developing country without using the influence and the opportunities that are before us so that we can thereby lift the level of the lives of people for whom we have some responsibility and where we have some opportunity.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the Hon. Member for Scarborough West (Mr. Stackhouse) has raised a critical issue. The Government of Canada clearly shares his concern over the possible diversion of necessary funds to accommodate needs within an individual country, particularly when the issue in the case of those who are drought stricken in Africa has been brought so well before us and is so well known to us, whether through press reports or through the specific efforts the Government has taken to determine for itself the needs and causes.

It would be unrealistic, however, for us from the Canadian Government's point of view to restrict our efforts in assisting those who are in dire need, dying of starvation and facing constant pressures, to that point where we were not assisting them where we could. We have made special efforts through special envoys and considerations to make sure that any aid we have provided finds its way to the necessary areas and to those people needing it. Those efforts are continuing.

It would be also unrealistic, in direct response to the question of the official who has resigned, to expect that with any Government, with any set of policies, with any bureaucracy, there would not be individuals or problems that would not compound certain situations. That could be said of any country anywhere in the world today. It would also be unfair to say that in this situation in Ethiopia or in other African countries similarly afflicted that policies themselves were the sole cause of the problem.

I could refer the hon. gentleman to the United Nations General Assembly debates several weeks ago, which Assembly was dealing with this issue. I am not sure if there was an emergency debate, but there was a full debate much in keeping with efforts made by other UN initiatives, such as the Bruntland Commission looking at environment and development. All of these issues overlap, and they are being considered.

Canada most of all from from public statements that have been made by the Prime Minister (Mr. Mulroney) and the Secretary of State for External Affairs (Mr. Clark) is very cognizant of the special pressures that exist in Africa and has responded with special economic measures to try to help in a general way not only Ethiopia but other African countries to ensure that human rights are respected in so far as possible, whether in Africa or in other countries throughout the world. Our record is well established and we continue to try to improve it. We continue to try, where we can, to ameliorate and improve the condition of the people directly affected.

• (2220)

WOMEN—INQUIRY IF GROUPS SUBSIDIZED LAST YEAR WILL RECEIVE SAME AID THIS YEAR. (*B*) SIZE OF FUNDING

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, on May 30 I raised an extremely important question with regard to funding for women's organizations in Canada. The Minister replied, suggesting that the Department was not anticipating radical cuts but he would not be at all specific and certainly would not say that the women's organizations would not be getting adequate funding or even the same level of funding they received in the past. His reply covered up the fact that the Department itself does not seem to know how much money will go into the budget for women's programs. In fact, organizations have been given 40 per cent of the funding they received last year and they have no idea how much they will get for the full year. They are, therefore, not able to plan, and some organizations have experienced real difficulties.

The National Action Committee has reported that there have been delays for many organizations across the country. These have been reported to me and other members of our caucus by Quebec and British Columbia women's organizations which have had the same problem. The North Bay Women's Centre had to close down for four months due to delays in funding. The Regina Status of Women had its application turned down although they thought they had met the requirements. It took nearly a year to process the application of the Alberta Status of Women.

Media Watch has heard rumours that there will be cuts of between 5 per cent and 40 per cent. They have only been able to maintain their overhead and regular operations. They have had to put staff on lay-off notice twice this spring. A staff member had to leave because she could not live with the financial insecurity. The National Association of Women and the Law has had to lay off staff. On account of the Canadian Day Care Advocacy Association, the Parliamentary Task Force on Child Care has been extremely stretched and does not have funds to carry on the work it should be able to do.

The 1986-87 Estimates do not even list an amount for the women's department. There is only a global amount for something called citizenship development. That is a cut from previous years. We know that the 2 per cent cuts in discretionary spending will hurt the Secretary of State and women's programs especially because they are in a discretionary area.

Women's organizations have expected increases because they had been promised them in the past. There was a large increase in 1984, albeit perhaps for the wrong reasons. There was an election in 1984. The right thing was done, whether or not for crass reasons of political opportunism. Women's organizations were promised subsequent increases for the next five years and have not been getting them.

Women's organizations play a vital role in Canadian society. They need and deserve stable funding. I do not think the Government understands that Canadian women's organizations are different from women's organizations in other countries. They are not the same as the organizations in the United States or Europe. They do extremely important work. They help to develop Canada. They unite urban and rural women, union and non-union women, women working full time in the home and women in the labour force, women from visible minorities, native women and disabled women. All kinds of women come together. This is a unifying force.

The women's movement has enormous support in Canada from women and men. It is a positive experience for people. It is social change which people see as beneficial. A few very small groups are trying to promote the idea that the women's movement somehow represents far-out groups which do not represent the vast mass of Canadian women. This is totally unsubstantiated. These groups are doing important work for Canada, which work is recognized by Canadians.

A better way to fund the work would be through the tax system. I would like to have a tax credit system instituted. In filling out their income tax forms and child tax credit forms, people would have the opportunity to allocate a certain amount of money to women's organizations. The same could be done for other voluntary organizations in culture, the environment and other areas which contribute to Canadian society. It is somewhat incongruous that the Canadian Government funds its own lobbyists. I think it would be far healthier if Canadian women and men could themselves decide which organizations to support.

• (2225)

In this kind of new way of allocating funds, the Government would be a bookkeeper on the basis of instructions in effect from taxpayers. I think that would be highly desirable. It could be a basis for stable funding and, of course, we want to see more funding for this extremely vital sector which does so very much for Canada. What we have instead, I am sorry to say, is a Government which does not give adequate recognition. We now have a crisis on our hands. In fact, it is only tomorrow that the Secretary of State (Mr. Bouchard) will be meeting representatives from some 60 women's organizations. They are being flown to Ottawa to discuss a crisis which need never have occurred at a substantial cost, more than $70,000, which is more money than some organizations get in their regular funding.

To conclude, I call on the Government to see that we have a stable, adequate system of funding for women's organizations that do so much for Canada.

[*Translation*]

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the Hon. Member for Broadview—Greenwood (Ms. McDonald) is anxious to know whether women's groups who received funding under the women's program last year will receive the same support again this year.

Several factors must be considered by the Department of the Secretary of State in determining which groups will receive Government assistance, and for which objectives and at what levels.

A number of factors must be considered.

[*English*]

The existing track record of groups is important. To what extent have they fulfilled their objectives over the past year? What are their priorities for the coming year and how do these accord with the priorities of the women's program? The number of requests received in the various areas for which funding is provided is obviously another variable. Equally important is the amount of money available for grant purposes.

[*Translation*]

As Hon. Members are aware, all departments have been asked to help reduce the deficit by proceeding with certain budget cuts.

[*English*]

The Secretary of State was most anxious that the women's program of his Department not experience heavy cuts in view of the program's absolutely essential role in promoting the advancement of women. It is not only an essential role, it is a catalytic role, one which cannot be easily replicated.

[*Translation*]

The Minister is very broadly committed to ensuring that there will be no severe cutbacks in the women's program, and the result is there will be only a 5 per cent cut, which is certainly reasonable if we consider that reducing the deficit, like advancing the status of women, is one of the Government's priorities.

On June 26, the Secretary of State will be meeting with representatives of 58 women's groups to discuss ways of minimizing the effects of this cutback. Our Government's commitment to promoting the status of women is important. The women's program is an excellent vehicle for disseminating subjects of interest to women, promoting their autonomy and improving the economic conditions they have to face.

[*English*]

Now that the program's budget level is known, decisions will be going ahead on the many worthy applications received. I understand that last year the women's program funded over 700 organizations. The funding covered diverse issues such as violence toward women, economic independence, the Charter of Rights, legal, health, cultural and educational matters.

[*Translation*]

Mr. Speaker, as I said before, it is clear that the Secretary of State intends to continue his vigorous support of women's organizations in Canada.

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Wednesday, June 18, 1986

The House met at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

APARTHEID

SOUTH AFRICA—CALL FOR COMMONWEALTH ACTION

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, the weak response of Canada to the grave injustice and insult of apartheid in South Africa is certain to cause a crisis within the Commonwealth. Canada has the opportunity now to take the lead by imposing strong economic and diplomatic sanctions against the South African Government. The black nations of the Commonwealth can only feel a sense of dismay at our feeble protests in the face of flagrant disregard for human rights by the oppressive regime of apartheid in South Africa.

Mr. Ramphal, Secretary General of the Commonwealth, has said: "If the Commonwealth is to be true to itself, it has no option but to be in the vanguard of the final push against apartheid". The late Right Hon. John Diefenbaker would have added eloquently to those words by concerted action. Why are we doing so much less?

* * *

INDUSTRY

WHITE FARM EQUIPMENT COMPANY RECEIVERSHIP—EFFECT ON EMPLOYEE

Mr. Derek Blackburn (Brant): Mr. Speaker, Bruce Stanley did not understand what the Minister of Regional Industrial Expansion meant when the Minister said he was seeking a private sector solution to the problems at White Farm Equipment in Brantford. However, Mr. Stanley knows now. First, the Government refused to give loan guarantees to the company. That meant White Farm was forced into receivership and Bruce Stanley lost his job. Then the receiver took control of the pension fund as an asset of White Farm. That meant Mr. Stanley lost his pension. For his 14 years of service he was offered $2,000 in cash or an RRSP. He needs the money now, but when he takes the measley two thousand bucks, the Minister of Employment and Immigration (Miss MacDonald) will cut off his unemployment insurance.

Now Bruce Stanley fully understands the Government's private sector solution. It means he lost his job, he lost his pension, and he lost his unemployment insurance. If anyone on the government benches wants Mr. Stanley's phone number, I would be happy to provide it. I do not know what to say to him.

* * *

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

ANXIETY OF PEOPLE OF SAGUENAY-LAC SAINT-JEAN REGION CONCERNING NEW PAPER PLANT PROJECT IN MATANE

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, I should like to draw your attention to the fact that Saguenay-Lac Saint-Jean residents are anxious concerning the proposed establishment of a new paper plant in Matane.

No, Mr. Speaker, people in my region have nothing against a new project which would create jobs in Matane. Far from it, Mr. Speaker! We in the so-called remote regions know only too well how difficult it is to stay afloat, and how much we have to work to attract new job-creating investments to our regions.

Appreciative though we may be of such job-creating projects, the management and staff of the Abitibi Price Company are increasingly worried.

Are we about to create new jobs in Matane, only to the detriment of other workers in the Saguenay-Lac Saint-Jean region, more particularly in Jonquière and Alma where Abitibi Price is investing $218 million to upgrade its products?

I do not have the answer, Mr. Speaker, but this is a serious matter. I think it is imperative that my constituents be given the full details about this project before our Government decides to award grants.

* * *

SCIENCE AND TECHNOLOGY

NATIONAL OPTICAL INSTITUTE—ANNOUNCEMENT OF START OF CONSTRUCTION

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, on Thursday, June 5, the Right Hon. Prime Minister (Mr. Mulroney) was in Sainte-Foy to announce the start of construction on the National Optical Institute.

S.O. 21

This project was made possible as a result of the Canada-Quebec subsidiary agreement on scientific and technological development.

This world centre for excellence has received a mandate to become self-financing within five years. The institute is a private company, which means that close co-operation with the private sector, government and all parties in the industry is essential to its success.

Thanks to this major project, Quebec City is becoming one of the most important hi-tech centres in Canada, and as a Member from that area, I am very, very proud.

This is one more example of the emphasis placed by our Government on the development of high technology, co-operation with the industry and national reconciliation!

* * *

• (1405)

[*English*]

TRANSPORT

NEWFOUNDLAND RAILWAY AND ROAD SYSTEM

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, next Tuesday the Government of Canada will announce that it will continue the Newfoundland Railway. I welcome the announcement. It is no more than the people of Newfoundland deserve, and no more than this Party did when it was in Government by putting $77 million into the railway. However, that does not absolve the Government of Canada from reaching a comprehensive roads agreement. Newfoundland urgently needs roads to be built—the Trans-Labrador Highway, a road across the northern peninsula to Roddickton and Englee, a road around Hare Bay, and the Trans-Canada Highway itself. The Government of Canada has an obligation to build those roads in Newfoundland and, while I welcome the announcement next Tuesday of the continuation of the Newfoundland Railway, I call upon the Government to make a long-term commitment to building the necessary roads in Newfoundland and Labrador.

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[*Translation*]

EMPLOYMENT PLANNING

ACQUISITION OF HUMAN RESOURCES IN MINING SECTOR

Mr. Guy St. Julien (Abitibi): Mr. Speaker, the Minister of State (Youth) (Mrs. Champagne) recently announced a series of projects that were approved as part of the Innovations Program, one of the components of our Canadian Jobs Strategy.

Mr. Speaker, one of these projects is the human resources acquisition program for the mining industry. It is aimed at setting up a practical training and placement program for graduates in mining technology. Over the next 19 months our Government will be investing nearly one million dollars for Canadian youth.

As a Member of a responsible Government and a Member representing from a mining area, I have complete confidence in the ability and skills of our young people and we will continue to do everything we can to help them become integrated in the labour market in Canada and in Abitibi.

* * *

[*English*]

CANADIAN ARMED FORCES

NANOOSE, B.C., EXPERIMENTAL TEST RANGE

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, this week on Vancouver Island, in the spirit of protecting the earth and her children from radiation and nuclear war, people from Campbell River in the north and Victoria in the south will walk toward Nanoose to protest the Canadian Forces maritime experimental test range. To the best of our knowledge the Government has not yet signed the agreement allowing for the continued use of the Base by the U.S. Navy. People fear that the Americans may be pushing for a further expansion of the Base as they did successfully in 1967 when the present agreement was signed.

In the meantime, while our Government continues to be very secretive about negotiations with the Americans, U.S. submarines, armed with nuclear weapons, continue to use the Base at an accelerating rate. This Base does not serve Canadian interests and is a continuing threat to world peace. It must be converted to peaceful use.

* * *

POLITICAL PARTIES

POSITION OF NEW DEMOCRATIC PARTY ON TRADE NEGOTIATIONS WITH UNITED STATES

Mr. Benno Friesen (Surrey—White Rock—North Delta): Mr. Speaker, last Monday night the Leader of the NDP (Mr. Broadbent) went on national television to talk about the problems Canadians have in trade with the U.S. He spoke of the shakes and shingles issue, of the softwood lumber issue, and the number of import harassments that Canadian businessmen face when they trade with the U.S.

• (1410)

He went on to say that Canadian businesses could not compete with the Americans because they have 260 million in

their market-place. That, Sir, is just the point. That is the very market that we want to open up to Canadian businesses. We want our businesses to enjoy the economies of scale that the Americans enjoy. I want to thank the Leader of the New Democratic Party for making the case so clearly in favour of the free trade negotiations which have started.

* * *

CANADIAN JOBS STRATEGY

ALLOCATION OF FUNDING TO MAKE PUBLIC BUILDINGS ACCESSIBLE TO DISABLED PERSONS

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, the Canadian Jobs Strategy is not only a worth-while training and employment development program, it is also proving to be of major benefit to disabled Canadians.

Under the Job Development Initiative $1.4 million has been allocated to date to help make public and private buildings accessible to disabled persons. These funds have been used for structural modifications and the purchase of special equipment for the disabled.

Job training that benefits the disabled—what an excellent way of not only helping unemployed people gain valuable work experience, but also of providing greater accessibility for the disabled.

That is the kind of combined benefits that the Canadian Jobs Strategy is having for all Canadians from coast to coast.

* * *

AGRICULTURE

PRICE OF FARM FUEL IN PRINCE EDWARD ISLAND

Mr. George Henderson (Egmont): Mr. Speaker, I rise to bring to the attention of this House the peculiar situation in which Prince Edward Island farmers find themselves.

Unlike other consumers, farmers are charged two different prices for fuel. When they fill up at a gas station they pay one price, but when they buy in bulk for the farm they pay a higher price. It costs about ten cents a litre more for gas to plough a potato field than it does to fill up for a Sunday drive.

Why should farmers put up with this undeserved discrimination when the fruits of their labour is cheap food for Canadians? That does not make a lot of sense to P.E.I. farmers.

I call upon the Government to instruct Petro-Canada to lower the price of bulk fuel sold at the farm gate. After all, is Petro-Canada not supposed to be working for Canadians? Does that not include our hard pressed farmers?

S.O. 21

BANKRUPTCY ACT

COMMITTEE RECOMMENDATIONS TO AMEND

Mr. Jim Jepson (London East): Mr. Speaker, a task force on insolvency commissioned by the Minister of Consumer and Corporate Affairs has recently presented the Government with recommendations that have won support from business, labour, creditors, and consumers.

Everybody who has had to work with the current Bankruptcy Act knows that it is sadly out of date and places many hardships on employees and suppliers in particular. Change is long overdue and I hope the Minister will put legislation before the House as soon as possible.

The recommendations in the report that would give adequate and reliable wage protection to employees at little cost should be endorsed by all Members of this House.

Unfortunately the Minister's task force did not recommend any measures to help businessmen who might have supplied inventory to a bankrupt firm. If suppliers are not protected, one bankruptcy might very well push a supplier himself closer to bankruptcy.

I ask the Minister to consider allowing unpaid vendors the right to reclaim goods supplied up to two weeks prior to a bankruptcy or receivership. Small businesses are leading our recovery and we should try to help them in every possible way. Bankruptcy legislation is no exception.

* * *

NUCLEAR ENERGY

EXPORTS OF TRITIUM

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, when the tritium recovery plant at Ontario Hydro's Darlington nuclear station is completed in 1987 Canada will begin exporting tritium to the United States and probably other countries possessing nuclear power. The Department of External Affairs and the Atomic Energy Control Board have approved Ontario Hydro's export plans despite the fact that tritium is not included in any non-proliferation treaty between Canada and the U.S. This is despite the fact that over 90 per cent of all tritium goes into making new hydrogen bombs, into refreshing existing bombs, and into neutron bombs. This is also despite the fact that tritium is the U.S. military's number one weapons priority, and the U.S. has the power to seize all available supplies of tritium within its jurisdiction.

At best, the export of Canadian tritium will boost the nuclear arms race by freeing up U.S. stocks of tritium for military purposes, and by lending moral support to the current weapons build-up. At worst, Canada could provide enough strategic material to add hundreds of extra nuclear bombs to the U.S. stockpile. I call on the Government to reverse this misguided and dangerous decision.

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—AUTO PACT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Prime Minister I would like to direct my question to the Secretary of State for External Affairs.

First, however, I would like to call to the attention of the House the seventy-eighth birthday of our friend and former colleague, the Hon. Stanley Knowles.

Some Hon. Members: Hear, hear!

• (1415)

Mr. Turner (Vancouver Quadra): The Prime Minister has said that the Auto Pact is not to be reopened, and that our cultural industries are not on the negotiating table. Once again the Prime Minister was contradicted by a key American official, Clayton Yeutter, the U.S. trade representative. He responded on behalf of the American Government to the Prime Minister's speech on Monday night. He said:

> President Reagan and Prime Minister Mulroney have agreed all issues should be on the negotiating table.

Will the Secretary of State explain for the Government and the Prime Minister, once and for all, whom are we to believe?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, let me say that I agree with the Right Hon. Leader of the Opposition in congratulating the Hon. Stanley Knowles, as do all Members on this side of the House.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): In looking for guidance as to the American negotiating position, it would be well to listen to Mr. Yeutter. In looking for guidance as to the Canadian negotiating position, the Leader of the Opposition can rely on the words of the Prime Minister of Canada.

[*Translation*]

GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Apparently, the Americans seem to sense a conflict, because they are constantly contradicting not just what is said by the Prime Minister but also by the Secretary of State for External Affairs. They claim that everything is negotiable, whatever the Minister and the Prime Minister may say to the contrary. Are the main U.S. parties right and the Prime Minister wrong, and how, in these circumstances, can Canadians be expected to believe our Prime Minister?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there is no contradiction. The Americans are talking about what they want to discuss. We talk about the things Canada wants to discuss.

[*English*]

PRIME MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): They certainly have a different understanding of what it is about. I am afraid the Secretary of State will be in for a rude surprise.

What about a contradiction by one of his own Ministers and colleagues? Despite the fact that the Prime Minister cited the Auto Pact, which is a sectoral agreement, and cited other sectoral agreements in Toronto, the Minister for International Trade said in Winnipeg yesterday: "We are not—

Mr. Speaker: Order, please. It is not my habit to interrupt, as the right hon. gentleman knows, but perhaps he has a question, please?

Mr. Turner (Vancouver Quadra): It is a Wednesday, Mr. Speaker.

The Minister of International Trade said: "We are not in any way moving toward a sectoral type of agreement." Will the Secretary of State explain why the Prime Minister continues to recite examples of sectoral trade yet is contradicted by his Minister of International Trade?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am in agreement with the Right Hon. Leader of the Opposition that it is Wednesday.

There is no contradiction, as the Right Hon. Leader of the Opposition would know if he paid the House and the people of Canada the courtesy of quoting the Prime Minister in entirety. The Prime Minister made very clear, both in his speech to the people and in his speech in Toronto on Friday night last week, that we are seeking a comprehensive trade agreement. The Right Hon. Leader of the Opposition should have more respect for the people of the country than to leave a contrary opinion.

* * *

AUTOMOTIVE INDUSTRY

REQUEST THAT ALL COMPANIES MEET AUTO PACT PROVISIONS

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Acting Minister of Regional Industrial Expansion. The Prime Minister continues to speak favourably of the benefits of the Auto Pact for the Canadian manufacturing sector and many Canadian workers. Will the Minister accept the strong representations of the existing Canadian auto industry, both workers and management, and immediately require all companies selling into the Canadian market from offshore, including the Korean and Japanese, to

meet the current Canadian Auto Pact requirements with respect to content in this country, parts and equipment, as well as production, in order to preserve the benefits of this industry for the Canadian manufacturing sector? Will he make that commitment today?

Hon. Don Mazankowski (Acting Minister of Regional Industrial Expansion): Mr. Speaker, these are representations which have been received and are being considered. Certainly it would be our hope that all manufacturers in the auto industry would, in due course, achieve the target to which the Hon. Member refers.

• (1420)

MINISTER'S POSITION

Hon. Herb Gray (Windsor West): Mr. Speaker, I just want to ask the Acting Minister why, when it comes to the offshore companies, the Koreans and the Japanese, it is enough to be a matter of hope. Does he not realize that the 133,000 Canadian auto workers in the hundreds of communities dependent on the well-being of the auto industry expect more than pious hope from this Minister? Why will he not make a commitment to make the offshore manufacturers play under the same rules for content and production as the North American manufacturers? Why does he want to put this healthy Canadian industry at risk? Give us a commitment today.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I will certainly take the representation of the Hon. Member into consideration and note that he is against the Koreans and the Japanese and other foreign—

Mr. Gray (Windsor West): I never said that.

Mr. Mazankowski: —manufacturers investing in the Canadian automobile industry, and I regret that very much.

Mr. Gray (Windsor West): That's twisting the facts, and you know it.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—AUTO PACT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the Minister of External Affairs. Auto manufacturers, parts producers, and Bob White told us this morning that the safeguards in the Auto Pact have created the progress and jobs in this sector to which the Prime Minister referred on Tuesday night. Will the Government clearly state that the safeguards in the Auto Pact must continue for the sake of the future of this industry?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, replying, I think, for the eleventh time, the Government of Canada believes that the Auto Pact serves Canada's interests well, and we do not see any purpose in changing a system that works. May I ask the Hon. Member if he had the permission of the Hon. Member for Oshawa to meet Bob White?

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Langdon: Mr. Speaker, we had the permission also to meet Moe Closs, the head of Chrysler, who had exactly the same message as Bob White about the future of this industry and the dangers that it faces because of lack of policy from the Government.

NEGOTIATOR'S INSTRUCTIONS

Mr. Steven W. Langdon (Essex—Windsor): My supplementary question, Mr. Speaker, is the following. Since Simon Reisman has rejected the need for safeguards in the Auto Pact, can the Minister assure the House that Mr. Reisman has been told by himself or by the Prime Minister that he must fight to preserve these auto pact safeguards despite his personal views?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, may I thank the Hon. member for his response. I can assure him, for the eleventh time, I think—

Some Hon. Members: Twelfth.

Mr. Clark (Yellowhead): —that Mr. Reisman follows the instructions of the Cabinet of Canada in carrying out the negotiations.

Mr. Langdon: I must say, Mr. Speaker, it is very hard to understand what the instructions could be. There are so many varied signals.

REQUEST THAT AUTO PACT PROVISIONS APPLY TO KOREAN AND JAPANESE COMPANIES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, will the Government now, at this stage, also extend these safeguard requirements to the Korean and Japanese companies so that there is a level playing field here in Canada and fairness that exists for all the companies that are producing in the automobile sector and producing jobs for our people?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I do not think that suggestion is properly directed to me but on behalf of the Government I will take the representation of the Hon. Member as notice, and it will be considered with the attention we accord to all of his suggestions.

REQUEST THAT PROVISIONS APPLY TO OFFSHORE AUTOMOBILE COMPANIES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I do have a question to ask the Secretary of State for External Affairs, who has told us, now several times, how important it will be to maintain the Auto Pact. How is it

possible to maintain the sanctity—the sacred trust, if you like—of the Auto Pact when 30 per cent of the automobile market in Canada is now being taken by offshore producers who are not subject to the same rules of the Auto Pact? Is it not important that those auto pact rules be applied to offshore foreign auto producers in order to ensure the negotiation and the Auto Pact can be totally safeguarded and protected?

• (1425)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, may I ask the Hon. Member if that question is put to me in my capacity as chairman of the committee of Cabinet responsible for the negotiations with the United States?

Mr. Deans: We didn't know you were.

Mr. Rodriguez: You answer the questions, not ask them.

Mr. Axworthy: Mr. Speaker, if the Minister does not know what his job is, I do not know why he is asking me to determine what it is. We are quite aware of the confusion that is going on now that we have had it confirmed.

RESTRICTIONS ON AUTOMOBILE IMPORTS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would like to ask the Minister another question in his capacity as Secretary of State for External Affairs, if he wants to answer it. Does the Government intend at a very early date to extend the existing import limitations or restrictions on offshore foreign automobile makers as an interim measure until such time as they agree to meet fully all the auto pact requirements under the present North American Auto Pact agreement?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I certainly cannot dispute that, if one wanted confusion, the Hon. Member for Winnipeg—Fort Garry is the source.

As regards the rest of his question, which appropriately lies in the domain of another Minister, I will take it as notice.

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APARTHEID

SOUTH AFRICA—REPORTED IMPOSITION OF RESTRICTIONS ON CANADIAN DIPLOMATS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, the South African Government has completely muzzled the press, thus giving the South African Government licence to slaughter the black population, while Ambassador Babb is free to cross the country painting a picture of racial harmony in South Africa. We have now been informed by officials in External Affairs that the Canadian diplomatic corps is subject to the same limitations. Will the Secretary of State for External Affairs confirm that these restrictions are being applied to our diplomatic corps? Has the Minister invited the South African Ambassador in to give notice of Canada's protest against the imposition of these restrictions on both the press and our diplomatic corps?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, Ambassador Babb was called in and the very strong objections of Canada to the state of emergency were expressed in that consultation. I could not help but be struck by an observation made by Oliver Tambo in Paris today, that a state of emergency is not a Government.

REQUEST FOR IMPOSITION OF CANADIAN DIPLOMATIC SANCTIONS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, the question I originally asked with respect to the restrictions on our diplomatic corps has not been answered. But let us take it as a given that these restrictions are being applied.

Is the Secretary of State for External Affairs willing to warn the South African Government that if these restrictions are not removed from both the press and our diplomatic corps that we will have to impose additional, appropriate sanctions against the South African diplomatic corps?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am certainly prepared to consider that. I hope that the Hon. Member would agree with me that our principal preoccupation now must be to do everything practical we can to bring a speedy end to the regime of apartheid. In our view that means turning great attention in the weeks to come to the possibility of the Commonwealth, in which Canada plays a leading role, being able to move forward against apartheid.

* * *

[*Translation*]

TRADE

FREE TRADE NEGOTIATIONS—CULTURE—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Secretary of State for External Affairs, Mr. Speaker. We have the impression that the Government does not want culture on the table in our free trade negotiations with the United States. This has been said several times, and most recently, on May 22, by the Secretary of State for External Affairs. I will not quote him. In any case, it is in *Hansard*. But then, how can he let two members of the Canadian negotiating team say what they said on Monday: "The question of copyright and intellectual property will be on the table with the Americans", a statement that could well upset the Minister of Communcations. What I want to know

is: How can the Government let our negotiators negotiate culture, if the Government's policy is to exclude culture from these negotiations?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I may point out to the Hon. Member that cultural matters are not what is at stake in trade negotiations.

REQUEST THAT OFFICIALS STOP SAYING CULTURE IS NEGOTIABLE

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I have a supplementary. The Minister is repeating the answer he gave before. My question is: in that case, how can the Government let its officials repeat they are going to negotiate matters connected with culture? Doesn't the Minister realize this is creating a great deal of concern in cultural circles in Canada? If culture is not on the table, we should instruct our officials to stop saying so.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think the Hon. Member is aware that the article he is quoting—I think it appeared in *La Presse*—was based on a briefing for several officials, which dealt with the general subject matter that will be discussed during the negotiations. This reporter put a certain interpretation on that briefing. I think the question is whether culture can be discussed within the context of trade negotiations, and the answer is no.

* * *

• (1430)

[*English*]

INDIAN AFFAIRS

MANITOBA REGION MALADMINISTRATION—MINISTER'S MEETING WITH CHIEFS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. After arranging a meeting with Manitoba Chiefs to discuss follow-ups to last week's report substantiating their charges of widespread abuse and maladministration in the Manitoba region of his Department, the Minister would meet with only eight Chiefs rather than the 23 who had come to represent their bands. Why was the Minister not willing to meet with all of the Manitoba Chiefs so that they could present their plan for dealing with problems in their area? Why did he announce his plan without consulting the Chiefs, the people who are most affected?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, this gives me the opportunity to advise the Hon. Member that I met three times this morning with Indian people from Manitoba, once entering the office, prior to 8 a.m., once with a smaller delegation in my office and later on outside with a number of the groups. There was no plan passed at all. I indicated to them, as I indicated in the House on previous occasions, that the action plan will be developed in conjunction with the Indian people of Manitoba and the independent auditor. The independent auditor returns from Germany this weekend and he will begin that process next week. That is the way we intended to proceed, and that is the way we will proceed.

REQUEST FOR CONSULTATION

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, will the Minister commit himself to meeting with all of the Manitoba Chiefs who are present in Ottawa today to discuss and consult with them the way in which he will go about dealing with the very serious problems in the Manitoba region of his Department? Will he have a proper consultation?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, last week it was determined by all parties that the appropriate way to deal with this would be to have an action plan developed by the independent auditor. At stake, of course, is the credibility of our programs in the whole of Manitoba, and indeed this affects all the Chiefs, all the Councils, and all the Indian people in the Manitoba region, not merely only those who come to Ottawa. My task is to make sure that Indian people in Manitoba know that we are carrying out a process that is going to be effective for all of them and not only those who speak to the Hon. Member.

PLAN PREPARED BY MANITOBA CHIEFS

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development and is on the same subject. I want to know if the Minister is aware of the very carefully drafted plan that has been drawn up by the Manitoba Chiefs, first to clean up the mess in the Winnipeg regional office of Indian Affairs, and second to replace it with a new system, a system of Indian self-government that has been carefully designed within that plan.

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, indeed I am. The plan was presented to me. I made sure that the independent auditor had a copy of the plan and he is aware of it as well. The reason I gave the answer I did to the previous question was to make sure that people understand that we already have the plan. It is important to make sure that the independent auditor, having the plan in hand from the Indian people, will be able to develop an action plan that will be effective and will rectify the situation.

ROLE OF CHIEFS

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, because of the seriousness of the situation in Manitoba and the fact that the allegations have now been substantiated by the

auditor, can the Minister advise the House how quickly we can expect to have this mess completely cleaned up? Does the Minister intend to involve the Chiefs at each step along the way in that process?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Yes, Mr. Speaker, we intend to involve the Chiefs, Councils, and the Indian people of Manitoba. Second, it is hard for me to put a date on it. I met with the independent auditor last Thursday. He left to go to Germany on Friday and he is returning Sunday. I will see him as soon as he gets off the plane.

We have no intention of fooling around with the matter. I indicated at the outset that we are going to rectify the situation with all due speed. We want to do it well, and that is why we are proceeding in the way we said we would proceed.

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CANADIAN JOBS STRATEGY

WAGE SUBSIDY FUNDING OF NON-PROFIT ORGANIZATIONS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. I am sure she is very supportive of and recognizes the contribution of non-profit and volunteer groups in this great country of Canada. Since she has now had plenty of time to consider the Colleen Stewart memo from Toronto, will she now reject one of the recommendations referred to in the memo which is to reduce the wage subsidies in the job-readiness stream used by non-profit organizations from 100 per cent to 50 per cent? Will she today say in the House that she will keep the wage subsidy at 100 per cent and not reduce it to 50 per cent which would kill off many of those volunteer groups?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, we have been very pleased with the co-operation we have received from both the non-private and the private sectors in developing the Canadian Jobs Strategy. We think it is very successful. The proof is that we have so many more applications for that program than there have ever been for any other program. We will continue to involve both the private sector and the non-private sector in the programs under the Canadian Jobs Strategy in the future.

SIZE OF WAGE SUBSIDY

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, for once I would like to get an answer from the Minister. I would like to ask her very specifically whether or not she will reject the recommendation made in this memo that the wage subsidy be reduced from 100 per cent to 50 per cent. Will she reject that recommendation, yes or no?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, we will be only too glad to look at any contributions that the private sector wants to make to this program. We do not have a majority of the projects presently being awarded to the private sector. In fact, in the major program, Job Development, some 73 per cent of the projects go to the non-private sector, to non-profit organizations and to educational institutions, and they are all funded 100 per cent.

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FOOD AND DRUGS

DISCOVERY OF DIOXIN IN FOODS

Mr. Joe Reid (St. Catharines): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. What is the Minister's response, or the response of his Department, to Dr. Davies' report made on behalf of the International Joint Commission in Toronto recently relating to dioxin found in ordinary, everyday foods of Canadians?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, in reply to the Hon. Member, I have stated in the House before that the samples Dr. Davies used and the very narrow base upon which the findings were conducted have been seriously questioned by a number of other scientists. As well, I would like to tell the Hon. Member that the Department, through HPB, has been determining levels of dioxin for at least the last 10 years. All studies indicate that there has been no increase in levels.

The monitoring systems and machinery we use enable us to identify trace amounts. We will continue to do exactly that kind of work. I can state very clearly that, from our findings, the food-chain is not at risk. Should there be any difficulties discerned even with that system, we will obviously take action.

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[*Translation*]

THE ADMINISTRATION

COST OF PRIME MINISTER'S TRIP TO PARIS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I wish to direct a question to the Deputy Prime Minister.

Today's newspapers report that spring in Paris for the Prime Minister and his retinue cost over $500,000. We also know that the tab for meals and hotel accommodation was close to $329,000.

I should like to ask the Deputy Prime Minister how he can possibly justify such expenditures while expecting Canadian families to accept a lower indexation of family allowances?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, one of the highlights of the Prime Minister's trip with certain Members of the Liberal Party and

the New Democratic Party was the convening of a conference of francophone countries, a first ever in history. This is something the Canadian Governments had been seeking to achieve for quite some time. It was only a dream for the previous administration, but this Government made it reality and a source of pride for Canadians.

Ms. Copps: Mr. Speaker, Canadian pride does not carry a price tag. Canadian pride is not up for sale!

• (1440)

[*English*]

COST OF PERSONAL SERVICES

Ms. Sheila Copps (Hamilton East): How can the Secretary of State for External Affairs justify inclusion in that specific bill of springtime in Paris for the Prime Minister and his entourage? Included in that bill is $27,630.72 for unspecified personal services. Who or what were those unspecified personal services?

Some Hon. Members: Oh, oh!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have no lessons to learn from the Hon. Member for Hamilton East on the contribution of the House of Commons or of anyone in public life to pride in the country, nor does the Prime Minister.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): The delegation to the first Francophone summit not only involved representatives of the Liberal Party and of the New Democratic Party in this House—

Some Hon. Members: One each.

Mr. Clark (Yellowhead): —it also involved representatives of provinces in which there is a significant Francophone presence. It involved a number of representatives of Francophones *hors* Quebec. It was not simply a demonstration of the effectiveness of Canada in international diplomacy. Without Canada the conference would never have come to be. It was also a clear demonstration to the nations of the world that the Francophone reality of Canada is a reality across our country.

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EMPLOYMENT

COMMUNITY COLLEGES' APPRENTICESHIP FUNDING

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Will she confirm the fact that her Department has either decided or is about to decide to eliminate funding for statutory pay for students of community colleges under CEIC funding and apprenticeships? Will she confirm that her Department has cut off statutory holiday pay for these people?

Hon. Flora MacDonald (Minister of Employment and Immigration): No, Mr. Speaker, I will not confirm that.

REQUEST FOR INVESTIGATION

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my supplementary question is directed to the same Minister. Would she immediately undertake an investigation to find out why community colleges in Ontario have been advised that in fact that is about to occur, and to ensure that it does not happen? Will she do that?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I will be glad to take the Hon. Member's representation into consideration.

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CANADIAN ARMED FORCES

NANOOSE BAY, B.C., TEST RANGE—CANADA-UNITED STATES AGREEMENT

Mr. Ted Schellenberg (Nanaimo—Alberni): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It will probably be the only question of substance he will receive in this Question Period.

Some Hon. Members: Oh, oh!

Mr. Schellenberg: As the Minister is aware, the agreement between Canada and the United States for the joint operation of the Canadian Forces Test Range at Nanoose Bay, British Columbia, is due for renewal. Could the Minister indicate to the House when that agreement will be renewed, what the term of the agreement will be, and whether there is any substantial change over the previous agreement?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, just before coming into the House I was informed by officials that the Nanoose agreement had indeed been signed for a period of 10 years. I have yet to confirm that, but I have no reason to doubt the information which was conveyed to me.

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CAPE BRETON DEVELOPMENT CORPORATION

OCCUPATION OF MANAGEMENT OFFICES

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Acting Minister of Regional Industrial Expansion. Yesterday in the House the Minister indicated that he was not prepared to intervene in the situation at the Cape Breton Development Corporation

because of the elections for union officers which were taking place. I remind him that the elections are over. The new president and the new officers support whole-heartedly the cause of the seven labour leaders who are occupying management offices. Will the Minister use his rightful authority to intervene and meet with the new president of UMW and those labour leaders to address their serious concerns about job displacement in the coal industry?

Hon. Don Mazankowski (Acting Minister of Regional Industrial Expansion): Mr. Speaker, I am advised that Mr. Burke, the newly elected president, will in fact meet with those who are staging the sit-in to familiarize himself with the issues and to get a broader understanding of their views. I would expect that the Hon. Member would want him to take a certain amount of time in developing his strategy insofar as what transpires next. Perhaps he might be able to convince his fellow workers to remove themselves from the offices of Devco.

Mr. Dingwall: I thank the Minister for his response.

REQUEST THAT MINISTER MEET UNION REPRESENTATIVES

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I talked with the new president, Mr. Burke, an hour ago. He has already met with the seven labour leaders, and he has jointly agreed with them to end this occupation of the management offices if in fact—

Mr. Speaker: Order, please. The Hon. Member has a question, I hope.

Mr. Dingwall: Is the Minister prepared to meet with the new president and those labour leaders forthwith? If he gives them an affirmative answer, they are prepared to end the occupation of those offices. It is in the Minister's court.

Hon. Don Mazankowski (Acting Minister of Regional Industrial Expansion): Mr. Speaker, I am not aware—at least I have not been informed—of whether Mr. Burke has attempted to reach me or contact me. That may have been the case, but I am unaware of it at the moment. My office has been in touch with the Chairman of the Devco board to see whether in fact members of the board or my office might play a useful role in trying to resolve this difficult problem. However, I assure the Hon. Member that we will take his suggestion seriously. We would hope that a satisfacatory resolution can be arrived at, and I assure him of my fullest co-operation.

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FISHERIES

SKEENA RIVER SALMON FISHERY

Mr. Jim Fulton (Skeena): Mr. Speaker, in the absence of the Minister of Fisheries and Oceans, my question is directed to the Minister of Indian Affairs and Northern Development. He is fully aware of the dangerous situation his Government has designed and promoted regarding the salmon fishery in British Columbia, particularly on the Skeena. Could the Minister reveal to Canada and to the House any policy on enhancement and allocation, or does he expect the policy regarding the fishery to be created by the courts and the media?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I think I can respond to the Hon. Member's question. He, perhaps above others in the House, would know that on May 5 the Minister of Fisheries and I met in Vancouver with all interested parties in the salmon fishery. We established a joint working committee to look at matters respecting conservation, preservation, and enhancement of the fishery, and at a co-management scheme. As I recall it, the Hon. Member applauded that at the time.

CO-MANAGEMENT PROPOSAL—REQUEST FOR MINISTERIAL MEETING

Mr. Jim Fulton (Skeena): Mr. Speaker, as I am sure the Minister will recall, the Minister of Fisheries and Oceans was thrown out of the meeting and the co-management proposal was publicly withdrawn. Will the Minister attend a public meeting, along with the Minister of Fisheries and Oceans, before the end of June somewhere in the B.C. northwest, or is this issue not important enough for the two Ministers to put it on their agenda?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Hon. Member is absolutely wrong when he says that the Minister of Fisheries was thrown out of the meeting or that indeed the co-management scheme was withdrawn. It is absolutely untrue. I think it can be said that the consultative process is beginning to move nicely. One difficulty was that there was a perceived legal uncertainty in respect of the four by-laws. As the Hon. Member knows, recently I have taken steps to ensure that the legal uncertainty with regard to those by-laws was removed during the time the process of discussion and consultation with the joint work group was in place. I wish the Hon. Member would quit playing politics with this matter and help us along.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

PUBLIC WORKS

REQUEST FOR INFORMATION ON FEDERAL SURPLUS REAL ESTATE DISPOSAL PROGRAM

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is for the Minister of Public Works. Federal surplus real estate disposal program phases I and II began a few months ago.

Can the Minister tell the House if this process has enabled Treasury Board to make savings and attract private sector investment capital, and does he expect similar fall-outs from phase III of the program?

Hon. Roch La Salle (Minister of Public Works): First, Mr. Speaker, Hon. Members will be pleased to learn that this Government is committed to encourage significant private sector investments.

As to our Government's decision to dispose of surplus buildings, the answer to the Hon. Member's question is this: 250 real estate deals have been concluded so far; $60 million will be added to the public treasury; Canadians will save close to $4 million in terms of taxes and services related to vacant buildings; and, finaly, more interesting still, we have learned that the private sector might invest in excess of $1 billion. That, Mr. Speaker, is what we on this side of the House call good business!

* * *

[*English*]

REGIONAL INDUSTRIAL EXPANSION

CREATION OF JOBS IN CAPE BRETON

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Acting Minister of Regional Industrial Expansion. On May 30 the Minister told a press conference in Cape Breton that the Government had created 844 jobs in that area since the new tax incentives came into effect. There are a lot of unemployed Cape Bretoners who would love to know exactly where those jobs are. Will the Minister table today a breakdown of exactly where those jobs are?

• (1450)

Hon. Don Mazankowski (Acting Minister of Regional Industrial Expansion): Mr. Speaker, I would be glad to provide the Hon. Member with that information. In addition to that, I am advised by my colleague that through the work programs under her auspices 1,372 additional jobs have been created in Cape Breton.

Mr. Gauthier: Table those too.

GOVERNMENT POLICY

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, there were less jobs created by the Department of Employment and Immigration than were created last year. The Government is so busy patting itself on the back that it does not realize we are losing jobs daily. If the Minister's job creation program is so great, will he tell us why there are fewer jobs in Cape Breton today than there were a year ago?

Hon. Don Mazankowski (Acting Minister of Regional Industrial Expansion): Mr. Speaker, I certainly disagree with the premise of the question. I can assure the Hon. Member that there are many more projects and participants in the Canadian Jobs Strategy which will create more jobs in the future. They will be long, durable jobs, rather than the kind of fluff the Hon. Member created when his Party was in office.

* * *

GOVERNMENT EXPENDITURES

PRIME MINISTER'S TRIP TO NEW YORK

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Deputy Prime Minister. It has to do with the peregrinations of the Prime Minister who took three trips costing close to $1 million. I am particularly interested in the New York sojourn which cost $62,000. The Prime Minister rented a room for $1,200 a night, and Fred Doucet, his assistant—

Mr. Speaker: Does the Hon. Member have a question?

Mr. Benjamin: That wasn't the YMCA.

Mr. Axworthy: It might have been the YW.

Mr. Rodriguez: Does the Deputy Prime Minister think that this is the kind of example the leadership of the country should be setting with respect to restraint? Is this what he calls giving an example, or is he like the preacher who says, "Do what I say, not what I do"?

Mr. Hnatyshyn: Name names.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think that the colleague of the Hon. Member who put the question indicated the ridiculous nature of this kind of grasp for headlines in the House of Commons. He suggested that the Prime Minister of Canada, when representing this country at the fortieth anniversary sessions of the United Nations, should stay in the YMCA.

Mr. Benjamin: Why not?

Mr. Clark (Yellowhead): Why not? I thought that that was a casual suggestion. Obviously it was not. Obviously that is the position of the New Democratic Party. In our view this is a country of standing and pride in the councils of the world. We should act that way, as we do.

Some Hon. Members: Hear, hear!

Mr. Blackburn (Brant): Now we know why the Iron Ore Company is laughing all the way to the bank.

Orals Questions

SIZE OF SPENDING

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my supplementary question is directed to the Deputy Prime Minister. I am not asking the Prime Minister to stay at the YMCA.

Mr. Gauthier: Why not?

Mr. Benjamin: I am.

Mr. Axworthy: How about the Holiday Inn?

Mr. Rodriguez: Does the Prime Minister think that this kind of lavish spending, like some Middle Eastern sheik, is the kind of example that Canadians—

Some Hon. Members: Shame.

Mr. Speaker: Order. Order!

Mr. Axworthy: The word is "potentate".

Mr. Speaker: Order, please. Perhaps the Hon. Member could complete his question quickly.

Mr. Rodriguez: Does the Deputy Prime Minister think that this kind of lavish spending, like some Middle Eastern potentate, is the kind of example we should be holding up to the Canadian people while at the same time cutting back on their services and programs?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we now have evidence of division in the NDP on the YMCA.

Mr. Blackburn (Brant): Was it Visa or Master Card?

Mr. Clark (Yellowhead): I guess the only way we can judge that is to see where Premier Pawley stays when he next comes to Ottawa.

Some Hon. Members: Hear, hear!

Mr. Axworthy: He takes his own tent wherever he goes.

Mr. Benjamin: He stays at my place.

Mr. Clark (Yellowhead): Mr. Speaker, I wonder if I might ask the Hon. Member to refrain from making inflamatory comments about the Middle East.

Some Hon. Members: Hear, hear!

* * *

NATIONAL DEFENCE

LOW LEVEL AIR DEFENCE CONTRACT

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I have a question for the Minister of National Defence. At a House of Commons National Defence Committee meeting on April 17 the Assistant Deputy Minister of Finance for the Department of National Defence told us that while there was no specific provision in the Estimates to pay for Low Level Air Defence, the Department had in fact identified funds within its present budget to pay for the Low Level Air Defence system.

Will the Minister tell us now from what items of the National Defence budget money is going to be taken in order to pay for the system? Will the transfer of such funds adversely affect the present or future status of any one of the 33 military bases in Canada?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, the Assistant Deputy Minister of Finance was exactly correct in his answer. The Low Level Air Defence was approved by Cabinet within the last two weeks. It will be in next year's Estimates. You do not put it into Estimates until it has been approved.

With regard to how this will affect military bases, it will be a great boost to our base in Chatham which will be the school for Low Level Air Defence It will have a positive effect on that base.

Mr. Hopkins: He did in fact say that there was money in there for it.

ALLOCATION OF FUNDING

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, will the Minister of National Defence assure the people of Canada today that the presidential designs and theatrical ambitions of the Prime Minister of Canada will not be a financial drain on the Department of National Defence by, for example, using the Hercules aircraft to make his own home movies? Will he assure us—

Mr. Speaker: Order, order. Order, please! Perhaps the Hon. Member has a question that is supplementary to his first question. This is not a supplementay question. Does the Hon. Member have a supplementary question?

Mr. Hopkins: Will he assure us that all such money, with reference to Low Level Air Defence, will be properly allocated to the Canadian Armed Forces where it belongs?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, of course it will be properly allocated. The capital budget of the Canadian Armed Forces represents approximately 27 per cent of the total budget. That capital is allocated in such a way as to provide the military with the equipment it needs to make up for 15 years of neglect by the previous Government. We are trying to do that as orderly and quickly as we can.

RAILWAYS

FUTURE OF CN SHOPS IN MONCTON

Mr. Les Benjamin (Regina West): Mr. Speaker, my question is directed to the Minister of Transport. Canadian National says that Canadian General Electric has expressed an interest in a locomotive manufacturing plant in Moncton. The chief executive officer of Canadian General Electric says that intensive negotiations will begin shortly.

Considering the nebulous state of these negotiations, how can CNR be so specific about the number of people that CGE would keep, the number that would be laid off, the number that would be retrained, and the number that would be retired early?

Mr. Speaker: Order, please.

Mr. Benjamin: What is going on in the negotiations—

Mr. Speaker: Order, please! The Hon. Member has been more than a minute already on that question.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, in an attempt to be forthcoming, on the part of both CNR and Canadian General Electric, and to inform the workers of the extent of their plans, they have used the figures which were in the press release as a basis for the negotiations. They may not be entirely accurate, but on the basis of the preliminary discussions those are the numbers they have come up with.

I think it is encouraging that, of the 1,022 employees, 800 jobs will be secured and 200 people will be eligible for transfer or other benefits pursuant to the corporation. I think it is a good deal for everyone.

Mr. Speaker: Order, please. It is three o'clock.

Mr. Benjamin: I have a supplementary question.

Mr. Speaker: I am sorry, it is three o'clock.

Mr. Benjamin: This is a good time to tell me.

Mr. Speaker: Order, please! Perhaps if the Member had not taken so long on his first question he would have had time for a supplementary question. Unfortunately it is three o'clock.

Mr. Benjamin: Mr. Speaker, I took no longer than anyone else.

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

• (1500)

ROUTINE PROCEEDINGS

[*English*]

CODE OF CONDUCT

TABLING OF REPORT ON ADMINISTRATION AND OBSERVANCE—EMPLOYMENT PRACTICES OF CANADIAN COMPANIES OPERATING IN SOUTH AFRICA

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, pursuant to Standing Order 67(2), I rise to table in both official langages a report on the administration and observance of the Code of Conduct concerning the employment practices of Canadian companies operating in South Africa. A limited number of complete sets of the annual public reports issued by 14 of the 17 companies covered by the Code are available from my office. I understand the three reports still outstanding will be submitted shortly.

If I may, I want to add a word of thanks to the administrator, Mr. Albert Hart, and the Canadian companies who co-operated with him and whose annual public reports are now for the first time available.

* * *

STATEMENT OF SOLICITOR GENERAL OF CANADA

GOVERNMENT POLICY ON CLASSIFICATION OF INFORMATION AND SECURITY CLEARANCE

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, I rise to inform the House that the Government has undertaken a major reform of its policies governing classification of information and personnel security screening. The current policies have been criticized from all quarters, and justifiably so. Too much information has been classified and far too many security clearances are being requested by departments. The policy on security classification of individuals is a full three decades old, dating back to 1956. Cabinet Directive 35, which guides the security screening process, dates from 1963.

[*Translation*]

Mr. Speaker, it's time that the Governement brought its security system into the eighties. We are particularly conscious of the mounting cost of the security clearance program and the growing backlog of requests from departments for clearances based on these old policies. In far too many cases, security clearances are unjustified and unnecessary. Such a system undermines security, instead of ensuing its effectiveness.

[*English*]

I am announcing measures today which will ensure a significant reduction in the demand for security clearances, and require that security clearances undertaken are justifiable, equitable and effective. Our new policy is guided by four basic principles. First, we want to ensure that only Government

information in respect of which protection from unauthorized disclosure is essential to the national interest is classified for security purposes, and that this information is effectively protected.

[*Translation*]

Second, we want to reduce the number of positions in the Government of Canada that require the incumbent to be security screened.

[*English*]

Third, we want to better protect the rights of individuals affected by the Government's administrative security system.

[*Translation*]

And fourth, we want to upgrade the security of Canada by more effectively managing the resources dedicated to the security screening and information classification and protection programs.

[*English*]

Under the new policy, information will only be security classified if it falls into one of six areas: national defence; international affairs; national security, including hostile and subversive activities and threats to the country's security; confidences of Cabinet; federal-provincial affairs; and selected economic interests of Canada. I want to underline that in no way will this new classification system have any effect whatsoever on a person's right to access under the access and privacy legislation.

To reduce the number of positions which require the incumbent to be security screened, the test will be whether an individual has regular and consistent access to classified information as part of his or her official duties. The level of security clearance will be tied directly to the degree of injury the incumbent or contractor could cause if he disclosed information or material assets classified in the national interest.

Based on the degree of injury there will be three levels of security clearance. I believe the vast majority of classified information can be held in the first level, the lowest level. Much tighter control than is now the case will be exercised on the information placed in secret and top secret categories, therefore reducing the necessity for higher level clearances.

[*Translation*]

The criteria to be used in rejecting a candidate for a security clearance must be up-dated and made more equitable. Security investigations must also be done in a completely fair and defensible fashion and with the consent of the applicants, ensuring that the rights of any individual subject to security screening are upheld.

[*English*]

Our security screening criteria will be brought fully into line with the provisions of the Canadian Security Intelligence Service Act. The Government has redefined the rejection criteria so that to be rejected on grounds of disloyality there must be reasonable grounds to believe that individuals are engaged in or may engage in activities which fall within the definition of a "threat to the security of Canada." Under CD 35 a person could be rejected if considered unreliable, not because he is disloyal. This is no longer supportable. Under the new policy, doubts concerning an individual's reliability must be linked to loyality for the employer to reject a candidate for a security clearance. The employer must have reasonable grounds to believe that a person is unreliable.

I want to emphasize to the House that I will soon issue a formal directive to CSIS governing the provision of security assessments which will give the Service detailed guidelines on how the Government expects the new security policies to be put into action. Under my new directive, CSIS may not conduct any security clearance investigation for a department or agency unless the written consent of the individual is first obtained. I will also direct that CSIS conduct all investigations for security clearance purposes in a manner consistent with this consent by the individual and the principles of natural justice, including obtaining consent for the recording of any interviews. CSIS may interview individuals in order to give them an opportunity to resolve any security concerns which might have arisen in the course of the investigation.

[*Translation*]

I also reaffirm the Government's commitment to a fair and equitable review procedure for those denied security clearance. Under the CSIS Act, the Deputy Head must notify any person denied a security clearance within ten days and of their right to complain to the Security Intelligence Review Committee.

[*English*]

The CIRC has demonstrated its value as a review mechanism by the careful, thorough and fair manner in which it has investigated and reported upon those cases which have so far come before it, and the way in which it has brought the principles of natural justice into play in those cases.

[*Translation*]

Mr. Speaker, to direct this new system effectively, the Government has charged Treasury Board with responsibility for the overall management of the new policies. The Treasury Board will assist each department in implementation of the program and monitor compliance with it. CSIS will maintain a central index of all security clearances to assist the Treasury Board and the deparments in the management of the screening program.

[*English*]

The new policies I have announced today are based on two requirements: the need for more responsible management of the Government's security system to improve national security; and the need for a fairer and more equitable treatment of public servants and others who do business with the Government.

Mr. John Nunziata (York South—Weston): Mr. Speaker, I appreciate the opportunity to respond to the Solicitor

General's statement. I would like to take this opportunity to thank the Minister for providing the Opposition with a copy of his remarks in advance of his statement in the House. It is a courtesy which members of the Opposition appreciate and indeed require if they are to comment in an informed manner on various Government initiatives. I would only hope that the Prime Minister (Mr. Mulroney) will in future extend the same courtesy to the Leader of the Opposition (Mr. Turner) before he goes on national television to make statements about free trade.

We in the Opposition welcome the initiative which the Solicitor General has taken regarding reforming the Government's security policies. My colleague from York Centre, a former Solicitor General, has commented on a number of occasions on the need to revise the Government's security policies. Indeed, it can probably be said that the Hon. Member for York Centre (Mr. Kaplan) got the ball rolling toward setting in motion the review and reform we now have before us. The reforms we have before us today are in some respect the culmination of significant reforms initiated earlier in this decade by the previous Liberal Government. For instance, the Canadian Security and Intelligence Service Act, which reformed the security service in this country, gave us a much more precise definition of what, in fact, constitutes a threat to the security of Canada.

• (1510)

This is defined as follows: one, espionage or sabotage that is against Canada or is detrimental to the interests of Canada or activities directed toward or in support of such espionage or sabotage; second, foreign influenced activities within or relating to Canada that are detrimental to the interests of Canada and are clandestine or deceptive or involve a threat to any person; third, activities within or relating to Canada directed toward or in support of the threat or use of acts of serious violence against persons or property for the purpose of achieving a political objective within Canada or a foreign state; and fourth, activites directed toward undermining, by covert unlawful acts, or directed toward or intended ultimately to lead to the destruction or overthrow by violence of the constitutionally established system of government in Canada.

Another piece of Liberal reform legislation which has a significant bearing on these new security policies is the access to information and privacy legislation passed by the Trudeau Government in 1983, and currently undergoing a thorough review by the Committee on Justice and Solicitor General. In fact, the access to information legislation forms the basis of this new policy by adopting the same definition of information subject to security classification.

Under this policy announced by the Solicitor General (Mr. Beatty) information will be security classified if it falls into one of the following areas: national defence, international affairs, national security, confidences of Cabinet, federal-provincial affairs, and selected economic interests of Canada.

Of course, the major piece of reform legislation implemented by the former Liberal Government was the Canadian Charter of Rights and Freedoms. The new security policy has had to take the Charter into account in so far as it respects the rights of the people affected. It has had to take into account that Canadians now have freedom of conscience and religion; freedom of thought, belief, opinion and expression, including freedom of the press and other media of communication; freedom of peaceful assembly; and freedom of association. I am informed by officials in the Department of the Solicitor General that they believe this new policy is in accord with the Charter, and with the equality rights committee's report. Certainly we in the Opposition will follow closely the administration of this policy.

As the Solicitor General pointed out, the policy on security classification is almost as old as I am, going back to 1956. Cabinet Directive 35, which governs the security screening process, dates back to 1963. Indeed, the 1956 policy, which will be replaced under these new initiatives, talks about sealing wax to protect secret papers in transit. In an age when high speed coded electronic messages are, in most cases, standard operating procedures, it is clear that the old security policies are just about as antiquated as the Minister of Justice's new pornography legislation relating to the general definition of pornography.

It is clear that the old procedures had simply broken down. The volume of information being classified is staggering, and the number of security clearances for public servants and contract employees with the federal Government was getting completely out of control. In 1982 there were 76,000 security checks conducted on public servants. In the last fiscal year this number was reduced to 69,000. Officials in the Solicitor General's Department have said that these new policies could reduce the number of security clearances in most Departments by about 25 to 30 per cent. In some Departments, I am told, the figures could even be higher. If that is the case, then it is a welcome development.

In terms of cost alone the old policies placed a heavy burden on the federal treasury. I am told that a standard field investigation for an individual security clearance could cost anywhere between $1500 and $4000. With the number of people requiring clearances under the old policies it is evident that not only was it ineffective, it was also costly.

Again, with respect to the reduction in the number of security clearances required, we in the Official Opposition will be watching the numbers carefully in the future to ensure that the new policy is, in fact, having the desired effect.

In conclusion, once again I would like to thank the Solicitor General for providing me with an advanced copy of his policy. We welcome the initiative taken by the Solicitor General. It is the culmination of an effort that began a number of years ago. We all agree that the present system is not adequate and we anxiously await the implementation of this new policy which the Solicitor General has introduced today.

Statements by Ministers

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I would first echo the comments of my colleague the Hon.Member for York South—Weston (Mr. Nunziata) in thanking the Solictor General (Mr. Beatty) for having provided me with an advanced copy of his new policy, as well as a briefing by his officials, which was most helpful.

The whole question of security clearances and the classification of documents is one that has been a matter of serious concern for a number of years. We have waited far too long for these important changes. In 1983 the head of the Canadian Human Rights Commission, Mr. Gordon Fairweather, appearing before a committee of the Senate said, "unnecessary security clearances, unnecessarily high levels of classification, and unnecessary snooping into the lives of individuals are not only wasteful of our resources, are not only morally repugnant, but they are discriminatory".

Those are strong words, and clearly in my view those words are merited by the current policy. What we must look at is the extent to which the new changes announced by the Minister in practice are going to get rid of this very serious attack on civil liberties, which is the basis of current policy in this area.

Cabinet Directive 35, which was dated in 1963, in fact was effectively superseded by the 1984 Canadian Security Intelligence Service Act. There is a mechanism for review of security clearances and so on.

In examining the early decisions of the Security Intelligence Review Committee on denials of security clearance, I must say that those decisions are not encouraging at all. The decision involving Mr. Andre Henrie, for example, or the decision involving Jack Gold, in both of those situations, was really quite disturbing in a free and democratic society.

It is when we examine the fine print of the Minister's proposal that I believe in many respects these proposals are giving the illusion of change. Unfortunately the discretion which is left to Deputy Ministers is so broad that there may be no effective change at all.

What are the definitions that the Minister relies on for the classification of documents? He relies on the definitions which are found in the access to information legislation. The definition sections in the access to information legislation have been criticized by witness after witness appearing before the Justice Committee as being far too sweeping, as, in effect, allowing the Government to hide any information it wants. Those are precisely the same definitions this Minister is using to classify government information. That is no progress at all.

What about the second major element, the definition that is to be used for security clearances? What we find the Minister saying is we will use the definition from the Canadian Security Intelligence Service Act of threats to the security to Canada. Once again, that definition is so broad, so openended that, in effect, those Canadians who are not engaging in any unlawful activity whatsoever could be targetted by it. If, for example, a Canadian sends money to a church group in South Africa which supports the African National Congress that individual could be targetted under the definition of threats to the security of Canada.

By adopting the sweeping definitions in the access to information legislation, and the wide open definition in the Canadian Security Intelligence Service Bill on threats to the security of Canada, we have seen no effective change at all.

[*Translation*]

Mr. Speaker, these measures give only the illusion of change. The definitions used by the Government are so vague and allow so much discretion tht there is no real change.

[*English*]

Two groups in particular affected in the past by the security clearance provisions will see no effective relief, or at least there is that possibility. Members of parties in this country that many of us might disagree with, but which are legal parties, are targeted still by this definition. The Communist Party of Canada, which is a legal party in Canada and which is entitled to run candidates, and indeed has elected candidates provincially and federally in the past, would deny a person a security clearance.

With respect to homosexuals, the old policy denied homesexuals the right to security clearances. I have a letter from the RCMP, Assistance Officer in Charge of Internal Security, who states that homosexuality is a reliability weakness identified in Cabinet Directive No. 35. There is no guarantee that that policy is being changed either, despite the recommendations of the equality rights Committee.

• (1520)

My concern about the announcement of the Minister is that we are really getting the illusion of change. What we are effectively seeing is smoke and mirrors, with no real substantial change at all. In fact, we may be moving backwards, because hidden in the Minister's announcement is a suggestion that much tigher control than is now the case will be exercised on the information being placed in secret and top secret categories. We are moving backward in this area, rather than moving forward with effective whistle-blower legislation, for example.

I am pleased that the Minister has eliminated the secret tape recording of public servants. I commend him for moving quickly on that once I drew it to his attention.

[*Translation*]

Mr. Speaker, I repeat, there has been no effective change.

[*English*]

The changes are largely illusory and the criticisms which were made by many Canadians, including the head of the Canadian Human Rights Commission, remain well founded. These provisions continue to be discriminatory and excessive.

Finally, I suggest that in view of the fundamental importance of these measures, they should be comprehensively

reviewed by the Standing Committee on Justice and Solicitor General soon, hopefully early in the fall.

* * *

[*Translation*]

PETITIONS

REQUEST FOR ACCESS TO GROUNDS OF GOVERNOR GENERAL'S RESIDENCE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the honour to present to the House a series of petitions, about 20 of them, asking the House in Parliament assembled to urge the National Capital Commission and the Governor General to make the grounds where the Governor General's residence is located accessible to the general public and that the decision to close access to these grounds be revoked, so that all Canadian citizens may enjoy a visit to Rideau Hall.

[*English*]

I want to thank all those who have sent me these petitions in order to attempt to change this decision.

LOCAL MEASURED TELEPHONE CHARGES

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have the honour to table in the House a petition signed by many residents of my constituency of Burnaby who recognize the concern that the telephone pricing scheme known as local measured service, or charging for each local call, means that having a telephone will cost significantly more for most people, particularly senior citizens and the handicapped and those who rely on their telephones, such as voluntary agencies. They call upon Parliament to direct the CRTC to deny to telephone companies such as B.C. Tel, the right to charge for each telephone call and to order the retention of a monthly rental for telephones.

DECOMMISSIONING OF LIGHTHOUSE—REQUEST FOR PUBLIC INQUIRY

Mr. Jim Fulton (Skeena): Mr. Speaker, I have the honour to present a petition calling for a full public inquiry into the need for staffing lightstations on the West Coast of British Columbia as a result of the directive of the Minister of Transport (Mr. Mazankowski) to eliminate staffing of lightstations at Lawyer Island, Boat Bluff, Pointer Island, Chrome Island, Trail Island and Pointer Pass. The same Minister has also directed staff reductions at Lucy Island, Putteney Point, Cape Mudge, Pt. Atkinson and Saturna Island. The petitioners humbly pray that the House will take action.

USE OF PENSION INCOME IN CALCULATION OF UI BENEFITS

Mr. Nelson A. Riis (Kamloops—Shuswap): It is my pleasure to present a petition on behalf of a number of residents from Halifax and Prince George, Sicamous, Revelstoke and Kamloops, British Columbia. They ask that the Government of Canada reconsider the decision to have pension benefits deducted from unemployment insurance benefits, thus effectively eliminating the benefit to the worker of the pension package. They are asking the Government to ensure that all retired employees keep their pension benefits and receive their unemployment insurance benefits without the deduction from pension income.

CONTINUATION OF MAIL BOX DELIVERY SERVICE TO RURAL AREAS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, pursuant to Standing Order 106, I have the honour and privilege to present a petition signed by approximately 100 residents of rural Thunder Bay who object to the possible decision by Canada Post and the Government to eliminate the individual mail box delivery to its rural customers and replace it with central mail boxes many miles away. They call upon Parliament to direct Canada Post to halt its discriminatory cut-backs in service to rural residents and to maintain individual mail box delivery on its rural routes.

* * *

CANADIAN HUMAN RIGHTS ACT

MEASURE TO AMEND

Mr. Albert Cooper (Peace River) moved for leave to introduce Bill C-290, An Act to amend the Canadian Human Rights Act (non-discriminatory practices).

Mr. Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Cooper: Mr. Speaker, the purpose of this Bill is to allow some flexibility and opportunity for churches and religious organizations. This requires some amendments to the Canadian Human Rights Act, which this Bill will accomplish.

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

* * *

[*Translation*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1977

ALLOCATION OF TIME TO CONSIDER THIRD READING STAGE OF BILL C-96

Hon. Barbara McDougall (Minister of State (Finance)) moved:

Time Allocation

That, further to the notice given on Tuesday, June 17, 1986, by the Minister of National Revenue and pursuant to the provisions of Standing Order 117 in relation to Bill C-96, An Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, one sitting day shall be allotted to the third reading stage of the said Bill; and

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

She said: Mr. Speaker, soon after it came to power, this Government introduced a program for economic renewal, which accompanied the economic and fiscal message of November 1984. In it the government envisaged the possibility of limiting the rate of growth of transfers to the provinces as part of a strategy to correct our fiscla situation and stabilize the state of our finances.

More than a year ago, in May 1985, the federal Government announced its decision to limit the rate of growth of transfers under Established Programs Fianacing. At the time the growth of most other categories of expenditures under federal programs had either been reduced or stopped altogether. Transfers to the provinces could not completely be insulated from the Government's efforts to reduce its deficit.

• (1530)

[*English*]

There were no secrets and no surprises.

Bill C-96 was introduced after extensive and prolonged consultations with provinces which began in November of 1984 and continued through to December of 1985. The subject of transfers was discussed with provincial finance Ministers on at least six separate occasions: November, 1984; January, 1985; May, 1985; September, 1985; November, 1985; and December, 1985. EPF was also discussed at the First Ministers Conference in Halifax in November of 1985.

As a result, the provisions of the Bill reflect these federal-provincial discussions and our desire to achieve deficit reduction in the most balanced and reasonable way possible.

The Bill was drafted in early 1986 and given first reading on February 14, 1986. Second reading began in May, and the Bill was referred to committee. The legislative committee on Bill C-96 heard from 18 groups representing a wide variety of interests: organized labour, academics and students, doctors, nurses and other health practitioners, health consumers, and so forth. The Bill was subsequently reported without amendment.

I testified before the Standing Senate Committee on National Finance in the course of its "pre-study" of Bill C-96. I tabled an explanatory paper for the information of Senators and Members of Parliament. I also testified before the House legislative committee on Bill C-96. I have responded to opposition questions and made clear the case of the Government.

This Bill has now been debated for 11 days. This Bill has been debated for 37 hours. There have been 125 Hon. Members who have spoken. *Hansard* will show that the debate is exhausted and the argumentation has become repetitious. Enough is enough.

There is always much talk about the national debt and the need to do something about it. The previous Government talked a lot about deficit reduction. In November of 1981, the Hon. Allan MacEachen, then Minister of Finance, said, "I believe we must reduce our deficit and borrowing requirements substantially". He went on to say, "Some restraint must be applied to our transfers to provinces". This Minister boldly proclaimed: "Now I have set myself the task of cutting back the deficit". As we all know, the deficit was not cut back. Government expenditure grew, and debt charges mounted. That is the situation which compelled the Canadian electorate to defeat the former Government. That is the legacy our Government was elected to rectify. Now we must act. Nothing will be gained by delay or protracted indecision. Indeed, much will be lost.

Public debt charges are growing in size and gaining in *momentum*. If this situation is not addressed, debt charges will erode our ability to sustain the vital social services Canadians now enjoy. More and more federal revenue will be eaten away by spiralling debt charges, and less and less will be available for vital social services. Ultimately, we can only provide what we can afford.

We have carefully reviewed our resources, and the provinces were involved in that discussion. We are collectively working to reduce our over-all debt load. The provinces are also concerned about the federal deficit and the obstacle it represents to continued economic growth of our entire country. Reducing this obstacle to growth benefits both levels of Government. Provinces now enjoy the benefits of Canada's strong economic performance. Provinces will continue to benefit from lower interest rates, increased employment, rising housing starts, and a growing economy.

This transfer to provinces will grow at rates which can be sustained. EPF transfers will total $90 billion over the next five years. That is $25 billion more than over the last five years. Surely this is ample evidence of the federal commitment to health care and post-secondary education. I urge Hon. Members opposite to join with us in support of a measure which both confirms the high priority given by this Government to these social services and the urgent necessity of confronting the federal deficit.

Mr. George Henderson (Egmont): Mr. Speaker, I must say at the outset that I am very astounded that the Government would use Standing Order 117, an order which places time allocation on third reading debate on this most important Bill. I noticed that the Minister of State for Finance (Mrs. McDougall) had a little problem with her voice in speaking, and maybe she needs a doctor. I think this very Bill that we are discussing this afternoon is one that will have a tremendous

effect on our health care system, on our doctors, our hospitals and our senior citizens. Every individual in Canada who requires some measure of health care will be affected by the Bill. I am astounded that the Government would use time allocation, a Draconian measure, to silence the voice of the people for further debate on an issue as important as this.

I say that I am astounded that the Government is cutting off debate. The reason I say that is that just yesterday I received a telex by special delivery, as did other Members of Parliament, from 128 of the 147 physicians practising medicine in the Province of Prince Edward Island. I will read the telex into the record today. It is addressed to me and it states:

> The following list of P.E.I. physicians hereby petition our Members of Parliament, and Parliament, to give favourable consideration to the recommendations of the Canadian Medical Association related to Bill C-96;
>
> 1) That this legislation be restricted to a short-term basis only—and only if absolutely essential to the future economy of the country:
>
> 2) That the financial disadvantages to the Atlantic provinces be excluded from the provisions of this legislation, i.e. that they continue to receive increasing financial support for health care programs on the basis of the existing, established program-funding formula:

The existing formula, now in place, before the legislation changes it—

> 3) That the federal and provincial Governments immediately proceed to negotiate a formal agreement for the future financing of health care in Canada. That agreement should: (a) clearly delineate to the Canadian public the constitutional, fiscal, moral and political responsibilities of both levels of Government to finance health care and (b) provide a level of federal financial support that is inversely related to the fiscal capacity of the provinces or otherwise recognizes and compensates for the fiscal inability of some provinces to provide health services that are reasonably comparableed to those of more affluent provinces.

That telex has the signatures, as I mentioned before, of 128 of the 147 practising physicians in the Province of Prince Edward Island.

The Minister of State for Finance just said, "We have had extensive and long discussions with the provinces and different groups". In other words, she said, I believe, they met six times. Well, what kind of discussions were those? When we find that the Canadian Medical Association, universities and provinces are condemning this legislation, we must wonder what kind of two-way conversation took place. It looks to me as though they went to meet with the provinces and with different organizations, and they said what they are saying by Standing Order 117; "We will talk, we will talk so long, but it will be a one-way conversation".

● (1540)

For the Government and for the Minister to stand in her place today and bring down this sort of a Draconian measure with respect to a Bill as important as this is evidence of the desperate situation in which the Government finds itself.

A couple of my colleagues and I attended some hearings in Atlantic Canada with respect to the issue of EPF. We met with hospital administrators who told us, as I am sure they will tell any other Member of Parliament who takes the time to inquire how this Bill will affect them, that they are already overburdened, They are already underfunded in terms of meeting the real needs of health care in their areas.

We also met with student unions, groups of students who are having extreme difficulty obtaining some sort of education in the out-lying areas of this country. They are finding it extremely difficult to do so because they know that if this Bill goes through and passes, as it is, their tuition fees will increase. These people are already in areas of the country in which they are unable to obtain half-decent summer employment. Some of them in my area will not be able to find any jobs at all this year. Where will they obtain the money to go to university? It is just an impossible situation. As a result, the educational system in the country will deteriorate, and once again we will have second-class citizens in different parts of the country. That is not at all what we should be striving for in this great country of ours. There should be universal access in every part of the country to the education system.

A news release put out by doctors in Atlantic Canada spells out quite clearly that some 87 per cent of doctors in that area have petitioned their Members of Parliament not to reduce extended federal funding for health services by over $21 million over the next five years. That is what it will cost in Prince Edward Island alone. It is also pointed out in the news release that in addition to the losses cited for P.E.I., Newfoundland stands to lose $95 million, Nova Scotia stands to lose $145 million, and New Brunswick will lose $117 million. These are the very areas of the country which can least afford it.

The Minister mentioned that the Government was elected on a policy of economic renewal. We now find out what that term means. It means shifting the tax burden from Ottawa to the provinces. If the provinces are to try to keep up with any sort of a national health care system or educational system they will have to increase their taxes. That is just what the Government is trying to do. It is trying to reduce its deficit while increasing the deficit of the provinces. My constitutents tell me that tax is tax, whether they pay it to the federal Government or to the provincial Government. Why should there be this extra tax burden? The Government may be able to show on paper, in a couple of years, that the deficit is decreasing, while the provincial deficits will be increasing as a result of its actions. I feel that the Government is certainly headed in the wrong direction by trying to shift a tax burden of $8 billion over the next five years from the federal Government to the provinces. That is just not the way to go about it.

In the last election campaign we heard a great deal about co-operation, this great new co-operative spirit between the federal Government and the provinces. I guarantee Hon. Members that as a result of this Bill that co-operation will disappear. I cannot see any provincial Premier of any political stripe agreeing to this sort of Bill.

I know my time has almost run out. However, I would like to go on. I would like to be able to expand on some of my arguments as to why this Bill should not go ahead. However, under Standing Order 117 I am not permitted to speak at any

greater length. I believe the Government will receive its just desserts when it goes to the polls the next time around. I tell every Member opposite that this legislation is very severe legislation for any Member of Parliament who is trying to get re-elected, particularly those from Atlantic Canada. We cannot afford this very unjust legislation, this Draconian measure which is being brought forward by the Government.

[*Translation*]

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I do not understand the Government's proposal. I think it does not realize the kind of problems this measure will cause for the provinces, both for our education system and our health care system, for young and old. A provincial Government cannot maintain these systems without sufficient funding. I am positive the system will start breaking down in a matter of years. I think the Government fails to realize the problems that will result for most provincial Governments. I am sure that in a few years, the federal Government will have to review this legislation.

[*English*]

As I see it, the problem is that the Government has moved with undue haste, not so much in closing off the debate, although I confess that is a bit of an aggravation, but in its effort to cut back on the expenditures at the federal level. It has done one of two things. First, it has either transferred the responsibility to the provinces or it has decided that the systems, both the post-secondary education system and health care, should be reduced as to their effectiveness and openness.

We in Canada have prided ourselves for years in the educational system that we have been able to provide, both for the young and for those who seek to continue their education as necessity requires throughout their lifetimes. Equally, we have prided ourselves for many years in terms of the accessibility of our health care system. We need only look to the Province of Ontario to see what occurs when there is insufficient funds made available for the provision of necessary services. The strike by the doctors, albeit motivated more by greed than by good judgment, I think, nevertheless reflects a fundamental problem of funding within the health care system.

Over the years I have seen, as have many other Members, Governments moving to close wings and remove beds from hospitals which, frankly speaking, were necessary if the level of health care we had up until a few years ago was to be maintained. What I find most disconcerting is that for reasons yet to be explained the Government has decided to run serious risks with the future of accessible health care—accessible in both senses; that is, from the point of view of geography and from the point of view of finances.

I do not think there are many Members of any age in this House who do not recall the problems of the early 1950s, and prior, when there was limited access to health care other than through private plans. Those Members will recall—and if they do not personally recall they would find out about it through discussion with people who lived during that period and were parents of young families—the amount of debt that they were encumbered with as a result of requiring extensive health care.

What will happen as a result of these measures, the one affecting health in particular, is that we will return to a time when there will not be the accessibility that we have come to expect. In our judgment, we are doing that unnecessarily and without justification. We are now embarking upon the taking of risks without adequate justification, and I could predict the end result of that. My predictions are not always correct, I admit, but nevertheless, in this case I think it is based on some factual information. I predict this will have serious deteriorating effects on the availability of hospital and medical care for Canadians throughout the country.

• (1550)

We are not talking only about the Province of Ontario but about every province. In fact, some provinces will be hit harder by the cut-backs than others. The fact is that even after 20 or more years we have not yet been able to achieve that system of health care that affords to everyone reasonably accessible health care within some fair and definable geographic area. I know that in some parts of northern British Columbia, in northern Ontario and Quebec, in the Maritimes and in substantially large parts of the Prairies, getting to a hospital is a chore in itself. If one happens to be unfortunate enough to live in a less densely populated area which once had a small cottage-type hospital available, given the propensity of Governments to cut back in recent years the chances are that that hospital has been either cut back or closed. The chances are that that particular service has not been replaced by any adequate means of transportation. How often have we heard of elderly and sick requiring care who cannot be transported at a speed sufficient to arrive at hospital in time to be looked after?

With those things in mind, it causes me and my colleagues great concern when the Government moves to reduce the amount of money available for the health care system. That is exactly what the Government has done.

I spoke the other day about this same Bill and I dwelt at some length on the question of post-secondary education. Having said that, I would like to refer anyone who is interested to that particular speech. However, I want to spend a moment or two right now talking about the problem of health care.

For years we have argued that before any decisions are made about the suitability of the level of funding we must take a look at the health care system as it exists, and we must modernize it and bring it up to date. We must make sure that it does in fact use the latest technologies and that we are not overlapping responsibilities. We must ensure that we are taking full advantage of all of the new methods and are not encumbering doctors with jobs that could be done by other health care practitioners. We should try to understand that there are various levels of health care required for different people. For instance, the aged do not necessarily need to be in old age homes if they are provided in-home care, but they are not. It has been proven over the world that in-home care is

cheaper than institutionalization. If we were really looking for a way to cut down on the costs of health care, we would be doing a reasonable and accurate analysis to determine whether we are now using all of the most modern and acceptable techniques across the country. However, we are not doing that.

As I am sure many Hon. Members did, last night I watched on television an account of the events taking place in Ottawa and other parts of the country at emergency care units which are being closed down. Doctors decided that they are not going to work. I am not going to argue with them if they do not want to work. I suppose there is nothing I can do about that. There is nothing worse than to be sick and have a reluctant doctor, I suppose. There is nothing worse than to need an operation and have it done by a fellow with a scalpel in his hand and a bitterness in his heart. Whether we or someone sends them back to work or not, clearly they are not going to do the kind of work they ought to be doing. I think that is fair to say.

I was sickened to learn that emergency rooms decided that they would not provide any care at all. Most emergency units, with or without doctors, ought to be able to provide some level of emergency care for people who are in need. The nurses and interns who were in the emergency units ought to have been able to continue to run the units. There should have been a clear delineation of responsibilities in order to take full advantage of all aspects of the system.

Therefore, I suggest that where the Government is falling down lies in the fact that it is looking at only one thing. It feels that if we squeeze the pot smaller, we will in one way or another improve the system of health care. I suggest that that is wrong. It may well be that we could in fact spend fewer dollars, but I do not know if that is true or not. One thing I do know for sure is that that decision cannot be made until we first decide if the system is adequate in its provision of care. We have not yet made that decision and that is why in essence we find this legislation unacceptable and we find the closure motion inappropriate.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I listened with great interest to what the Hon. Member for Egmont (Mr. Henderson) and the Hon. Member for Hamilton Mountain (Mr. Deans) had to say about Bill C-96.

Mr. Speaker, as you know, Bill C-96 has been the subject of 125 speeches in 11 days of debate in the House, which is a lot more than 30 hours of debate altogether.

As you know, Mr. Speaker, the Conservative Government believes in post-secondary education. The Conservative Government is aware of the important of medical and health care services in each of the provinces.

However, Mr. Speaker, the Conservative Government is also aware of the national debt, that Liberal legacy worth more than $200 billion, yes, I said $200 billion, while in 1968, and when the present Leader of the Opposition (Mr. Turner) was Minister of Finance and until 1975, there had been no debt or very little.

Mr. Speaker, between 1968 and 1984, the national debt rose to over $200 billion. And in 1984, if we had not been careful, our deficit would have been $39 billion per year.

I think that, in this debate, we should remember that we are not talking about cuts in transfer payments to the provinces, we are talking about a reduction in the growth of those transfer payments. And that, Mr. Speaker, is entirely different.

We took drastic measures. In the last Budget of February 1986, Mr. Speaker, we said: All departmental expenditures will be limited to a 3 per cent increase, the only exception being transfers to the provinces which will continue to rise 5 per cent annually.

In my estimation, Mr. Speaker, it goes to show what this Conservative Government is prepared to do with respect to post-secondary education and hospital services. But it shows as well that we are respectful of the mandate we were given in 1984, which was to work towards reducing both the annual deficit and the national debt, Mr. Speaker. And this is in addition to job creation.

We have been working hard since September 4 and I think the Prime Minister (Mr. Mulroney) is to be commended for his outstanding performance. We have made it a point to boost the Canadian economy from coast to coast. The evidence of that can be seen in Quebec, among other provinces. We have reached a settlement with Quebec, and the equalization payments have been reduced precisely because the economy has improved in Quebec, as in most other provinces. This is why the equalization payments were lower. This is something we can be proud of. Although post-secondary education and health care come under provincial jurisdiction, the federal Government has decided to help the provinces. But this is a federal statute, no agreement has been signed, Mr. Speaker, and tomorrow morning the federal Government could conceivably decide not to make transfer payments to the provinces, yet it would no be contravening the provisions of the Constitution or of any federal or provincial law. I think we must realize this. Transfer payments to the provinces are made by the central Government on a voluntary basis to help them pay for education and health care.

Again, Mr. Speaker, there is absolutely nothing to force the provinces to report to the federal Government concerning how these funds are spent, be it for post-secondary education or health services. The provinces decide, the money is theirs.

Mr. Speaker, 125 Members have spoken to a Bill that has been discussed since November 1984 with the provinces went through first and second reading and was referred to a legislative committee, where it received no other recommendation except that the House proceed with third reading and passage of the Bill. The Legislative Committee made no further recommendation.

The eighteen groups were heard on Bill C-96 before the Legislative Committee, Mr. Speaker, eighteen groups which came to voice their concerns. I kept in constant touch with Members of the Government who attended the committee sessions, to find out what these groups had to say. They expressed their concerns, but their concerns involved areas that fall under provincial jurisdiction: health care and post-secondary education. Each province, with the Budget it will receive from the federal Government under this legislation, will decide whether in Quebec, in the Maritimes, in British Columbia or Alberta, whether in each of these provinces they will continue to offer the same services or will cut down on these services. That is entirely a matter of provincial jurisdiction, not the federal Government's.

The Committee on Finance and Economic Affairs has also finished its "pre-study" of Bill C-96. All is well, Mr. Speaker, except for the Opposition. The Opposition has simply decided to prevent Bill C-96 from taking its normal course, otherwise it whould have already gone through the third reading stage by now.

It is really too bad because we have some important Bills. We have a lot of business to finish before the end of the session, but the Opposition, as I said earlier, insists on bringing in an incredible number of speakers who all say the same thing. Every Member who spoke—I was here for the first reading and second reading—repeated what the previous speaker had said, and the same applies to the amendment tabled this week.

I think we are wasting precious time which should be used to consider all the other Bills we have to deal with, Mr. Speaker. I could mention C-90 and C-103, which have been prepared by the Department of Finance. All our departments have Bills. We are being held up for no good reason on C-96 which has been discussed with the provinces since November 1984. If the Opposition had its way, we would even celebrate the second anniversary of the date on which the subject was first discussed by the federal Government and the provinces.

Mr. Speaker, I think it is high time the Opposition realized that there are no cutbacks, and that for the last five years the federal Government has given the provinces $65 billion in transfer payments. There will be $90 billion over the next five years, Mr. Speaker, and no matter how you figure it out, $90 billion less $65 billion works out to $25 billion more over five years. If Hon. Members of the Opposition cannot understand that over the next five years $25 billion more will be given as compared with the five previous years, then we will buy them an adding machine, have them take accounting courses—

An Hon. Member: They will not be able to use it!

Mr. Vincent: —we will have to do something because they are wasting the time of the House; indeed we will increase transfer payments to the provinces over the next five years.

An Hon. Member: We are responsible people!

Mr. Vincent: Mr. Speaker, they will increase faster than the expenditures of federal departments. They will go up 5 per cent a year, whereas the federal departments will be limited to a 3 per cent increase.

Mr. Speaker, I think Hon. Members have to be logical and realistic. I see that my time is up, so I simply want to stress the fact that we do need to invoke closure, go on to other importants questions as soon as possible and end the debate on Bill C-96 which has the support of most Members of the House.

• (1600)

[*English*]

Mr. Sergio Marchi (York West): Mr. Speaker, I feel obligated to rise and speak on Bill C-96 this afternoon. As everyone who has paid attention to the debate over the last few days knows, Bill C-96 will have the effect of cutting $8 billion from health and educational services by 1992. We have heard individuals say that there will not be any cuts.

On a more serious note, we have heard a Member on the Government side say that we are wasting the time of Parliament and of Canadians. Nothing could be further from the truth. Today we also have an additional component, namely, for the tenth time in this Parliament the Government, with its absolute majority, has the temerity to cut off debate. The Opposition recognizes that with the numbers in the House we cannot win any vote in the life of this Parliament. We knew that; Canadians knew that. However, what Canadians and the Opposition do not accept is that we are unable to debate the business of the country in this Chamber. That is the greatest irony.

We have a Government with an absolute majority which is afraid to discuss issues and to give the Opposition a chance to articulate the concerns of Canadians from one coast to the other on the two crucial elements which form the basis of Bill C-96. It is a shame that with over 200 Members the Government does not have the courage to listen to what Canadians are saying through their elected Members of Parliament. However, despite what I have said about closure, the Hon. Member said that we were wasting time. I would submit, with all due respect, that the Member reflects how out of sync are the Government and the Conservative Party with the aspirations of average Canadians on the street, whether the street happens to be in Newfoundland or in Victoria, British Columbia. If government Members chose to travel and to meet with individuals in their own constituencies, they would know that this particular piece of legislation cuts across two elements of society—on the one hand, the young *vis-à-vis* education and, on the other hand, the old *vis-à-vis* health services. They are two crucial programs.

As an hon. friend said earlier, there is only one taxpayer. There may be three levels of government, but there is only one taxpayer. Whether it comes from the federal, provincial, or municipal coffers, that taxpayer wishes to have the services which are part of the social contract of the individual with the country.

When we travel across the country—and it is the same in my constituency of York West—and talk with senior citizens, we find out what issues they are concerned about. To a certain degree they are concerned about the pension issue. However, they are also concerned about the health issue, the standard of health care, the delivery of health care, the affordability of health care, and the accessibility to health care. Those are their concerns and they are our concerns with this Bill. We are not wasting the time of Canadians when discussing the merits of this legislation. The Government may believe that it is okay to cut $8 billion by 1992 from health or education if we debate the issue for 25 hours. We are not saying that 30 or 40 hours of debate will make this any better. However, this is the only forum that the Opposition has to prevail upon the mindset which seems to paralyse the Conservative Government. One hopes that because of this debate the Government will finally see that there is something to be said about the Opposition's position.

• (1610)

When I travel across the country and meet with young Canadians the topic of education always comes up. I attended a youth forum two weeks ago at the University of Toronto with Senator Hébert. Virtually the only thing we talked about was accessibility to education. When the Prime Minister (Mr. Mulroney) and his Cabinet Ministers talk about Canada moving ahead with new technology in the 21st century they always bring up education. They say that our institutions must provide our young people with the know-how to compete in the international community. They say that young people must have a chance to grow and develop through our university and college system in order to have the tools to work with in the market-place so that our country and their own lot can be improved.

What are we to tell the young people? What is the Government telling the young people by cutting $8 billion from education and health services in eight years? What are the young people to say about the leadership at the national level? Very often we say that young people do not have fire in their belly any more. In the 1960s and 1970s young people did not talk only about youth issues and education. They talked about the issues of the day. They articulted on the type of world they would like to have. They talked about the disparity between rich and poor. They talked about the gap between the "haves" and "have nots". They talked about war and peace.

Yes, there is now a silence among the youth of the country. Is that any wonder when they do not have motivation, when they are not inspired by their Government to move on to greater things? The Government is moving backwards. It tells the people that although it speaks of education they are not getting the dough to improve their opportunities. You cannot do that with either the young people or the old.

With regard to health care, we in Ontario are witnessing what happens when medical doctors begin to pull away from the medical system. We have seen the reaction. Last weekend the Hospital for Sick Children had a telethon on the CTV network. Why should it be necessary to have a telethon for the Hospital for Sick Children? The York-Finch Hospital in my own constituency has been engaged in a door-to-door campaign to raise funds. Constituents are asking me why they should give to the York-Finch Hospital. It is not that they do not want to give; everyone will find $5 or $10 to give to the York-Finch Hospital or the Hospital for Sick Children. The point is that they assumed that part of the tax moneys they have to pay each year goes toward health care, toward acquiring new equipment for the York-Finch Hospital and toward building the new wing at the Hospital for Sick Children.

The hospitals are forced to campaign to raise more funds. They are forced to ask Canadians to give a little extra. They are forced to be the recipients of telethons. They do not like that. They do not like to go door-to-door and almost beg for money in order to be able to provide the health care system which we need and deserve. They, like other Canadians, look to their governments for that leadership. They expect the Government to have the foresight to provide that system.

In 15 years ours will be an aging population. Unless we build the infrastructure now to care for that aging population we will be out of step with the needs of Canadians. If we do not plan now we will not be able to provide the services that will be required in the future. The same applies to education for our young people.

I would like to emphasize once again that Bill C-96 is a betrayal of Canadianism. It is a betrayal of two unnegotiable essential services which Canadians have come to enjoy and expect as part of their citizenship. We have been able to show world leadership in education and, perhaps more important, education. If this Bill is allowed to pass, today will be a sad day for Canada with respect to educational opportunities for our young and a health care system for our aged.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is indeed with a great deal of sadness that we must stand today to deliver a speech on the closure motion which the Government has now introduced on one of the most important Bills that this House will deal with in this session of Parliament. Bill C-96 will cut $5,600 million from the post-secondary education and health care budgets of the country.

This is possibly the best example we have had recently of the tyranny that a huge majority of government Members can provide. The Government has now introduced closure 10 times. It has said that it does not want to hear any more discussion or debate. It does not want to hear Parliamentarians from all sides of the House present the views of their constituents on this issue.

I can understand why the Government would bring in closure today. I can understand why the Government would take the position that it does not want any more discussion. This Government measure is quite Draconian, extremely

regressive and antipeople. If I was introducing such a negative Bill I suspect that I, too, would like to minimize debate.

The Minister of State for Finance (Mrs. McDougall) stood in her place and said that this Bill went to committee where 18 groups appeared. She omitted something very crucial, that virtually every one of the groups represented at committee spoke against this government initiative. They said that Bill C-96 should not be proceeded with as the Government was attempting. That gives more fuel to the argument that in its present form this Bill is premature. That is why we decided to attempt to hoist this Bill for six months. We wanted to give Members of Parliament a second look at this process and hoped to convince the Government that to cut billions and billions of dollars over the next five years from post-secondary education and health care is wrong.

• (1620)

I must tell you that over the last few weeks, when I returned to my constituency, I made a point of asking people if they knew the Government had a Bill before the House to cut back spending on education, training, research and health care. The typical reaction was sort of a blank stare and gaping mouth. People could not believe the Government of Canada was actually cutting back on health care and post-secondary education. What western industrialized nation other than Canada is cutting back on the money invested in their most important resource, the people of their country?

When you look at the record of that Government it has not always cut back in all areas. It spent $1 billion for the bank bail-out. That is $1,000 million it found over the weekend to help the banks. Then there was the $1 billion tax deal for Dome Petroleum. That did not cause any concern. There was another $1 billion on the Gulf Oil sale. That did not cause any concern. Then of course we get into some other things such as the billions in tax concessions of one sort or another to the corporate sector, for which we get very little in return. By the Government's own admission that is costing billions and billions of dollars in lost taxes. If the Government was interested in cutting back, it could cut back there, to say nothing of the $500,000 capital gains exemption. All those people selling race-horses or jewellery or speculating in land in foreign countries or on foreign stock exchanges do not pay any taxes on the profits from those transactions. We say this is unfair. To give away hundreds of millions of dollars, nay billions, to corporations and wealthy individuals and then say we can no longer afford to invest as we have in health care and post-secondary education is wrong. It is for those reasons that we in the New Democratic Party, along with representatives of the Liberal Party have said, let us pause at this point and examine this matter.

Members of this House from British Columbia have seen the educational system in that province literally fall apart. You would have to look long and hard to find a single educator or any other person seriously interested in education who would say that the Province of British Columbia has not devastated its educational system. People with special needs no longer have appropriate teachers or classrooms. Gifted young people no longer get the kind of education which will enable them to develop their skills and talents as they should. People who live in the rural areas of British Columbia do not have access, because of geography or financial circumstances, to proper educational opportunities. In the province from which I come education has been cut to the bone. As a matter of fact, even the bone has been cut into. When I see that as a result of Bill C-96 some $650 million will be cut from what that Province would normally get for post-secondary education and health care, I just shudder. What kind of educational system will we then have in that part of Canada? I suspect a similar case can be made for other parts of the country as well, and we are very, very concerned.

Many witnesses came before the committee and literally begged the government Members to give second thoughts to what they were doing with Bill C-96. Delegations representing various elements of the health care and post-secondary education systems came before the committee and literally cried to government Members to stop proceeding with this Bill. I do not think there was a single representative who said, proceed with the Bill.

Are members of the Conservative Government really representing the views of their constituents? I would be very surprised if there are many Members of the House, and I would certainly like to hear from them, who have gone back to their constituents, explained that the Government is cutting $5.6 billion over the next five years from education and health care, and then heard them saying go for it. That is a great idea. I suspect those of us who have held public meetings on these issues in our constituencies will all say that the reaction has been total and universal; stop proceeding with this Bill. Do not go ahead. The country cannot afford to take this regressive step.

If we feel that cutting back our investment in health care is the way to resolve the challenges and issues facing the country in that area, we are very wrong. While recognizing that rationalization of the system must occur, we must also recognize that there should first be an examination and analysis of the system regarding the allocation of funds before we hack away at the money invested. For that reason we are disappointed that this Bill is even before us, and even more disappointed that the Government has introduced closure so we can no longer have the opportunity to reflect the views of our constituents on this legislation.

[*Translation*]

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, I welcome this opportunity to take part in the debate on the motion for time allocation with respect to Bill C-96. I was in the House yesterday, Mr. Speaker, and I think we have been hearing the Opposition for quite a long time on this subject. They are not offering any alternative solutions. They propose amendments but no real alternatives. And it's all just talk, talk, talk, along the lines of: It's a sad day for Canada, and it's

this and it's that. Always the same old song, except that when I look around in my riding, Mr. Speaker, everything is fine. My constituents are not sure why, but the economy is in good shape. It costs less to take out a mortgage, so they can go to the bank and refinance the mortgage on their house. When they want to go on a trip, they go and see their bank manager and they say: Well, since interest rates are lower, I suppose we could afford a trip this year. In any case, things are o.k., or at least a lot better. They don't quite know why but they are just fine. So I think that in the next election, Mr. Speaker, we will be able to present Canadians with some really concrete achievements.

The other day, for instance, I was listening to the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin), and I don't know what the definition is for b.s. where he comes from, but where I come from, when we say someone is shooting b.s., it is not exactly a token of respect. Where I come from, it is not a term of endearment. The Hon. Member said that Mr. Roger Hamel, President of the Chamber of Commerce, was shooting b.s. I don't know what he meant, and I wish he would tell me. In any case, I thought it was a bit odd, because it is not a term that is generally used to be nice to someone. The Opposition says the Government promised consultations and co-operation. The Minister's Parliamentary Secretary just said, Mr. Speaker, and I don't know what they mean by consultation, but we have had 125 speeches in eleven days of debate. The Legislative Committee, is a product of our parliamentary reform, is meant to give Members a chance to express their views on a Bill before proceeding with second and third reading in the House. Speaking of parliamentary reform, it is high time Opposition Members said: All right, we agree with the Government because the deficit . . . The Opposition always got itself elected, Mr. Speaker, by wasting the money of the Canadian people. They just turned on the money tap, as wide as it would go, and they practically gave it away, without bothering to make many financial projections. There comes a time when you realize you are living beyond your means. It's like a family, where the father realizes he has a problem when his income is so much per year and his expenses are more than that. There comes a time when he asks his children to sit around the table and talk. My father used to do that. He would say: Listen, Dad has a problem. There isn't any more money. That new bicycle you wanted to buy this year will have to wait another two or three years.

Dad cannot give you money to go out tonight because he does not have any left. As a federal Government, Mr. Speaker, we are taken to task for legislating on the back of the provinces, but I wonder who did benefit from that money in the past 20 years. Somebody did. Perhaps the friends of the Liberals did somehow, because we Conservatives have not been on the receiving end of the Government generosity over the last 20 years.

Mr. Speaker, we know that making cut-backs is not a very popular approach. Of course not. If you cut yourself it hurts for a few days, you end up with a small scar and then forget all about it. For the time being we are trying to rationalize, and that is not very popular.

Mr. Speaker, I listened to the Hon. Member, and I go back to the remarks of my colleague, the Member for Port au Port—I am having a hard time with the name of his riding—the Member for Humber—Port au Port—St. Barbe (Mr. Tobin) who said he wanted to see a Parliament where Members sometimes find enough courage to assume their responsibilities. Well, it so happens—

• (1630)

[*English*]

Mr. Nunziata: I would ask that you note that there are fewer than 20 Members in the House. I would ask you to note the lack of a quorum.

The Acting Speaker (Mr. Paproski): Order, please. There is a quorum, not including the occupant of the Chair. Debate shall accordingly continue.

[*Translation*]

Mrs. Bourgault: Mr. Speaker, I think my colleague from York South—Weston (Mr. Nunziata) wanted—because what I was saying made sense, so he took a moment to raise a point of order.

Mr. Speaker, it so happens that the courage of the Conservatives is to face facts and say: Look, we have been living beyond our means, it is just like a credit card bill, when you get it, you pay. If you fail to pay, they take the card away from you. That is what courage is all about, and this is what we have been doing since September 4.

Mr. Speaker, this is the House of democratically elected representatives, and we were elected on September 4 to carry out this rationalization. It is frustrating! I can understand the reaction of Hon. Members opposite watching this Government accomplish things which the Liberals and even the NDP Members—this is something they do not talk about—but the Liberals were in office during 20 years, they could have done something, but no, they just made sure they were elected and then spent money like drunken sailors.

It takes courage, and the Prime Minister (Mr. Mulroney) has that kind of courage. He is not afraid to talk about difficult years like 1986, years when time has come to tighten our belts and say: Listen, if we want to leave a prosperous country to our children, we must now make difficult decisions, but they have to be made—

Mr. Champagne: —they have not been made—

Mrs. Bourgault: —they have not been made by the Liberals, and I thank my colleague from Champlain.

So the parliamentary reform—and I am getting back to that, Mr. Speaker—consists in admitting that the Government is right. Why not? That is what Members of the Opposition wanted. To admit that the Government is right. And now and

again, I must admit it and we said so on many occasions in the House, we did accept amendments introduced by the Opposition. We have admitted that indeed Her Majesty's Loyal Opposition was right in certain instances. We agreed to bring in the amendments they had recommended.

Now the time has come for them to do the same thing and admit that we are right with respect to Bill C-96, that we have been talking about it for the last 11 days, and that we ought to put an end to the debate.

Mr. Speaker, those are the few remarks I wanted to make on this closure motion. I hope the debate will come to an end so that the House may go on to other important matters in the next few days.

[*English*]

Mr. John Nunziata (York South—Weston): Mr. Speaker, it is with considerable regret and chagrin that I rise in my place today to speak to this closure motion by the Conservative Government. I would like to begin by commenting briefly on this particular motion. It has been referred to as a Draconian measure by this Conservative Government. Indeed, it is. As we look across the aisle in the House of Commons we see 200, and I guess it is nine Conservative Members of Parliament. We had two defections from the Conservative ranks over the last two years. So there are 209 Conservative Members of Parliament. This is the tenth time in less than two years that this Government has invoked the undemocratic measure of closure.

One would ask why it is necessary for this Government to use such an irresponsible, undemocratic and Draconian measure to silence the Opposition. We are few in numbers on this side of the House, 69 members in the Opposition against 209.

An Hon. Member: Only one. Where are they now?

The Acting Speaker (Mr. Paproski): Order, please. I would hope Hon. Members would not reflect on attendance in the House.

Mr. Nunziata: Sixty-nine versus 209, an overwhelming majority, indeed. Why the necessity for closure? There are rules in this House that say Hon. Members can only speak once to a particular motion before the House. It is not as if we could prolong this particular debate *ad infinitum*. There are limits. Indeed, we had quite a number of speakers, but we were nearing the end of our ability to prolong the debate with respect to this very crucial piece of legislation. Why then would the Government invoke closure? It makes absolutely no sense at all. It is indicative of how this particular Government operates.

This is a measure that we consider to be one of the most important pieces of legislation that this House has dealt with over the last two years. The Bill proposes to cut $8 billion from health care and education in Canada. The ramifications will be absolutely and utterly devastating to every region in the country. Yet this Government, in a callous and irresponsible fashion, is ramming this Bill through and silencing the Opposition. I do not know whether the Government can cite any group or organization or individual in Canada that is supportive of this Bill except, perhaps, the 209 Conservative Members of Parliament.

Witness after witness appearing before the committee objected to this legislation. Every last provincial Government in Canada objected to this legislation. Why then is the Government insisting on passing it?

We in the Opposition have pointed out the inadequacies of this legislation. We have pointed out what the negative impacts will be on all regions of Canada. We are simply asking that the matter be held in abeyance for six months in order to give an opportunity for the Conservative Government of Canada to understand that the people of Canada do not want this legislation, that it is harmful and dangerous and pierces the very heart of our nation.

When you start attacking education, when you start attacking health care you are attacking the heart of our country. These are values which we hold very dear. These are institutions that help make our society the best country anywhere in the world. Our educational system and our health care system are the envy of every last country in the world. We have the best system of education and health care. I am convinced of that.

This Government with this particular piece of legislation cutting $8 billion from those two very important areas is going to render health care and post-secondary education, not to second-class, not to third-class, but to last class, because the Members across the way have no class.

• (1640)

You will recall, Mr. Speaker, and I know that at times you are embarrassed to admit that you are a Conservative Member of Parliament, that the Government—

The Acting Speaker (Mr. Paproski): Order, please. I would hope that the Hon. Member would not reflect on the Chair in one way or another. I enjoy listening to the Hon. Member's speech, and I hope he will keep to the debate.

Mr. Nunziata: Out of great respect for you, Mr. Speaker, because I have the ultimate respect for your deliberations and fairness, I will refrain from commenting about the Chair. Let me comment about Conservative Members of Parliament generally.

Mr. Côté (Lac-Saint-Jean): Comment on the Bill.

Mr. Nunziata: Conservative Members, before and during the election campaign, stood tall and told the people of Canada to elect a Conservative Government and they would guarantee to every Canadian a new era of national reconciliation. They talked about a new era of reconciliation and national consultation. They told the people of Canada that they would listen to their views about legislation, rather than ram it through. Those

words ring hollow today. Where was the consultation? Where is the new era of national reconciliation with respect to Bill C-96? Perhaps the Government listened to a limited number of groups and organizations, but every one of them objected to this Bill. If the Government was true to its word, which invariably is not the case, then it would not pass this regressive legislation.

Is it any wonder that after less than two years in Government the Conservative Party has frittered away its mandate and has frittered away its trust with the people of Canada, because they no longer trust the Government or the Prime Minister (Mr. Mulroney)? The electorate has a right to expect its politicians to fulfil their promises, including their promises not to do certain things. The Government, lead by a Prime Minister who is greatly lacking in credibility, honesty and integrity, has frittered away its mandate. The Conservatives had overwhelming support on September 4, 1984, and shortly thereafter, but it has gone. Every public opinion poll that has been published in the last number of months indicates that the Liberal Party is leading the Conservative Party in popular support. Indeed, in the Province of Quebec the New Democratic Party, of all political parties, is leading the Conservative Party. The Hon. Member who spoke previously stood in her place and said: "Everything is well in the state of Denmark". But everything is not well for the Conservative Party. Is it any wonder, when the Conservatives try to ram through legislation like Bill C-96?

Bill C-96 will render our health care and post-secondary educational system third class. In my Province of Ontario there will be $3 billion less in federal transfer payments over the next five years. Imagine the impact of this on health care and post-secondary education in the Province of Ontario. There will be fewer hospital beds, and if we think there is a problem today with the doctors' strike in Ontario and the closure of emergency wards in an increasing number of hospitals, wait until we see what happens when a total of $8 billion is withdrawn from health care and post-secondary education.

We in the Opposition have tried to make the Government understand that this legislation is not only bad, it is wrong. The impact on our economy will be devastating. Rather than listening, the Government has decided to invoke closure. The people of Canada are watching and they understand what is happening with the Conservative Government.

I note that you are about to indicate that my time is up, Mr. Speaker. It is regrettable that we are not given an opportunity to further discuss this important piece of legislation. I would ask for unanimous consent to carry on with my remarks, and I am sure you will find that unanimous consent opposite.

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired.

[*Translation*]

Mr. Michel Champagne (Champlain): Mr. Speaker, I welcome this opportunity to speak to the motion presented by the Minister of State (Finance) (Mrs. McDougall) with respect to Bill C-96, which concerns transfers made by the federal Government to the provinces.

Mr. Speaker, if we consider the total time spent on debating this Bill and the number of Members who have had a chance to speak in the course of eleven days of debate, during the 37 hours at least of debate we have had on this Bill, I think there comes a time when a Government that is responsible and has consulted all ten provinces, that has consulted with the Opposition, both Liberals and New Democrats, a Government that is concerned about the country's financial situation and has a concern for social justice and fairness to each of the provinces, there comes indeed a time when that Government must decide to deal with the question once and for all.

That is what the Minister of State (Finance) has done with this motion. It means that enough time has been wasted by the Liberals and the New Democrats on useless verbiage, and that we should now proceed with more important matters, with measures that will stimulate the Canadian economy by means of new legislation and new regulations introduced, not on a partisan basis but for the benefit of all Canadians, fairly and equitably.

Mr. Speaker, when the Hon. Member for York South—Weston (Mr. Nunziata) spoke earlier of a sad day for Canada, a day to remember, because the Conservative Government was cutting transfer payments, when he said this I think he was completely mistaken. Why was he mistaken? I will explain. When the Liberal Party was in power, there were increases of roughly 7 and 8 per cent a year. I don't think mistaken, but if I am, I am sure someone will say so. Seven and eight per cent per year on transfers to the provinces, at a time when inflation hovered between 12 and 15 per cent. That was the situation when the Liberals were in power. We are giving a 5 per cent increase. Less than what the Liberals gave, granted. However, thanks to the sound management principles of the Progressive Conservative Government, the inflaton take is now around 4 to 4.5 per cent.

So in terms of net gain, the provinces are better off with what we are giving them than they were under the Liberals, because even when they were getting a 7 per cent increase, they had to forego the 5 per cent they needed to keep up with inflation. The increase we are giving them is a better deal, because the inflation rate has gone down.

Mr. Speaker, that is what I call responsible government. This is a Government that is serious about its responsibilities, that negotiates with each province and considers which areas should be given priority treatment. We are aware, Mr. Speaker, that post-secondary education is important. We realize, Mr. Speaker, that health problems are a serious

concern. However, Mr. Speaker, we must be realistic. And the fact is that we were left a deficit of $200 billion by the Liberals.

When we were elected on September 4, 1984, Mr. Speaker, it was not to make empty promises, it was not to waste money as the Liberals did during their 20 years in office, but it was to restore economic order. By restoring economic order we are in a better position to be more generous with the provinces, to make sure that they get fair treatment rather than mere promises. They expect concrete measures, Mr. Speaker, and that is what we are now giving them.

It has been said over and over again that 125 Members have spoken to this Bill, that they were able to tell the Government everything they wanted to say, so I would suggest the the Liberals are mistaken when they claim that we do not consult. Mr. Speaker, they are more mistaken still when they say that we did not speak to the provinces.

Mr. Speaker, there were more than six meetings with the provinces on this subject during the past year alone. These meetings involved discussions with every provincial Minister of Finance. I think it is perfectly normal that the Ministers of Finance of each province are not quite satisfied. But if we look at the provinces' individual budgets, we see that they also have to put their finances on a sounder basis. Each province has certain choices it must make. We saw this with the Liberal Peterson Government. We saw it with the Liberal Bourassa Government. They are cutting back too. And these are Liberals. I don't understand why the Federal Liberals keep telling us they would not make cuts, but on the other hand, I do understand because spending was a habit with them. And they tended to ignore who was paying the bill, but in fact, it was the average Canadian taxpayer who was paying, Mr. Speaker, and they are the ones we want to help today. It doesn't make sense to let the federal Liberals say things that in the final instance would penalize Canadians, because where would the extra money they want to spend come from, Mr. Speaker? From the taxpayers' pockets? No, we won't do that. We have rationalized public spending in order to stimulate the Canadian economy.

I can hear the federal Liberals in Quebec saying: You have cut back payments to Quebec, and that is outrageous. I may remind them that in 1985-86, we are going to spend $4.091 billion, and in 1986-87, it will be $4.329 billion. Of course, they don't understand about increases because Liberals don't know how to count. That we have seen. The New Democrats, who believe the Liberals, think they are right, but then, they don't know how to count either. Mr. Speaker, the message we want to get across in the House and to the Canadian people is that we have to give a reasonable increase that takes into consideration two basic factors: the federal Government's ability to pay, which is very important, and that each province receives a fair and equitable part of these federal transfer payments.

Mr. Speaker, when we sit down and establish these two equations, the inevitable result is a fair deal, and we must not forget that we have to give 5 per cent today, even if it is more than the inflation rate, because we have to live with a situation we inherited from the Liberals. We have no choice. We have to live with it. However, Mr. Speaker, first of all and above all, we want to protect transfer payments to the provinces over the long term. We do not intend to throw money around recklessly and thus jeopardize a transfer program that is so important and so vital to our provinces, especially to Quebec. That is why, Mr. Speaker, I fully support the motion presented by the Minister of State (Finance) (Mrs. McDougall), and I take my hat off to her, because at last we have a Minister of State (Finance) with character and the guts, unlike the Liberals.

• (1650)

[*English*]

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I am very sorry to have to be speaking on such an important subject as Bill C-96 on a motion of closure. This is a very important matter for Canadians concerning the cuts in funding by the federal Government for post-secondary education and health care to the provinces. The reasons we were given for closure by the Minister were very unacceptable. She pointed to the large number—actually, not a terribly large number, but a respectable number shall we say—of witnesses who came before committee, and the committee heard them. Here we have a perfect example of the kind of consultation we are getting from the Conservative Government. Yes, 18 witnesses from 18 organizations were heard, and they all told the Minister that the Bill was unacceptable, that it would cause a great deal of harm to the health care system and to post-secondary education. The Government listened but it did not act. It is not really a question that we need more hours of debate; it is that we need a Government that is prepared to listen to people, to listen to good sense and to listen to good recommendations.

One of the promises the Conservatives gave in Opposition was that they would go back to the 1977 formula for funding. Of course, what we see in Bill C-96 is that they are not going back to the funding in 1977; worse, they are cutting what was promised since then. This is an entirely unacceptable and, indeed, very dangerous proposal they have presented us. They would have us believe that these cuts are necessary for other economic purposes, and they talk very piously about cutting the deficit. The deficit, of course, is not even being cut. It will grow at least by $29 billion this year. They would like to think that if they keep it under the magic figure of $30 billion they are doing us all a favour. The estimate of $29 billion is probably an underestimate, because the Conservatives have not been very good at estimating interest rates or petroleum prices. We will probably have an even higher deficit than $29 billion.

The Conservatives are not cutting the deficit, so what are they doing? They are continuing spending and, indeed, increasing spending in some other areas dear to their hearts, such as trips for the Prime Minister (Mr. Mulroney), on the

Prime Minister's Office, the camera crews, and all of these frills. They have not shown any kind of restraint in these areas. We would certainly like to see restraint in those areas as a first priority, instead of cuts in post-secondary education, in the training of our young people and retraining for others so they will have the skills for the new technological age in which we live, and adequate health care. Instead, what are they doing? They are diverting money from these social programs into other areas of expenditure. The option they have is simply to collect more taxes.

The Government is indeed a continuation of the previous Liberal Government that simply provided enormous loopholes to the corporations. If the Government began to close some of these loopholes it would have more money for post-secondary education, for research and for health care. If we look at the scale of these loopholes we find it is quite instructive. Let us look at what is being collected: personal income tax, $37.7 billion; corporate income tax, $11.7 billion; sales and excise taxes, $18.9 billion; and other taxes and revenues up to $13.3 billion. These amount to a total of $81.6 billion.

What the Government does not tell us about is the very substantial number of giveaways. We can only make guesses as to precisely what these are, and by my calculation this raises the figure up to $26 billion for 1986-87, when we include the corporate giveaways which are listed, and of course we do not even have them all. For much of the data that the Department of Finance reports it is stated that the figures are not available. It is not to say that they do not exist, but that they are giveaways, which make these a very conservative estimate. Of course, we also have unpaid deferred corporate taxes. This figure now totals $32 billion. If one collected even the interest on that, that would be in excess of $4 billion. That kind of money is very substantial, yet we have a Government that is not prepared to go after money. Instead, what it is doing is cutting the social programs. If it needs to cut spending why does it not look at some other areas of Government spending?

For example, just to give an outline of the very high expenditure items, Armed Forces and veterans expenses are more than $11 billion; External Affairs, even if we do not count aid and export development, which are not strictly speaking External Affairs, but rather subsidies to the business sector, amount to more than $1 billion—$1.3 billion; for the courts, for police, for regulatory work, for legal work, the amount is $3.26 billion. That is an enormous amount of money going toward building prisons, including a new prison for the riding of the Prime Minister. Money is spent on legal advice; so there are more contract lawyers. Much of this involves paying off political favours. This is an enormous amount of money. If I were looking for restraint I would look to these items rather than to social programs, the training of our young people and the retraining of others to allow them to obtain better jobs.

● (1700)

In the area of tax collection and finance the total is $3.5 billion a year. That is the amount of money it takes simply to manage financial affairs, to run a big department and to collect taxes. That is a great deal of money. I am sure that there could be economies there. Other administrative charges amount to over $2 billion a year.

However, instead of looking at these important areas the Government cuts into the social programs. The Government admits that our young people, people coming into the labour force, good scientific training and research and development are part of the engine of growth. Yet it has cut into this engine of growth, an extremely misguided move.

The last Conservative Member who rose to speak on this issue defended the Government. I think it is worth referring to what the Quebec Government's reaction was to these cut-backs in federal transfer payments to that province. Quebec, as well as the other provinces, is very much concerned with the losses it will suffer as a result of the passage of Bill C-96. I would like to quote from a letter written by Premier Robert Bourassa to an NDP representative. He wrote:

[*Translation*]

I am sure you know that Quebec Finance Minister Gerard-D. Lévesque announced during the budget speech that his Government had been forced to impose a corporate surtax. The purpose of this surtax is to offset the Quebec treasury revenue shortage due, first to a $66 million payment which Quebec did not receive under the equalization program, second to the $82 million health and post-secondary education transfer payment reduction. The Government of Quebec has promised it would reconsider this surtax imposed as a result of federal cut-backs if the federal Government lives up to its commitments concerning equalization, withdraws Bill C-96, and begins immediate negotiations with the provinces.

[*English*]

The same could be said for other provinces, in the sense that they have asked for negotiations, as was the case back in 1977 when the change was made. This was a negotiated change. We would certainly like to see a negotiated arrangement with the provinces, one that would be acceptable to them and would meet their needs in the important areas of health care and post-secondary education. Instead, more money is being collected in the years in which these cut-backs in post-secondary education and health care financing will be made. However, the Government is directing that money into the private sector. It is continuing its corporate give-aways while adding to other programs, such as export development, which is basically a bonus to Canadian businesses. Even the SEED Program is a way of steering money away from programs which used to be in the non-profit community support sector. That money is now being steered into the private sector.

I see that my time has expired. I simply want to say in closing that this closure motion is shameful. The provinces need this support. It is an important part of Canada's social structure. We should go on to discussing reasonable arrangements with the provinces in these fields.

Time Allocation

[*Translation*]

Mr. Clément M. Côté (Lac-Saint-Jean): Mr. Speaker, I am very pleased to speak to the Bill C-96 debate closure motion. Since April 25 more than 125 Members have had an opportunity to take part in the debate on this very important Bill. Mr. Speaker, had they done so to make interesting observations and make suggestions which might have benefited all Canadians, it would have been excellent. But most of them saw this as a chance to make every kind of accusations against our Prime Minister (Mr. Mulroney), against Ministers, and against Members of the Conservative Party.

Mr. Speaker, since April 25 these Members have done little more than peddle falsehoods. To say that transfer payments to the provinces will be reduced as a result of Bill C-96 is a false statement. There has never been any question of reducing transfer payments.

The Party in office has stated over and over again that the purpose of this measure is to slow down the growth of transfers to the provinces, not to reduce them. As everyone knows—including Opposition Members—$25 billion more will have been paid by 1990.

Mr. Speaker, to try to say and make Canadians believe that these measures will endanger our education system and our health system, that the number of beds in provincial hospitals will be reduced is, in a way, a form of exaggerated demagoguery.

Mr. Speaker, this Bill has nothing whatsoever to do with cutting down the number of hospital beds or reducing health and education services throughout Canada. Quite the contrary, the purpose of this Bill is to protect and continue to help support these services. Because if the number of services increases and the same high quality we have today in Canada is to be maintained, we must ensure that the provinces receive funds from the Canadian Government every year, funds that are to be increased annually in proportion to the rate of inflation.

Of course we all realize that no one can give more than he has or spend more than he earns. And every time we ask Canadian taxpayers for more, Mr. Speaker, the same taxpayers are always paying for these services.

If we were to continue increasing transfers to the provinces in accordance with the policy adopted in 1977, it is clear we would very shortly reach spending levels that would be unacceptable and unrealistic.

Mr. Speaker, in September 1984, Canadians decided to elect a responsible Government, a reasonable Government, a Government that would try to control spending, a Government that would try to control the deficit, a deficit that was leading us to bankruptcy.

Mr. Speaker, if you want us to go on debating this Bill . . . it has been discussed for many hours with the same things being said over and over again, at first, second and third reading. They have been saying the same thing all along. That is why I was very happy to speak to this motion for time allocation.

• (1710)

[*English*]

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, I listened with great interest to the Hon. Member who just spoke. I do not know to whom he is listening, but obviously he cannot be listening to the same communities to which I am listening. I do not know what the post-secondary education community in Quebec has been telling the Hon. Member, but that community has been telling me that this particular measure will mean disaster for that community and, indeed, disaster for the young people of Canada.

I suggest to the Hon. Member that the implementation of this particular measure along with other measures the Government has brought in may be responsible for the present standing of the Tory Party in the polls in Quebec. I suggest to him that when the time of accounting comes, these measures will all be before the people. I hope we keep a record of who has said what on this debate, of who has spoken for this measure and who has spoken against it.

The Hon. Member has said that we are slowing down the rate of growth, not cutting funds to post-secondary education. That is a question of semantics. What is the difference between slowing down and cutting? If one cuts back on speed while driving a car, one slows down the car. What is the difference? The reality is that in my own Province of Newfoundland, over the next five years we will receive $187 million less than we had anticipated—

Mr. Côté (Lac-Saint-Jean): Not true, you're going to receive more.

Mr. Rompkey: Less than we had anticipated. We will receive $187 million less than we expected to receive, $187 million less than had been agreed to by the Government of Canada and the province. The reality is that the Government of Canada unilaterally abrogated an agreement between the Government of Canada and the province—

Mr. Vincent: It's not an agreement, it's a law.

Mr. Rompkey: The Government has told Newfoundland it will receive $187 million less than it promised to pay that province.

Mr. Côté (Lac-Saint-Jean): It's not true.

Mr. Rompkey: It is absolutely true, Mr. Speaker. The facts are incontrovertible. I challenge the Hon. Member's veracity on that point. Clearly he is not being straightforward. What he is saying is not in accordance with the facts. There will be $187 million less going to the Province of Newfoundland over the next five years than the Government of Canada had agreed to spend in a formal arrangement agreed to with the provinces.

The Government abrogated that agreement unilaterally and that is the reality.

I do not care if we call it cuts or slowdowns or whatever, the fact is that the province that has the least fiscal capacity in Canada is going to receive, in order to deal with the education of its young people, its most prized possession, $187 million less over the next five years. That is the reality and those are the facts. Government Members can say whatever they like about the difference between cutting and slowing growth.

The Hon. Member has said that no one can give more than he has. I agree with that. I also agree with the principle of reducing the deficit but the Party opposite was elected to govern and therefore elected to make choices. It is choosing to reduce the deficit by cutting back on a section of society which, I would suggest, is the most important we have that is young people.

Yes, we do have to reduce the deficit but we have to make choices as to where those cuts will be made. I say that when the day of reckoning comes at the time of the next election the people will be able to choose who were for young people and who were against them. I say in all honesty and with all sincerity that this measure hits directly at young people.

University professors are leaving Canada by the hundreds. Research is at an all-time low. Our system of post-secondary education is not just second-rate now, it is third-rate. At a breakfast meeting this morning attended by government Members we heard from the Canadian Association for Continuing Education. At that meeting it was very clearly stated by the teachers themselves that there is probably not one first-class institution left in Canada. That is the reality.

Yes there is a deficit, and yes we have to cut that deficit. Yes, we have to make choices, but do not choose to fight the deficit on the backs of the very people in Canada to whom we should be giving an opportunity. We can talk all we like about industrial strategy, economic policy and free trade, but if we are not going to give young people an opportunity to take part in the jobs the Government says it will create, where is the justice? Where is the fairness of it?

The Government has now added insult to injury. Not only has it told young people that it will fight the deficit on their backs, it has told the Opposition that we cannot talk about it anymore. The Government has now taken from us the last power we have as an Opposition. We do not have any more power. We are 40 and 30 against 211. The only power we have is to hold Bills up and talk about them. The only power left to us is our voices, and we were put here to use our voices in the first place. That is what Parliament is all about.

The Government is going to bring in this measure, but more than that it is going to stop opposition Members from talking about it. It is going to take away from the Opposition the only power it has left. That is the reality of what is happening today and that is what is shameful. That is how the Government has added insult to injury.

I would like to make one more plea to government Members. This is about the fifth time I have spoken on this Bill in the House. My colleagues have spoken as well. One more time, we want to say this to government Members. For God's sake, look at the matter again. If they are going to reduce the deficit and make choices, do not choose against young people. Choose against trips abroad and bank bailouts to cut the deficit, but do not choose to take away from those people the only opportunity they will have to take part in the kind of country government Members tell us they will create. Again, government Members should change their minds before it is too late because the day of reckoning is going to come. During the next election campaign the young people of Canada will size up those who were for and those who were against this Bill. If the standing of the Tory Party in Quebec is low now, it will be absolutely wiped out at that time.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, here we are again with another government Bill and another closure motion designed to reduce the amount of time Hon. Members may speak on a very important piece of legislation. Let me say at the outset, with all due respect to the government House Leader, that this is yet another example of the Government's inability to control the schedule of the House of Commons. This Bill has been before us for quite some time, as have a number of other importance pieces of legislation. In the final days of the sitting of this Session we find that the Government is trying to ram some Bills through. It is regrettable.

Let me deal for a few moments with the ramifications of this Bill. Let me begin by talking about my home Province of Ontario and what we see as being the impact of this legislation that is now being rushed through on the ability of the Province of Ontario to provide for the health care and post-secondary education needs of its many citizens.

• (1720)

Earlier today we heard an argument about whether there would be a cut-back or a reduction in the amount going to the Province of Ontario, or to any of the provinces, or whether it was a slowing of the growth of revenue sharing. An arrangement was made a number of years ago between the provinces and the federal Government which set out some rules. In fact, it was a long-term plan. It provided the provinces and the federal Government with a long-term understanding of how revenues would be transferred from one to the other. It provided provinces with the ability to make long-term plans for the provision of services, such as the reconstruction of universities, and for the provision of moneys for instructional staff and materials, to ensure that future generations received the kind of education which was appropriate and needed.

Let us look at the Province of Ontario. In 1986-87, it will receive $146 million less than it would have under the previous agreement. In 1987-88, it will be $243 million less; in 1988-89, $388 million; in 1989-90, $547 million; and in 1990-91, $722 million, for a total reduction of over $2 billion over that five-

year period in the transfer of funds from federal income tax and corporate taxpayers to the Province of Ontario. In turn, the province will transfer those funds to post-secondary educational facilities and the health care system throughout the province.

By reneging on that agreement, the Government is in step with the previous Government. It is finding ways to shift the burden on to provincial Governments. In turn, partially because of that and partially because of their own philosophy, they will transfer the burden to the local level, whether it be in the form of a reduction in provincial support to municipalities, a reduction in grants to universities and community colleges, or a reduction in the amount of money available for hospitals and medical services. Ultimately it ends up back at the property taxpayer level, one of the most regressive forms of raising money for the public good. That form of raising money is not based upon one's ability to pay but upon the value of one's property and how much that value has inflated over the years, not through anything one has done but because the market-place has set the worth of the property.

By continuing that process, once again the Conservative Government of Canada has indicated that it is not much different from past Liberal Governments. It is just that the Conservatives are in power and the Liberals are not. If there were a switch and the Liberals were back in power, it is guaranteed they would be doing the same thing. They are great in opposition, but the same is not true once they are in power. It seems as if there is a disease on that side of the House.

Ms. McDonald: How great are they in opposition?

Mr. Angus: They are great. They oppose everything. They are the saviour of the average Canadian. However, when they are in power, they forget about that and get back into bed with their corporate friends.

In the moment or two remaining, I want to mention that the reaction of the Province of Ontario was really quite an interesting one. The Liberal Premier of Ontario met with the Prime Minister (Mr. Mulroney) at the First Ministers' Conference back in November and said:

> We are also dismayed by the federal Government's plans to cut established program funding transfer payments for post-secondary education and health. These cuts will amount to about $6 billion over the next five years. These cuts, which were announced without consultation, speeded up by a year without discussion, will weaken our country in the very areas where we must marshal our greatest strength.

That is what he said last November. However, what has he said since? Where is that great white hope of Ontario? He has been silent. Why has he been silent? It is because deep in his heart he agrees with what the federal Conservative Government is doing and finds it difficult to oppose those actions.

As a result of the Bill, more and more pressures will be placed upon our hospitals, our health care system, our colleges, and our universities. Today, Ontario does not have funds to do what it needs to do. For example, northwestern Ontario does not have the funds to provide a proper continuing education program, not in Thunder Bay, but in Atikokan, Kenora, Rainy River, Lake Nipigon, and other such areas. They cannot go out to where people live to provide them with the same opportunities which are available in Thunder Bay or downtown Ottawa.

In conclusion I say that this is a very regressive step. I hope the Government will learn to regret it through time.

Mr. Deputy Speaker: It being 5.27 p.m., the two hours provided for the consideration of the motion before the House have expired, pursuant to the provisions of Standing Order 117. Accordingly, it is my duty to interrupt the proceedings and put every question necessary to dispose of the said motion.

The question is on the motion of Mrs. McDougall:

> That, further to the notice given on Tuesday, June 17, 1986, by the Minister of National Revenue and pursuant to the provisions of Standing Order 117 in relation to Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, one sitting day shall be allotted to the third reading stage of the said Bill; and
>
> That fifteen minutes before the expiry of the time provided for the consideration of government business on the above-mentioned sitting day, any proceedings then before the House shall be interrupted, if necessary, for the purpose of this Order and, in turn, every question necessary to dispose of the said stage of the said Bill shall be put forthwith and successively, without further debate or amendment.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Deputy Speaker: In my opinon the yeas have it.

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

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

• (1730)

(*Division No. 275*)

YEAS

Members

Andre
Attewell
Beatty
Binns
Blackburn (Jonquière)
Blais
Blenkarn
Bourgault
Boyer
Brightwell
Brisco
Caldwell
Carney
Champagne (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Clark (Brandon-Souris)
Clifford
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt
Côté (Lac-Saint-Jean)
Crofton
Crombie
Crosby (Halifax West)
Dantzer
Darling
Daubney
Della Noce
Desjardins
Dick
Dorin
Duplessis
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fraleigh
Fretz
Friesen
Gagnon
Gass
Gervais
Gormley
Graham
Guilbault (Drummond)
Gurbin
Halliday
Hamilton
Hawkes
Hnatyshyn
Hockin
Holtmann
Horner
James
Jardine
Jelinek
Jepson
Johnson (Bonavista-Trinity-Conception)
Kelleher
Kempling
Kilgour
Kindy
Ladouceur
Lawrence
Lesick
Lewis
MacDougall (Timiskaming)
Mailly
Mayer
Mazankowski
McCain
McCrossan
McCuish
McDermid
McDougall (St. Paul's)
McInnes
McKinnon
McLean
Merrithew
Minaker
Moore
Nickerson
Nielsen
Oberle
O'Neil
Oostrom
Peterson
Pietz
Porter
Ravis
Redway
Reid
Reimer
Ricard
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton-Wentworth)
Scowen
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Suluk
Tardif (Charlesbourg)
Taylor
Thacker
Towers
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina
Vincent
Warner
Wilson (Swift Current-Maple Creek)
Winegard
Witer—124.

NAYS

Members

Allmand
Althouse
Angus
Axworthy
Benjamin
Berger
Blackburn (Brant)
Blaikie
Caccia
Copps
Deans
de Corneille
de Jong
Dingwall
Foster
Fulton
Gauthier
Gray (Windsor West)
Heap
Henderson
Hopkins
Hovdebo
Isabelle
Langdon
MacLellan
Manly
McCurdy
McDonald (Broadview-Greenwood)
Nicholson (Trinity)
Nunziata
Nystrom
Orlikow
Ouellet
Parry
Penner
Pépin
Prud'homme
Riis
Robichaud
Robinson
Rompkey
Tobin
Waddell
Young—44.

• (1750)

Mr. Speaker: I declare the motion carried.

POINT OF ORDER

QUERY RESPECTING EXTENSION OF SITTING

Mr. Jean-Robert Gauthier (Ottawa—Vanier): May I, with the indulgence of the House, raise a point of order? It is 24 years today that our House Leader in the Liberal Party was elected to the House. I would just like to underline that event.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Mr. Blaikie: Mr. Speaker, I think we should also call to the attention of the House that today is the twenty-fourth anniversary of the election to this House of the Hon. Member for Winnipeg North (Mr. Orlikow).

Some Hon. Members: Hear, hear!

Mr. Cook: Mr. Speaker, I think it should be brought to the attention of the House that yesterday was George Hees seventy-sixth birthday and he has been here forever.

Some Hon. Members: Hear, hear!

Mr. Benjamin: Mr. Speaker, the House should also realize that the 12 surviving members of this place out of 96 elected in 1968 will be celebrating the occasion under the auspices of your Assistant Deputy Speaker at 1800 hours today and none of the rest of you are invited.

Mr. Speaker: In which case I am not paying for it.

Mr. Gauthier: Mr. Speaker, my real point of order was to the House Leader on the government side, the President of the Privy Council (Mr. Hnatyshyn). Given the mood of celebration, will the Minister give us the undertaking that the additional minutes today on Statements by Ministers will not be added at ten o'clock so as to allow us to celebrate the twenty-fourth anniversary of Mr. Gray?

Mr. Hnatyshyn: I will take it as a representation. I am very irritated when I am not invited to a party.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, question No. 564 will be answered today.

[*Text*]

DIAND—STUDENT ALLOWANCES

Question No. 564—**Mr. Parry:**

Motions for Papers

1. Does the Department of Indian Affairs and Northern Development, directly or indirectly, pay allowances to students studying away from home and, if so, does the Department pay (*a*) $150 per year for clothing allowance (*b*) Grades 8 to 11, $10 per month for personal allowances (*c*) Grade 12, $20 per month for personal allowances (*d*) are these allowances uniform across the country?

2. On what date were these allowances last increased and from what levels?

3. Does the Department have any plans, at present, to adjust these allowances for inflation?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): 1. The Department of Indian Affairs and Northern Development provides clothing and personal allowances to eligible students studying away from home, through payment directly to the student or by funding an Indian Band or organization for this purpose.

The clothing allowance provided varies across the country in regard to both eligibility and amounts provided or allocated, and in many cases reflects local circumstances. In some circumstances, the annual per student clothing allowance provided by the education program extends to a maximum of $350, while in other circumstances, the clothing allowance is not provided by the education program.

A personal allowance of $10 per month is provided to eligible students who are in Grade nine or higher or who are of the age of 14 years to 17 years. A personal allowance of $20 per month is provided to eligible students who are 18 years of age or older. Generally, these personal allowances are uniform across the country, however, some exceptions exist where Bands manage the allowance services and where students are given an allowance along with the responsibility for making their monthly room and board payments.

2. The rates for personal allowances and the approach used in providing clothing allowances were established on April 22, 1970 in an Education Assistance Policy issued by the Department.

3. Although there is no plan at present to adjust these rates, I have asked my Department to include a review of the Education Assistance Policy in departmental work plans for the upcoming years.

[*Translation*]

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

Mr. Speaker: The question indicated by the Hon. Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

[*English*]

MOTIONS FOR PAPERS

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Is that agreed?

Some Hon. Members: Agreed.

* * *

Mr. Speaker: I must inform the House that because of the ministerial statement, this day's sitting will be extended by 21 minutes.

* * *

BUSINESS OF THE HOUSE

PRIVATE MEMBERS' BUSINESS

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): If I might draw to the attention of the House the matter of Private Members' Business. There have been some adjustments in the order of business as a result of discussions among the Parties and I have a draft order here. I am not sure that I need to read it because it has been distributed.

The effect of the order is that the order for consideration of Private Members' Business on Thursday, June 19, 1986, Wednesday, June 25, 1986, and Thursday, June 26, 1986, shall be changed to read as follows: Thursday, June 19, 1986 Motion No. 118, Mr. Caccia; Wednesday, June 25, 1986, Bill C-208, Mr. Isabelle; and Thursday, June 26, 1986, Motion No. 86, Mr. Attewell. The order has been distributed. Rather than take up the time of the House I think you will find a disposition to accept the draft order as distributed because it simply refers to routine matters thereafter.

Mr. Speaker: Is there unanimous consent necessary for its introduction granted by the House?

Some Hon. Members: Agreed.

Mr. Speaker: Shall the order carry?

Some Hon. Members: Carried.

• (1800)

PRIVATE MEMBERS' BUSINESS—PRIVATE BILLS

[*English*]

INTERNATIONAL LAND BOUNDARY ACT (CANADA-ALASKA)

MEASURE TO ENACT

Mr. Jim Fulton (Skeena) moved that Bill C-270, an Act respecting the International Land Boundry between Canada and the State of Alaska, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I am pleased to launch into what I believe will become an historic debate for Canada. This involves part of our sovereign boundary between Canada and the United States, which is something that has come to be contested somewhat more strongly by the United States in recent years.

I think it is important that the House of Commons go on record by voting this into law and demonstrating our exertion of our sovereignty and understanding of sovereignty in relation to this boundary. The territorial boundary that it will entrench in law through a vote of the House is from Cape Muzon, at the southernmost extremity of Dall Island, across to Cape Chacon at the southernmost extremity of Prince of Wales Island and on into the Portland Canal. The reference in the Bill to the closing line from Cape Muzon across to Langara Island will be deleted when the Bill goes to committee so that there is no uncertainty whatsoever as to exactly what is being done by the House and why.

I was somewhat alarmed earlier today when the office of the Secretary of State for External Affairs (Mr. Clark) called my office in regard to Bill C-270 and its entrenchment in law. His office stated that this would: "Prevent us from negotiating the A-B line".

For more than a century Canada has claimed and exerted territorial jurisdiction over Dixon Entrance and the Hecate Strait. The history of the A-B line started long ago, in 1825 in the treaty struck between Russia and Great Britain. Members will recall that in 1867 the United States acquired Alaska from the Russians for $15 million. Both the 1825 treaty and the 1867 treaty referred to line and line of demarcation. Those are very important points in terms of international law.

During the gold rush in the 1890s, particularly during the period of 1898, there were troubles in Yukon and Alaska regarding the large movement of men and women from the United States and Canada up into the gold fields. At that time, following the assassination of President McKinley, Teddy Roosevelt became President of the United States and brought pressure to bear on Prime Minister Laurier to move forward to negotiate and settle the boundaries between British Columbia and Yukon and the State of Alaska, those being the Canada-U.S. boundaries. The Hay-Herbert Treaty was struck and went through the U.S. Senate. A number of points in relation to the Panhandle were settled, almost all of which were against Canada's interests. Six of the main points gave major parts of Canada away.

However, the one part of the boundary that stayed in place and was in Canada's interest was the A-B line at 54°-40′N. This was confirmed in 1867 by an American, Captain W. A. Howard, a U.S. revenue marine, in a letter to the Secretary of the Treasury in Washington. He said: "We left Ward's Harbour, stood down Clarence Strait entering Dixon's Passage, our southern boundary line". Certainly, at the time of the acquisition of Alaska from Russia, the Americans were totally aware that in international law the A-B line, or 54°-40′N, was their southernmost land and territorial boundary.

We must assume that the international law of the world, then and now, was applied in 1903. Therefore, if 54°-40′N was only a maritime boundary, only the southernmost point of the Panhandle would have been settled. Therefore, if the case in 1903 was that this was simply a maritime boundary, then the southernmost point on either Dall Island or Prince of Wales Island would have been the southernmost point of the boundary. Instead, there was a line of demarcation, and it is clear that Parliament has a responsibility to act and vote this into law.

If the boundary was not meant to come within three miles of land, why did the United States agree to it being drawn within three miles of land? That is a question that no one in the United States, either legal scholars or historians, has been able to answer. Clearly, the U.S. has slept on its rights over time and has not thought about bringing forward any issue.

In 1984, an area south of the A-B line was offered for sale by the U.S. Secretary of the Interior. I was glad to have been able to raise it in the House, along with my colleagues in the NDP, and force the issue with the then Liberal Government. Mr. MacEachen, who was the Secretary of State for External Affairs at the time, sent a note to the United States, and that property inside Canada that was offered for sale by the United States was withdrawn.

Last October, Secretary Shultz met with the Secretary of State for External Affairs and asked Canada to consider negotiating the A-B line, the 141st meridian, and the Strait of Juan de Fuca boundaries. I, and I do not believe any Canadians, would object to delimiting the offshore to the 200 mile limit at the Strait of Juan de Fuca and at the A-B line. However, the current Conservative Government proposal to negotiate the internal A-B line is treacherous to say the least and perhaps bordering on treason. Mr. Shultz has appointed Edgar Durwinski, a 25-year Republican member of the U.S. Congress, as the U.S. negotiator on this matter. Futhermore, the U.S. State Department has been working on this issue and there have been discussions of the negotiations between our Secretary of State for External Affairs and the British Columbia Government. I understand that this process is continuing to this very day. Those discussions leading to negotiations have been taking place for almost six months.

International Land Boundary

To discuss or negotiate the A-B line from Cape Muzon to Cape Chacon into the Portland Canal would be wrong at law. Such an attempt by the Government, whether it is involved in free trade negotiations or trying to cozy up to the U.S. administration, would be wrong because any negotiation of that would lead to giving up part of Canada's sovereignty. It would give up major anadromous fisheries, particularly sockeye, but other species as well that come down south of Cape Muzon and Cape Chacon and can be intercepted by the U.S. fleet. There is the military question regarding the entrance and exit of U.S. Trident nuclear submarines which the Americans have been advocating. There is the access to gas and oil rights under the Dixon Entrance, as well as the prospects of poly-metallic sulphides which have been discovered under the area.

I hope that Members of the House will address this Bill with a sense of urgency so that it may go to committee where any questions by Members, officials or scholars can be addressed and any required change of wording can take place. The Bill could then return to the House for its final process of debate and be voted on by the House and entrenched in law in the interest not only of this generation of Canadians but all future Canadians.

As I stated earlier, to negotiate the A-B line and consider any such move is treacherous at best and treasonous if there is to be any consideration of moving that boundary in the interest of the United States. I look forward to hearing other Hon. Members support the entrenchment of the A-B line.

Mr. Chuck Cook (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, were it only so, I would be the first to support the Bill by the Hon. Member for Skeena (Mr. Fulton). However, the Hon. Member has substantially misinterpreted the actual situation.

Bill C-270 purports to recognize and declare that the Canada-Alaska land boundary is the boundary established in 1903 by the Alaska Boundary Tribunal. Indeed, that is a fact. The boundary that divides the lands of Canada and Alaska, in this area, is undoubtedly the boundary established in 1903 by the Alaska Boundary Tribunal. No one would dispute or challenge this, in Canada or in the United States.

So far then, the only criticism that should be levelled against Bill C-270 is that it is redundant and unnecessary. It merely states the obvious. What is wrong with that? The trouble with redundancy is that it can make certainty uncertain at times. A solution without a problem may all too easily create a problem. Of course, the boundary dividing the lands of Canada and Alaska is too well established to be threatened. However, Bill C-270 could only give this boundary a different status than that enjoyed by the rest of Canada's long boundary with the United States. Why should it have a different status? Which is the superior status, and which the inferior? Either way, Bill C-270 could raise troubling questions not only for British Columbia but for all other parts of Canada that share a common land frontier with the United States.

• (1810)

It seems, however, that Bill C-270 is intended to deal with more than the boundary dividing the lands of Canada and Alaska. Clause 2 of the Bill states:

> For greater certainty, the Canada-Alaska boundary includes the A-B line running from Cape Muzon to Cape Chacon to the mouth of the Portland Canal, and a line running headland-to-headland from Cape Muzon to Langara Island.

There is some indication here that the Bill is intended to define not only the boundary for the land but also the maritime boundary between Canada and Alaska. Unfortunately, however, this intention has not been translated into clear legislative drafting; quite the contrary. As a result, it risks prejudicing Canada's position, not advancing it.

There is no doubt that the A-B line was indeed established by the 1903 Alaska Boundary Award and that it divides the lands of Alaska and Canada. That is the common view of both Canada and the United States. The United States, however, insists that the A-B line is, strictly speaking, a land boundary only, in the sense of a line for the allocation of land territories alone, and not for the allocation of sea areas under the sovereignty or jurisdiction of either country. Canada, on the other hand, has always taken the position that the A-B line is not only a boundary dividing the land but a maritime boundary as well, and that the waters south of that line are Canadian, together with the seabed below them.

Regrettably, because of its imprecision, Bill C-270 could be seen to adopt something like the U.S. view of this matter instead of the Canadian one. The language of the Bill, given the history of this dispute, requires greater precision if it is to avoid being interpreted in such a way. Clause 2 states that the land boundary includes the A-B line but does not make clear that it divides the sea as well as the land.

There is yet another anomaly at the end of Clause 2, where the boundary is said to include "a line running headland-to-headland from Cape Muzon to Langara Island". Unfortunately, the line from Cape Muzon to Langara Island was never part of any line established by the Alaska Boundary Tribunal in 1903. As a maritime boundary between Canada and the United States, moreover, a line running from Cape Muzon to Langara Island would make no sense from Canada's perspective, because such a boundary would give the United States a far greater sea area than it has ever claimed west of this line. Clearly, Bill C-270 not only tends to confuse the U.S. and Canadian positions but it also mixes apples and oranges, lateral limits and outer limits in the sea. If it is intended to clarify matters, it really has not succeeded very well.

I have no doubt that the Hon. Member sponsoring this Bill had the most laudable intentions in mind when he put it forward. But it would be too easy to say, "Oh well! Why fuss about a few technical drafting problems? Let's deal with what was intended rather than what was said". These so-called "technical drafting problems", however, could have unfortunate consequences for Canada. Certainly, it is possible to correct them; but these problems are symptomatic of other

difficulties that arise even if we ignore the language of Bill C-270 and address its intentions instead.

Let us imagine for a moment that the Bill before us did enshrine in clear statutory form the longstanding Canadian position with regard to the A-B line in Dixon Entrance. We would still have to ask ourselves whether such a Bill would truly achieve its objectives, or whether it might harm the very interests it sought to protect. I assume that these objectives and interests would be to secure Canada's maritime sovereignty in Dixon Entrance beyond all doubt or challenge. But can any Bill do this any more than a Bill stating that rainfall of North Dakota is not permitted in Manitoba?

The answer is clear. No domestic law or other unilateral action can of itself resolve a boundary dispute with another sovereign state. International law and practice lay down a few basic guidelines for the settlement of maritime boundary disputes between neighbouring countries. I would bring these to the attention of the Hon. Member for Skeena. These were well stated by the Chamber of the International Court of Justice in its 1984 decision in the Gulf of Maine case as follows:

> No maritime delimitation between states with opposite or adjacent coasts may be effected unilaterally by one of those states. Such delimitation must be sought and effected by means of an agreement, following negotiations conducted in good faith and with the genuine intention of achieving a positive result. Where, however, such agreement cannot be achieved, delimitation should be effected by recourse to a third party possessing the necessary competence.

Of course, it can be said that the A-B line in Dixon Entrance is itself the result of a third-party settlement by the Alaska Boundary Tribunal. That, indeed, is Canada's position regarding the status of the A-B line as a maritime boundary. The United States, however, does not accept that position. Successive Canadian Governments have recognized that the only way forward in this matter is either by negotiation or international adjudication. So far, negotiation has been the preferred route, although it has not yet brought about the result we in Canada would like to see. Any Bill enshrining the A-B line as a maritime boundary in Canadian law might well rule out the possibility of a negotiated settlement and virtually force Canada to refer the dispute to third-party proceedings. Is that what the Hon. Member for Skeena wants? Is that what this House wants? International adjudication is a valuable last resort, but one to be entered into by design rather than by mere accident.

Hon. Members will be aware that discussions on the West Coast boundaries were suspended in 1979, pending the conclusion of the Gulf of Maine case. With that case behind us, the United States has suggested that the time may now have come to revert to the other maritime boundaries, at least to see if there may be a basis for some negotiated settlement. The Hon. Member for Yellowhead (Mr. Clark) has taken this proposal under advisement and has sought the views of the B.C. Government to assist him in determining where Canada's best interests might lie. And he has made it clear that he will only decide the matter in accordance with Canada's best interests.

Whether we negotiate now or later, or whether it is ultimately decided to refer the question to third-party settlement, we must still ask ourselves whether any version of Bill C-270 might advance the Canadian position. I have already indicated that domestic legislation would not solve the problem under international law. But could it have some effect on the United States? Let me ask the question another way. How would Canada react if the U.S. Congress were to adopt a law of its own regarding the maritime boundary in Dixon Entrance? Such a law, we can be sure, would incorporate an equidistance line dividing Dixon Entrance equally between Canada and the United States.

That, of course, is the U.S. position regarding the maritime boundary in Dixon Entrance. So far, the United States has only declared its position in a public notice in the U.S. Federal Register, and has done so on the express condition that such notice is without prejudice to any negotiations with Canada. A law adopted by the U.S. Congress in response to some variation on Bill C-270 might not—

• (1820)

Mr. Deputy Speaker: I would ask the Hon. Member to conclude since his time has expired.

Mr. Cook: Mr. Speaker, I will conclude. I would like to point out again that the way to solve this problem is through negotiation and, as a last resort, through an international tribunal. To pass Bill C-270 would only confuse the issue and weaken Canada's bargaining position.

Mr. George Henderson (Egmont): Mr. Speaker, I just want to add some brief remarks to the debate on Bill C-270. First, I want to say that we in the Liberal Party support this Bill. I wish to congratulate and applaud the Hon. Member for Skeena (Mr. Fulton) who has brought this Bill before the House today. As I read the Bill, and as has been pointed out quite clearly, we are talking about the Canada-Alaska boundary, commonly known as the A-B line. In this respect there was a settlement back in 1903 by an international tribunal.

The Bill also states that there is evidence to indicate an attempt on the part of the United States to expand its *de facto* maritime control in the Alaska Panhandle region. I certainly agree that there is evidence to that effect. I will not go into the history of that, nor will I go into the history of the boundary line since that was clearly put on the record by the Hon. Member for Skeena. He has put a great deal of work into presenting this Bill to the House today.

I wish to make some remarks on the comments of the Parliamentary Secretary. He stated that the Bill is not clear in its legislative language and that there are technical drafting problems. I certainly do not see that in the Bill. However, if we were to refer the Bill to committee, then if there are some technicalities which need to be changed in drafting to make it somewhat clearer, by all means let the committee perfect it so

that we can have a Bill which gives us some certainty. It is stated in a clause of the Bill:

For greater certainty, the Canada-Alaska boundary includes the "A-B line" running from Cape Muzon to Cape Chacon to the mouth of the Portland Canal, and a line running headland-to-headland from Cape Muzon to Langara Island.

As I understand the purpose of the Bill as set out by the Hon. Member for Skeena, it is to enshrine in law the boundary established by an international tribunal in 1903 between Canada and the United States. Because of situations which have arisen over the last few years in terms of disputes between Canada and the United States concerning boundaries, especially as they relate to fisheries, if there is any way that Parliament can clear up and allow greater certainty through legislation, then by all means we should go ahead as expeditiously as possible and pass this Bill. We should do this for for the protection of Canada and for the protection of our fishermen and our mineral resources.

Those are my comments, Mr. Speaker. I once again wish to congratulate the Hon. Member for Skeena for bringing this Bill before us today. I hope it will receive the consent and approval of all Members of this astute Chamber.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I am very happy today to have an opportunity to rise in support of Bill C-270 introduced by my hon. colleague, the Hon. Member for Skeena (Mr. Fulton). He has spent a great deal of time and effort, energy and talent examining the reasons behind Bill C-270.

I suspect there is something ominous happening here today. To put that remark into some context, let me give Hon. Members a little historic sketch of how today's discussion came to the floor of the House of Commons. I wish to take Hon. Members back to 1825 when, as they will recall, there was a treaty struck between Russia and Great Britain with respect to the Alaska boundary. At that time the primary interest was the fur trade, specifically the otter fur trade. However, it was appropriate at that time to clearly re-establish that boundary, and the A-B line as we call it today, latitude 54°-40′N, was the parellel identified as the appropriate boundary. It was agreed to by all of the parties involved.

A few years later, when the United States purchased the area called Alaska in 1867, for a sum of $15 million in cash—which was probably one of the best purchases the United States has ever made for a territory—it also agreed during the negotiations of that purchase that the line that would separate Alaska and the area we now call British Columbia would be the A-B line, or the area called latitude 54°-40′N. A few years later there was some question as to whether or not this was the appropriate boundary. Thus President Roosevelt struck the Hay-Herbert Treaty in 1903.

This was a treaty negotiated by three American representatives, two Canadian representatives appointed by Prime Minister Laurier and a representative from the United Kingdom. They examined a variety of areas concerning Canada-U.S. boundaries that were in some dispute. They unanimously agreed on this particular issue with respect to the A-B line. In fact, the vote of the international tribunal which looked into this particular boundary issue was six to zero. It agreed that, yes, this was the appropriate boundary, one that had traditionally been in place for, at that time, a number of decades.

On July 6, 1909, Canada also decided to take a position on this matter when the Cabinet of the day passed an Order in Council, which essentially reasserted its position that the A-B line was the boundary between Alaska and Canada, or Alaska and British Columbia—between the United States and Canada to be specific.

Those of us who have an interest in history, or a professional interest in history—and I know there are a number of historians in the House today who will confirm this—know that the cry "54-40 or fight" was the battle-cry of the Americans when those people living in Oregon wanted to establish the northern boundary of the territory of Oregon right up to the Alaska boundary. This move was essentially designed to eliminate that part of Canada and make it a continuous border of the United States. It is not surprising that the battle-cry was "54-40 or fight", since that was the identified boundary between, at that time, the United States and Canada, with respect to the area now known as the West Coast of British Columbia.

What my colleague from Skeena is suggesting is that there are all sorts of historical precedents that would clarify the A-B line as our northernmost boundary along that part of the coast.

We have to ask why it is that the United States now wants to extend that boundary southward by between 9 and 12 miles encompassing a territory, I suspect, of in excess of 200 square miles. What is the purpose? The geological survey of Canada outlines the potential of significant gas and oil reserves in that area, and that might be a reason. We are also aware of the very rich fish stocks in the area, which would be another reason. We are also aware of the strategic importance, in terms of coastal shipping, for the movement of ships in that area. It could have a strategic use militarily. Or what else? What is the motive behind the interest of the United States in pushing the A-B line farther south into Canadian territory?

The Parliament of Canada, through an Order in Council, established 54-40 as the boundary; and an international tribunal between the United States and Canada re-established that as the boundary. It has always been considered to be the boundary in historic treaties between the United States and Russia and between Britain and Russia.

• (1830)

My colleague, the Hon. Member for Skeena, is simply saying that because there is apparently some question about the validity of this boundary, the House of Commons of Canada should re-establish what has always been the case and what every Canadian has always known to be the case, and should once and for all by a Bill passed through the Parliament of Canada, establish this boundary. What amazes me is that

there seems to be some reluctance and hesitation on the part of the Government to do this.

We have heard from one Hon. Member who suggested that this Bill is redundant. Theoretically, I suppose it is redundant because it has been established time and time again that 54-40 is the boundary between our two countries. However, there seems to be some question about this in the United States so my hon. friend from Skeena is simply saying that we as representatives of the people of Canada should send a very clear message that the boundary between the Alaska Panhandle and British Columbia is 54°-40′N latitude.

If there are discussions that need to be undertaken, I urge all Members to do so. Let us hear about it. Let us pass this Bill today, get it into committee, hear from witnesses expert on international boundaries, from scholars who have examined this in the past and from concerned Americans. Let us find out what arguments they could possibly put forward against the historic precedents we have outlined in part today. Let us take this to committee and have a thorough examination of it. Then let us continue on with the decision-making process from that point.

Mr. Patrick Crofton (Esquimalt—Saanich): Mr. Speaker, at the outset, I would like to read into the record a letter which might be helpful in this debate. The letter is addressed to the Hon. Member for Surrey—White Rock—North Delta (Mr. Friesen) and is from Mr. Edward J. Derwinski, Counselor, Department of State, Washington, D.C., and pertains to this particular matter. The letter reads as follows:

I want to assure you that negotiations on Dixon Entrance are not taking place. They will not begin until your Government informs me that it has consulted with the affected fishermen and is ready to proceed.

I understand that representatives from External Affairs are still dicussing the matter with Canadian fishermen.

As you are aware, since the 1930's, our Governments have made efforts now and again to resolve maritime boundary issues. These talks have included the Dixon Entrance area, where the A-B line drawn by the 1903 arbitral panel is deemed by Canada to be a maritime boundary and by the United States to allocate islands. (The U.S. claims an equidistant line.) In 1976, when Canada and the U.S. each declared 200 mile fishing zones, these differences became more prominent.

George Shultz and Joe Clark have a gentlemen's understanding that they would work together to try to solve some of our longstanding differences, like the Pacific Salmon Treaty and acid rain.

Dixon Entrance falls into this category. For our part, we firmly believe that discussions on Dixon Entrance have to take place after each side fully consults with its fishermen. Whenever the Government of Canada is ready to meet, we are prepared to sit and talk about this.

My colleague, the Hon. Member for North Vancouver—Burnaby (Mr. Cook), indicated that negotiation is the best way to resolve this difference and international adjudication is the last resort. The Hon. Member for Skeena (Mr. Fulton) might well respond that Canada cannot be forced into third-party proceedings against its will. Strictly speaking, he would be right since the United States and Canada are under no binding reciprocal obligation to refer their disputes to adjudication. However, if we reject negotiation and refuse adjudication, the result is an impasse. An impasse can lead to incidents and incidents can lead all too easily to confrontation in the disputed area. Each side scrambles to stake out its claim at the expense of the other. I need hardly spell out the implications of such a development in the Dixon Entrance area. Currently there is a *modus vivendi* in the area that is relatively satisfactory to both sides. To be sure, there have been incidents from time to time, but thanks to a policy of mutual restraint, these have been isolated and have remained manageable.

Any version of Bill C-270 would put this delicate equilibrium at risk with unpredictable implications for fishing patterns and offshore resource exploration in the disputed area. The impact on the halibut fishery could prejudice local interests. What about the implications for the Pacific salmon treaty? Surely the last thing we should contemplate at this stage is to say or do anything that might interfere with a successful implementation of the salmon treaty.

We have other outstanding maritime boundary questions to resolve with the United States: seaward of Dixon Entrance; seaward of Juan de Fuca Strait; in the Beaufort Sea; and both landward and seaward of the boundary fixed by the International Court of Justice in the Gulf of Maine area. In addition, we have boundaries to settle with Denmark in the Lincoln Sea and with France off the coasts of Newfoundland and St-Pierre-et-Miquelon.

I have only spoken of the possible implications of Bill C-270 on Dixon Entrance. I do not wish to address its possible implications on other areas in question at this time. Let me only say that I doubt that they have been given adequate thought in the preparation of Bill C-270. That Bill is flawed not only in its drafting but in its very approach to maritime boundary problems.

We do not need legislation to protect Canada's position in Dixon Entrance. We do not need it to convince ourselves of the rightness of Canada's position there. We do not need it to convince the United States of our own convictions. Finally, we do not need it for the greater certainty that Bill C-270 promises but does not truly deliver.

Other speakers on this and earlier occasions have discussed the historical background to the A-B line, the matter we are discussing today. I would like to update that history with some of the more recent events. Since World War I, various incidents have occurred which tend to support Canada's position regarding the status of the A-B line. For example, in 1924, a United States cruiser seized a Canadian fishing vessel in Clarence Strait seven and one-half miles north of the A-B line and over five miles from the nearest United States shore. The U.S. reportedly justified this seizure on the grounds that the vessel was fishing well north of the international boundary. This incident would appear to suggest that the United States considered the A-B line to be a boundary for both land and sea.

It is also worth noting that until at least 1931, the International Boundary Commissioners concerned with fixing the Alaska boundary did not treat the A-B line differently from

other sections of the Alaska boundary. In particular, during the 1920s, the American Commissioner tried to persuade his Canadian counterpart to agree to request their Governments to move the boundary line from Cape Muzon to the middle of Dixon Entrance because its position at Cape Muzon was anomalous as it meant that there was no United States territorial sea off Cape Muzon. In the 1940s, there were unsuccessful attempts to settle the issue by negotiation. Efforts to negotiate a settlement were made again in the 1970s, but these efforts too did not succeed.

Throughout the years from the late 1890s to the present, Canada has maintained that the waters of Dixon Entrance are Canadian and Canadian practice since that time has been consistent with that position. In this regard, several more recent Canadian measures are particularly noteworthy.

For example, in 1964 when the fishing activities of Russian and Japanese vessels off Canada's West Coast began to increase, the Canadian Government issued them a warning to stay out of the Dixon Entrance and Hecate Strait. Both Governments heeded the warning and apart from a few minor incursions, their fishing vessels have not entered these waters.

In addition, in 1971 under the authority of the Territorial Sea and Fishing Zones Act, Canada delimited its exclusive fisheries jurisdiction within Dixon Entrance and Hecate Strait by means of the A-B line and a line drawn across the Dixon Entrance from Cape Muzon to Langara Island. This action by Canada was protested by the United States. Nevertheless, Canada's position on the status of Dixon Entrance and Hecate Strait has remained unchanged.

Before closing, I would like to refer briefly to Bill C-104, the Canadian Laws Offshore Application Act, which was introduced in the House on April 11, 1986, by the Minister of Justice and Attorney General of Canada (Mr. Crosbie). That Bill is designed to reinforce Canadian sovereignty by creating a more comprehensive legal regime for Canadian offshore areas. The Act would put an end to uncertainty about the application of Canadian laws in all these areas by extending both federal and provincial laws to the offshore.

Of special significance in the context of today's debate is the fact that the proposed Canadian Laws Offshore Application Act includes a provision in Clause 16 that deals with the question of historic waters. That clause is a consequential amendment to the Territorial Sea and Fishing Zones Act. When read together with the definition of internal waters in the same Act, it will amply confirm, if any confirmation is needed, that our historic waters form part of Canada's internal waters and are therefore subject to Canadian sovereignty in the fullest sense of the term.

● (1840)

The proposed amendment regarding historic waters is linked to Clause 9 of the Bill on the offshore application of Canadian laws. That clause would enable the Secretary of State for External Affairs (Mr. Clark) to certify any geopgrahic area to be part of the internal waters or territorial sea of Canada. In other words, the Government has already introduced legislation which removes any necessity, if any could be said to exist, for legislation along the lines intended in Bill C-270. Furthermore, it does so without creating problems of the sort described by other speakers during the debate.

I opened my remarks today with a reference to the long and colourful history of the Dixon Entrance question. All Members of the House will agree that this brief account of that history, and of the state practice in the area generally, supports the view that the A-B line is the boundary for both land and water inside Dixon Entrance. That is Canada's long-standing view, and it is this view that Canada can and must affirm in any negotiations with the United States.

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, there is no mention of the word "fish" or "fisheries" in the contents of Bill C-270. However, in the next few minutes I hope to show that we cannot talk about the Dixon Entrance without some discussion of fisheries, particularly Pacific salmon and Canada-U.S. co-operation regarding this great resource.

Those in the Pacific area of Canada know that there are five species of Pacific salmon. By far they are the most important fish stocks on the Pacific coast in both quantity and value. While they have been known by a variety of names, they are perhaps most frequently referred to as sockeye, chum, pink, coho and chinook. These five species differ in important respects, including their productivity, dependence upon freshwater habitat, size, behaviour, susceptibility to fishing gear, and other qualities.

Salmon have been used by native Indians for time immemorial, and the fish have supported an industrial fishery for more than a century. Therefore, Bill C-206 raises an important question in that it affects our fisheries. Historically salmon became the region's second export after furs when the Hudson's Bay Company began exporting salmon from Fort Langley on the Fraser River in 1830. The first commercial cannery in British Columbia began operations in 1870. Of course, canneries had expanded throughout the coast by the turn of the century, as had the exploitation of salmon stocks.

Until 1903 any variety other than red salmon—that is sockeye, chinook or coho—was rejected by canners. Those of us who have lived in the western part of Canada for a long time know that it is the red sockeye which is most in demand as far as canned salmon is concerned. However, because of poor salmon runs in 1903, canners began processing the much more prolific pink and chum salmon. The use of this fish increased sharply in 1911 in response to a disappointing catch of Fraser River sockeye and increased demands for canned salmon. Since then, pinks and chums have held an important place in the commercial salmon fishery in British Columbia.

According to recent catch statistics, the current harvest of Pacific salmon breaks down roughly as follows: the commercial sector dominates the catch, taking some 93 per cent of the total; net gear takes almost all the sockeye, pinks, and chums,

while troll gear takes most of the coho and chinooks; the sport fishery takes a significant share of chinook and coho and little else, and accounts for about 4 per cent to 5 per cent of the total catch; and the Indian fishery accounts for about 2 per cent and is directed primarily at sockeye.

Almost since commercial fishing of Pacific salmon began in earnest in the late 1880s, capture of salmon bound for rivers of one country by fishermen of the other has created controversy between Canada and the United States. The earliest disputes arose over American catches of sockeye salmon bound for our Fraser River in British Columbia. Since then the scope of the controversy gradually widened to include problems of interceptions by Vancouver Island fishermen of coho and chinook salmon bound for the rivers of Washington and Oregon; by Alaska fishermen of salmon bound for the rivers of British Columbia, the Northwest Territories, and Yukon; and by northern British Columbia fishermen taking Alaska-bound salmon. I am sure the Hon. Member for Skeena (Mr. Fulton) knows about those controversies and the involvement of fishermen from the United States and Canada.

The first bilateral accommodation occurred in respect of the management of the fisheries for sockeye salmon bound for the Fraser River. In the late 1880s, United States and Canadian fishermen began fishing vigorously for sockeye salmon bound for the Fraser River. United States fishing took place on the approaches to the river, in the extensive chain of islands at the northern entrance of Puget Sound, whereas the Canadian fishery was concentrated in the estuary and in the river itself. At that time the Fraser run had a marked four-year period, with runs in the 1893-1897-1901 cycle being much more abundant. In lean years Canadian fishermen viewed themseleves as being at the mercy of their United States counterparts who had, as it were, first crack at the fish. There were also concerns on the part of Canadian and American authorities regarding possible overfishing. That concern exists today; it is an ongoing concern.

In 1908 Canada and the United States formed an International Fisheries Commission to prepare a system of uniform and common international regulations for protection and preservation of the food fish of each nation. That kind of co-operation has characterized the fisheries every since. For Fraser River sockeye, the Commission agreed to apply a three-week mid-season closure and to institute a 48-hour weekly closed period the remainder of the season. However, the regulations were not enforced, and the Commission soon became defunct.

A major disaster, the Hell's Gate rock slide, changed all that. It all but destroyed the major up river sockeye run in 1913 and forced the Governments to renew their joint consideration of the Fraser River problems. Canada took immediate action to clear the slide, but when the runs of all cycles began to decline after 1917, it became apparent that other measures including limitation of the fisheries would be necessary.

Again, negotiations were started. It took until 1929, 16 years after the Hell's Gate slide, for an agreement to be signed. Another eight years elapsed before the agreement came into force, and yet another nine years before the Commission, established under the agreement, could exercise regulatory powers over the fisheries. There was much difficulty in reaching any kind of accord during those years.

In the 1950s increasing fishing pressure on Fraser River pink salmon became a matter of grave concern. As a result, in 1957 a protocol to the Fraser River Sockeye Agreement was negotiated. It placed pink salmon on the southern approaches to the Fraser River under an international regulatory regime similar to that for sockeye.

At about the same time, the net fisheries of both countries began to extend seaward from the traditional inshore fishing areas. Such seaward extensions increased the incidents of interception and posed severe problems of competitive overfishing. In 1957, the two Governments reached an informal understanding wherein each country, on a voluntary basis, established administrative lines—the so-called surf lines— seaward, from which net fishing was prohibited.

Although the negotiations which took place between the early 1900s and 1957 overcame some of the difficulties, new problems continued to emerge. In the 1960s the Americans became increasingly concerned about the growth of the Canadian troll fishery. This fishery operated not only off the coast of British Columbia, but also off the coast of Alaska. On the Canadian side, northern British Columbia fishermen were again deeply concerned about the location of the surf line off Alaska.

• (1850)

These negotiations were eventually completed and a satisfactory arrangement was made. It appears that both sides are now following more closely than ever before the measures to control the fisheries. We feel that the Pacific salmon treaty, which established this co-operation, would be in jeopardy if this Bill were allowed to proceed. We intend to do nothing which might prejudice its smooth and successful implementation. Bill C-270 could all too easily have such an effect.

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, in discussing the question of Dixon Entrance, it is important to remember that boundary delimitations are more than a matter of law and that they may have a significant impact on the allocation of both living and non-living resources in the area concerned. In the brief time allotted to me I would like to focus on the non-living resource potential of the area surrounding Dixon Entrance.

First, it should be noted that the subsurface geology of Dixon Entrance has not been studied extensively but certain inshore tests, seismic profiles and extrapolations based on wells drilled in Hecate Strait and on Graham Island have offered some clues to assist us in estimating the prospects for oil and gas in and around the area in dispute. The results of these

analyses indicate, for example, that the volcanic and sedimentary rocks under Dixon Entrance may be sufficiently thick and deep to permit the generation and entrapment of certain hydrocarbons. In general though, the all-over oil and gas potential in the area is believed to be modest at best.

The infrequency of exploration activity in the area and the generally negative results of such activity appear to confirm the modest estimates regarding the potential for oil and gas in that area. The first federal permits for oil and gas in Dixon Entrance were acquired in August, 1961, by Huskey Oil and Calgary and Edmonton corporations. Following a perfunctory seismic exploration program these lands were subsequently surrendered. In December, 1964, Pan American, now AMOCO, filed on permits north and west of Graham Island including the area of Dixon Entrance north to the A-B line. At the same time, outside the entrance, permits were taken up to an equidistant line with the caveat placed on those submerged land areas impinging directly on the line.

Seismic exploration and onshore geological surveys were also undertaken in the area in 1966. Successes, however, were few and far between as evidenced by the fact that the permits inside and outside the entrance were surrendered in December of 1967.

South of Dixon Entrance in Hecate Strait and Queen Charlotte Sound and within the Queen Charlotte tertiary basin Shell Canada acquired exploration permits for about 3.5 million hectares. The company conducted geological mapping and offshore seismic surveys and drilled eight exploratory wells in the period from 1967 to 1969 with generally negative results. In 1970 Shell entered into a farm-out agreement with Chevron Canada Resources whereby Chevron would earn an interest in the Shell offshore area by conducting seismic surveys and drilling two deep exploratory wells.

Currently, submerged lands held by the petroleum industry for exploration purposes include two blocks in Dixon Entrance, a small block by Union Oil Company of Canada located immediately northeast of Graham Island and the north end of a large block in Hecate Strait held by Shell Canada Resources and operated by Chevron Canada Resources under the terms of the farm-out agreement to which I have already referred.

The United States has also indicated some tentative interest in the oil and gas potential of the area. Indeed, in 1984 the United States took the first steps toward calling for bids for offshore leases which would have included an area claimed by Canada outside Dixon Entrance. This action prompted a Canadian protest. Subsequently Canada was informed by the United States that the proposed offers of lease sales had been withdrawn due to lack of interest by the petroleum industry.

Notwithstanding Canadian holdings and some American interest in the area, little new has been learned about the resource base in the area since the late 1960s. This is due in large part to a moratorium on exploration and oil tanker traffic in the area which was imposed in 1972 by the federal Government. This moratorium was intended to prevent crude oil tankers travelling through Dixon Entrance, Hecate Strait and Queen Charlotte Sound enroute from the Trans-Alaska Pipeline terminal as Valdez, Alaska. Subsequently a federal Order in Council indefinitely relieved existing offshore exploration permit holders from their obligations to conduct exploratory drilling in these waters and prohibited any further drilling.

In 1981 the Province of British Columbia declared the area an inland marine zone. At the same time an indefinite moratorium was placed on offshore exploration in Johnstone Strait south of Telegraph Cove and in the Straits of Georgia and Juan de Fuca. These respective moratoria are still in effect.

In June, 1984, the federal and British Columbia Ministers of the Environment appointed a five-member environmental assessment panel to conduct a public review of the environmental and related socio-economic effects of any renewed program of petroleum exploration off the west coast of Canada north of Vancouver Island. At that time consideration was being given to lifting the moratorium so that exploration programs could be pursued. Accordingly, the west coast offshore exploration environmental assesssment panel was asked to develop recommendations on the terms and conditions under which petroleum exploration could proceed in a safe and environmentally responsible manner.

During the the course of the review the panel gathered information on the environmental and related socio-economic effects of the proposed offshore exploration program and held two series of public fora in November, 1984, and in the latter part of 1985. Chevron Canada and Petro-Canada were designated by the federal and provincial regulatory bodies as proponents of the offshore oil and gas exloration.

All mineral resource interests are relevant to the issue of the boundary in the Dixon Entrance. I fail to see how they are advanced by Bill C-270. I cannot support this Bill.

● (1900)

Mr. Deputy Speaker: Order, please. The hour provided for Private Members' Business has now expired.

Pursuant to Standing Order 36(2), the order is dropped to the bottom of the order of precedence on the *Order Paper*.

GOVERNMENT ORDERS

[*English*]

PAROLE ACT AND PENITENTIARY ACT

MEASURE TO AMEND

Hon. Perrin Beatty (Solicitor General of Canada) moved that Bill C-67, an Act to amend the Parole Act and the Penitentiary Act, be read the third time and passed.

He said: Mr. Speaker, a year has passed since Bill C-67 was introduced in the House for first reading. The Bill was called for second reading on September 12 of last year. The House of Commons committee studied it, along with Bill C-68, from September to December. Hours of deliberations devoted mostly to Bill C-67 have led to several amendments which, without affecting the important protections it affords to Canadians, respond to criticisms made by committee members and witnesses. When the Bill was reported to the House on January 23, I was confident then, as I am now, that we had legislation which met the interests of the diverse groups involved.

The Senate has created a pre-study committee which has been sitting since the beginning of February. Members of that committee have not only called officials of my Ministry and myself to appear before them on several occasions, they have visited penitentiaries and talked with staff and inmates. As a result of their deliberations I have decided to incorporate into the law the guidelines the Parole Board will follow in determining whether an inmate should be detained.

[*Translation*]

Mr. Speaker, I have rarely seen a Bill dicussed at such lenght in committee by both Houses. I am glad that we have finally reached third reading stage and I hope that this bill will receive Royal Assent without further delay.

[*English*]

Canadians deserve the measures contained in Bill C-67 which the Government promised in its first Speech from the Throne some two years ago. These measures alone will not solve the crime problems of Canada but they will correct some of the anomalies which threaten the safety of law-abiding citizens. The Bill will allow the National Parole Board to detain up until the last day of their sentence those inmates who, by all professional accounts, are considered likely to commit a crime of violence against another person. Until now the few offenders who met such criteria had to be released automatically by law on mandatory supervision. No one could prevent such releases.

As the law stands today, when the courts sentence you to prison for nine years, you are back out through the front door after six years unless you have committed a serious offence while in prison, such as participating in a riot or knifing someone while you are there, or some other offence. For the vast majority of inmates, earned remission is appropriate and desirable. It is the Government's intention to see it maintained. However, there is also a small minority of violent criminals, sentenced to prison because of violent acts, who have shown no inclination whatsoever to change their ways and become productive members of society. Their very release from prison threatens the safety and, in some cases, the lives of innocent Canadians. It is that handful of cases we are attempting to address with this legislation.

There is something wrong when, as has happened all too often during my tenure as Solicitor General, I receive a telegram from a provincial attorney general begging me to do whatever I can to prevent the release of a dangerous inmate from prison under mandatory supervision; an individual sentenced to prison because he committed a violent offence, has shown no inclination whatsoever toward reforming himself, and who poses a grave threat to society. The only response I can make, however, is that there is nothing we can do beyond informing the police that this individual is going to be released. That is wrong.

I have had to meet with too many victims and too many families of victims to allow this situation to continue indefinitely. I think it is wrong and they think it is wrong that all too often you can have a situation where a violent criminal is sentenced to prison, released after two-thirds of his sentence, is then automatically out the door, can then commit another offence, be back in prison and back out the door all in less time than the initial sentence was for. That mocks the very principle of the rule of law. It destroys respect for the law. It deeply grieves victims and law enforcement officers who see it happen.

What are we talking about in this Bill? We are saying that in a small number of cases out of the 11,000 inmates we have in the federal correctional system, about 100 a year, and it is hard to be entirely certain because the Bill is not yet law, will be affected by these provisions. First of all, we will be dealing with inmates sentenced to prison for one of the violent offences described in the Schedule of the Bill. It would need to have been clear to the Correctional Service of Canada, the professional case management officers, that this individual has shown no sign whatsoever of rehabilitating himself and that his release from prison would pose a grave risk to innocent members of society. What would happen then? The National Parole Board of Canada would take the decision regarding parole. They have the expertise, experience, background and training to take decisions as to whether or not an individual is too risky to release, whether or not he is ready for reintroduction into society, or whether he should be kept behind bars as part of the sentence passed by the courts.

The National Parole Board would have the ability to take the decision as to whether or not that individual would be able to automatically gain release and be returned to the streets. In those cases where the Parole Board said it was clear to them in their professional judgment, with their years of experience, that an individual is not ready for release and the risk to society was too great, they would have the ability to hold him in prison for up to the duration of the sentence prescribed by the courts. We are not asking to hold them beyond that time. We are saying the maximum time would be the time prescribed by the courts when they passed sentence. However, there should be that discretion in a handful of cases where people's lives or safety would be in jeopardy by releasing the inmate.

You can be certain that I consider detention of an inmate beyond his expected release date resulting from earned remission a remedy of last recourse. Consequently, the most

thorough procedural safeguards possible are afforded the inmate. The Parole Board will make this decision after consideration of criteria set out in the law and the inmate will have all opportunities to know the case against him and present his arguments to the Parole Board.

The Government has taken into consideration the criticism that extended detention may simply postpone the problem. We believe the Correctional Service and the Parole Board can use the extra time to intervene with those few dangerous offenders and attempt to reduce the risk they pose to society. If at any time during this period there is evidence presented to the Parole Board that the individual has mended his ways, that it is possible for us to take this risk responsibly by releasing him into society, the Parole Board has the ability to then let him out. At any time there is a change in the individual's behaviour or approach, at any time it becomes apparent that it is possible to take a chance on his release, this can be done.

Those people who argue that holding a dangerous inmate in prison for the duration of his sentence prescribed by the courts is wrong because he may still be dangerous at the end are making an argument against incarceration period. It is an argument in favour of never sending someone to prison. What we are saying is that in cases where people are not ready for release they should not be released during the period prescribed by the courts. In those cases where an individual is ready for release, let us take that chance, let us gamble on him and attempt to ensure he becomes a productive member of society. However, with dangerous violent criminals, let us stand with innocent Canadians and ensure that their rights are protected.

• (1910)

I want to remind the Members of this House that the more restrictive measures of Bill C-67 are balanced by provisions which accelerate the consideration for parole of those offenders who pose a very low risk of reoffending.

This Bill will require for the first time that the National Parole Board consider at the earliest possible date of eligibility whether an individual should be released on day parole. The effect of this will be that in the case of good risks, of inmates who do not pose a serious threat to society, more of them will be finding their way out of prison earlier. I think that is appropriate. It will also be balanced off so we will be able to better protect innocent Canadians from those people who pose a very grave risk to society.

Having spent most of the past 14 years as a private Member of Parliament and not as a Cabinet Minister, I am sensitive to the need to fully involve Members of the House of Commons and of the Senate, and to accommodate their concerns to the greatest extent possible. For too many years I sat in opposition as an individual private Member of Parliament, and all too often what we saw was the Government ignoring attempts to improve legislation, or to have input into decisions that were taken. It is for that reason the Government waited until yesterday before calling Bill C-67 for report stage. We wanted to give the Senate committee, whose pre-study was approved by the Senate in December, a chance to express its views before the ability to move amendments in this House of Commons was closed off.

In committee we listened and we amended the Bill to make improvements. I invited the Senate to engage in a pre-study which would ensure that they could have full hearings and have as much input as possible. As a result of their making reports, the House of Commons would be able to consider those reports before the Bill came to report stage in the House. After that point it is not possible for us to make amendments.

We sat literally for months after the House of Commons committee had completed its consideration and reported the Bill to the House. We invited participation from the Senate committee for suggestions in ways in which the Bill could be improved. I gave to them my sincere undertaking that we would listen openly and in good faith, and that where improvements were suggested which did not detract from the principles of the Bill, which would help the Bill to work better and better protect Canadians, that we would make those amendments. There is a time to listen and there is a time to act. We have listened and we have been responsive where reasonable concerns have been raised, but now is the time to pass this Bill. Bill C-67 is supported by the vast majority of law abiding Canadians. I have no doubt about that.

[*Translation*]

What ordinary Canadians have told me since my appointment as Sollicitor General can be summarized as follows: Canadians want us to find alternatives to imprisonment for offenders who are not dangerous; however, they also want to be protected against dangerous criminals who have shown no interest in their rehabilitation.

[*English*]

One of the issues that remains in contention with some of the Members in this House is whether the National Parole Board should be taking this decision, or whether the courts ultimately should have the power to make a decision, and weighing whether somebody is ready for release. It is the courts that set sentences in the first place. It is the courts that prescribe the sentence when the inmate is first sent to prison, that is the role of the court.

After that time the expertise and experience of the National Parole Board of Canada is brought to bear on the case to ensure that those people who are ready for release from prison are released on a timely basis, and that those people who are simply too dangerous, who have made no effort toward reform, are not released in order to protect innocent members of society.

If there is a mistake in procedure, if there is a violation of an inmate's rights under the Charter of Rights and Freedoms all of that is appealable to the courts. The question that remains is with whom should the power be vested to take a decision? Who has the expertise, the background, which is the more

appropriate body to decide whether an inmate has rehabilitated himself and is ready for release or not? Clearly, any of us who weighs that would have to come to the conclusion that it is the National Parole Board of Canada that has that expertise. The Board makes these decisions on a daily basis and should continue to be able to take them.

Taking this power away from, investing it with the courts, would add to delays, would give to the courts a power which they do not seek. It would be to ask a body, which has already played its role in a process at the front end, where it should be, to assume a responsibility throughout the whole process as to whether or not it was appropriate for an inmate to be released at that point.

The purpose of Bill C-67 is limited. It does not seek to change the nature of the sentence by the court. It is focused only on the remainder of the sentence, which is the responsibility of the Solicitor General to administer. It assumes that if a dangerous offender's status were appropriate it would have been so determined at the time of sentencing by the court. That is the time in which the court should have been involved.

That is why I believe that the National Parole Board is clearly the appropriate agency to take this decision. If an individual's rights are violated, under the Charter of Rights that can be appealed to the courts. If there is an error in procedure that can be appealed to the courts. As to the merits of release of an individual, it should more properly be made by the National Parole Board.

There have been too many victims to delay this Bill further. I have heard from their families, they have written to me, and I have had occasion to listen to them in person. There is no more difficult portion of my job as Solicitor General than to have to sit with the families of the victims of violent crime, to have to sit in one case with the families of some young girls who were allegedly assaulted by an inmate who was released under mandatory supervision. In this case he was released a month early because the controls that the National Parole Board has on inmates under mandatory supervision are less than the controls they have on somebody released on parole.

We have the bizarre situation that because an inmate was so dangerous and such a threat to society, in the view of the National Parole Board, the Board was forced to release him a month earlier than they would have released him if he had been less dangerous. That is a travesty, and it is precisely that sort of situation that this Bill is designed to address. There have been too many victims.

We should do what we can as parliamentarians to say that this victimization must stop. I have seen them, I have met with them, I have read their letters, I have heard their voices when they have spoken to me about their experiences. Nobody pretends, least of all me, that this Bill will end for all time violence by released offenders. There is still a date after which offenders are released. We do not attempt to alter the sentence that was passed by the courts. We cannot guarantee that there will not be violence after that date. Nobody can guarantee that.

There is only one guarantee and it is this; that every further day of delay jeopardizes innocent people. When we continue to talk, it is their safety that is at risk. That is why we have to act now. We have debated this Bill, we have studied this Bill, we have amended the Bill where amendments were needed. Now is the time for us to stand with the vast majority of Canadians in saying that we will do everything within our power as parliamentarians to put an end to the senseless violence. Canadians ask no more than that of us and, surely, they have a right to expect nothing less.

Some Hon. Members: Hear, hear!

Mr. John Nunziata (York South—Weston): Mr. Speaker, as the Solicitor General spokesman for the Official Opposition, I am pleased to rise this evening to speak with respect to Bill C-67. I would like to make it absolutely clear at the outset that the Liberal Party supports the general thrust of this legislation. When I spoke at second reading stage on September 12, 1985, I made it clear that the Liberal Party is concerned about the release of violent offenders. I indicated at the time that Bill C-67 is similar to legislation that was introduced by the previous Liberal administration.

• (1920)

We agree that something must be done and that there is a problem with mandatory supervision. We agree that there should be some method by which the violent offenders could be detained until warrant expiry, if necessary, as an ultimate way of ensuring the safety of the public.

Where we disagree in a very fundamental way is with regard to who should make that decision—whether it be the National Parole Board or the courts. I too listened to the groups. I also participated fully at committee and listened to all those who appeared there to make representations and submissions of their point of view with respect to this Bill. I have been convinced that that ultimate decision should be made by the court, for a number of reasons that I will indicate during my submissions.

Before doing so, I want to comment briefly on the process. The Solicitor General (Mr. Beatty) commented about the process that we have gone through over the last year. He appeared to be laying blame at the door of the Senate for the fact that it has been a year since this legislation was introduced. I believe it is highly unfair of the Solicitor General to lay the blame for the delay at the door of the Senate, when the delay is quite properly the responsibility of the Conservative Government of Canada.

The Bill was introduced last June. It was not brought on for second reading until September, 1985. It was referred to committee where it was given consideration and reported out of committee late last year. We have waited since late last year for the Bill to be brought forward. It was only brought forward

at report stage yesterday and the Government was intent on rushing the legislation through, knowing full well that the House is scheduled to adjourn at the end of next week.

This is not the only piece of legislation that the Government is trying to muscle through the House in the dying days of this semester. Earlier today, the Government of Canada, for the tenth time in less than two years, introduced closure with respect to Bill C-86, a measure that would cut $8 billion in federal transfer payments to the provincial Govermment over the next five years. There are other pieces of legislation, including the Young Offenders Act which we also dealt with yesterday, which the Government is trying to rush through.

It leads one to wonder whether the Government is doing a disservice to legislation by simply piling it up and trying to rush it through in the last few days of this session. The cynics would suggest that the Government is intentionally backing up important pieces of legislation, knowing that the summer recess is coming and hoping that the Opposition will simply rubber stamp it through.

I want to indicate to the Solicitor General that we in the Opposition do not intend to obstruct the passage of this Bill or, for that matter, any Bill that is of benefit to Canada and will make our society a better place. We do, however, regret very much the method by which the Government has proceeded over the course of the last two years in dealing with legislation. It has told us at the outset that legislation is important and urgent, and that it is imperative that it be passed by Parliament. We were told that in June, 1985, with regard to this Bill. Yet here we are, a year later, over six months after the committee has dealt with it, and the Government brings the Bill forward.

If it was so important and urgent, why did the Solicitor General wait so long before bringing this Bill forward? The Solicitor General will blame the Senate, but that is a separate body. He had the right as the Solicitor General, as a representative of the Government of Canada, to bring the Bill forward forthwith and pass it through all stages in the House and then have it referred to the Senate. However, as a result of his procrastination, we can be assured that this Bill will not be given speedy passage and will not become law for many months yet. The responsibility belongs to the Solicitor General.

For him to stand in his place today and say that with every passing day the threat to society is heightened and that the public safety is threatened, is an absolute farce. If that were the case, and the Solicitor General were in fact as sincere as he would have us believe and as honest as he would like us to believe, then this legislation would have been brought forward six or seven months ago. Yet he waited until this very late date.

When this legislation was introduced, I indicated that given the fact we were supportive of the Bill in principle we would ensure its speedy passage. Notwithstanding the fact that those statements were made on the public record, the Solicitor General waited. I suspect that one of the reasons why the Solicitor General waited so long is that there is considerable opposition in his own ranks. We know that during the pre-study of this legislation in the Senate, Conservative Senators supported the reports which have been submitted to the Solicitor General but which he totally disregarded. He knows as well as us that there are Conservative Members of Parliament who object very vigorously and adamantly to certain aspects of the legislation.

I am sure that all Members of the House, and indeed those in the upper chamber, support the principle of this legislation. I include representatives of the New Democratic Party. I am sure that when the Hon. Member for Burnaby (Mr. Robinson) speaks to this legislation, he will indicate that he is concerned about public safety. I am sure he will say that the NDP would like to see measures that will enhance public safety in whatever way possible. However, as is their prerogative, I suppose the NDP will argue in favour of inmates and inmates' rights.

• (1930)

I would like to take this opportunity to congratulate the Hon. Member for Burnaby for having such an interest in the cause of inmates, those incarcerated. It is far too easy for politicians and the general public to be against inmates who are serving time in federal or privincial institutions, and to suggest that they are somehow the complete authors of their own misfortunes and that society has no responsibility. I think we must be grateful that there are those in society like Clare Culhane of the Prisoners Rights Group, who is outspoken and has dedicated her life to the pursuit of fairness and justice for individuals in federal prisons. There are also those in this House who have taken an interest in the plight of prisoners.

As the Solicitor General spokesman for the Liberal Party over the last two years, I have received literally dozens if not hundreds of letters from inmates in prisons throughout Canada who have had grievances with respect to their periods of incarceration. When I was appointed as the Solicitor General spokesman for my Party, my initial reaction was, "Well, inmates do not vote. They are degenerates in society. They have breached some very fundamental laws of society and they are being punished for their crimes". My first reaction was not to bother responding to mail from inmates, or submissions from those who would like to assist those in federal institutions. However, over the course of the last two years, I have come to understand and sympathize, to a certain degree, with the plight of individuals serving prison sentences in Canada. Oh, sure, there are a handful serving time in federal institutions who are absolutely degenerate in every sense of the word. They are but a few. I am speaking of the Clifford Olsons and others who are serving lengthy prison terms for multiple murders, for brutal rapes or brutal assaults against young children or against senior citizens. They are but a handful. The others in federal prisons are serving time because, in a fleeting moment of passion, perhaps in a fit of anger, they have digressed from society's norms and have in some way committed a crime to warrant incarceration.

We know there are great numbers of individuals in federal institutions, and we are speaking of federal inmates here tonight. The Solicitor General indicated that their population numbered 11,000 across Canada. A great number of those do not deserve to be in prison, and even the Solicitor General would agree. Prisons should be a sanction of absolute last resort.

Yesterday, when we were dealing with the report stage of this particular piece of legislation, I indicated that every effort should be made to decrease the prison population in Canada for a number of reasons. We know there are those serving time in federal institutions, sentences of two years or more, who have not committed violent crimes, who have not, in any physical way, harmed society or any individual member of society. They have committed property crimes or fraud, for example, robbery of an unarmed nature. Those are the prisoners I would suggest should not be occupying prison cells, because to deprive a person of liberty should only be the ultimate sanction of the state.

There are those in this House, most of whom sit on the opposite side, who would suggest that the ultimate sanction should be the death penalty. We know that a great number of Canadians believe in the death penalty. I, for one, do not, for moral reasons. I do not believe that the state has a right to end the life of any individual, regardless of how miserable that life might be, regardless of what crime has been committed.

Mr. McDermid: Even if they take someone else's life?

Mr. Nunziata: That is right, Mr. Speaker. I do not believe anyone, any human being, has the right to take anyone else's life. I do believe, however, that in certain cases, the ultimate sanction should indeed be life imprisonment, but those cases are few and far between.

I think that we in Canada should consider ourselves to be extremely fortunate because of the safe nature of the society in which we live. I, for one, would not trade Canada for any country in the world. This is my country of birth, one of which I am extremely proud. One of the many reasons I am proud to be a Canadian is because of the safety of our streets, of our society because it is, without question, one of the safest countries anywhere in the world.

Mr. Robinson: I rise on a point of order, Mr. Speaker. I wonder if perhaps I might seek some guidance from the Chair as to the time limit which is in effect for the Hon. Member for York South—Weston (Mr. Nunziata), as we are approaching the 20-minute limit. I do have a number of questions for the Hon. Member and I want to have some indication as to what the rules provide.

Mr. Deputy Speaker: The Hon. Member for York South—Weston (Mr. Nunziata) has the floor for an unlimited period, without questions at the end.

Mr. Nunziata: Mr. Speaker, I appreciate the fact that I do have unlimited time in order to make my submissions. Rare indeed is the opportunity to make submissions as fully as possible. I would be pleased, notwithstanding the Standing Orders of the House of Commons, to allow for questions at the end of my submissions. I am sure, given the reasonableness of the Solicitor General, that he, too, will agree to questions. I would be very pleased to justify any of the submissions I make here this evening and to try to answer, to the best of my ability, any questions that might be presented by any of my colleagues in the House of Commons.

If I might continue, I was speaking of Canada and its safety. It is safe for anyone to walk the streets of Ottawa late at night and in the early morning, to walk the streets of Toronto, or Montreal, or Edmonton, or Calgary, or Halifax, or Stephenville—

Mr. Robinson: Or Burnaby.

Mr. Nunziata: —or Burnaby, or Vancouver, or even the streets of Revelstoke in British Columbia, where I was born. It is safe to walk the streets at night. One has to be careful of the bears in Revelstoke, the four-legged variety. They might get a little nasty at night if one dares to walk between the mother and her cubs.

• (1940)

However, the point is that regardless of where one lives in Canada it is a safe country. I think that is something of which to be proud. Of course, we do have violent crimes now and again. That is inevitable given the fact that we are 25 million people or so. Given human nature it is inevitable that there will be conflict. There will be those who will not adhere to the laws of the country, to the rules and regulations of society. Ever since Confederation we have had cause to be proud of the safety in our streets. In this respect one need only compare our country with the United States of America to appreciate what I am saying.

One cannot walk on the streets of Detroit, Los Angeles, New York, Miami or Chicago late at night and be safe, or even feel safe and secure, knowing that no one will mug, rob, rape, assault or attack one. One just cannot do that there. For example, we all know that the City of Detroit has more murders in one year than the whole of Canada has in the course of one year. I recall not long ago when the City of Detroit was trying to break a national record of sorts with regard to the number of murders committed in one particular year. This just illustrates how sick some people are in society. At the time I recall someone telling me that they had been listening to some radio station late one night toward the end of the year in Detroit. The city was closing in on a particular record with respect to the number of murders committed in any one city in the United States. There was actually a countdown on this radio station. It was counting down the number of murders before a national record would be broken. The disc jockey said: "Come on, you murderers, get out there and kill. There are only nine more, eight more, seven more" et cetera. They even uncorked the champagne when the record

was broken. That could only happen in Detroit. It could never happen in our society. It could never happen in Canada. However, my story illustrates the mentality of certain people. It illustrates that, for example, in the United States crime is accepted as a way of life and that it is very upfront and visible. So we are fortunate to be living in Canada.

We have one of the highest incarceration rates in the world, something which I am sure my friend, the Hon. Member for Burnaby (Mr. Robinson), will point out. If because of that we have one of the safest societies in the world, then I suppose one can argue that it is a good result, we should keep incarcerating people if that ensures that we have some degree of safety in society. I do not believe that particular argument has tremendous merit, since there are costs associated with incarcerating people. I indicated earlier that when one considers the 11,000 inmates in federal institutions we cannot consider them all as being in the same category, as being in the same group.

On a number of occasions I have had the opportunity to visit federal prisons. I have had the opportunity to speak to inmates, those who have been convicted of first-degree murder, second-degree murder, rape, armed robbery and crimes dealing with narcotics. There is a whole spectrum of prisoners in our federal prisons. I referred earlier to the sickies, those who are so far gone that, in my view at least, they are not rational, not sane, for the purposes of the criminal law. However, they were deemed to be sane, although I believe, as do a great many people, that it takes an insane mind to commit premeditated murder, to plan, in a very deliberate way, to take the life of another human being. One has to be sick to do that. How can one possibly be a sane human being and decide to rape and kill a young person, a child, as it happens now and again? How could anyone believe that a Clifford Olson, for example, is sane? In my view, one has not to be in full control of one's mental state before one can do that. There are those types of individuals in federal institutions, and there are not many of them, probably a handful, who would do that. Then there are individuals who have been convicted of second-degree murder or manslaughter.

Before I had the opportunity to visit federal prisons I thought, as do a great many people, that those who are serving lengthy prison terms in federal penitentiaries are the worst type of inmates with whom to deal as far as the correctional authorities are concerned. But that is not the case at all, as anyone who has had the opportunity to visit federal prisons will say. I invite my colleagues in the House to take that opportunity some day. I am sure the Solicitor General (Mr. Beatty) would facilitate a visit for any parliamentarian who would like to visit a federal prison. Those inmates are not the toughest to deal with. After a period of time, those inmates—and I am talking about those who are serving 10, 15 or 20 years—come to recognize and accept the fact that they will be serving a long period of time in an institution. So they have a stake in ensuring a certain level and degree of calm in the penitentiary. They do not want to see riots or trouble. They do not want to see fights. They want their environment to be clean. They want to ensure that the food is good. They want to ensure that their environment is as pleasant as possible, because they know that they will be there for a long period of time.

• (1950)

You might ask, Mr. Speaker, which offenders are the most difficult to deal with. According to Correctional Services people and inmates to whom I have spoken, the most difficult people to deal with are those inmates who are serving short sentences. In prison jargon, those inmates are called deucers.

As you know, Mr. Speaker, in Canada we have a two-tiered system of incarceration. There is the provincial system and the federal system. All individuals who are sentenced to two years or less serve time in a provincial institution, and all individuals who are sentenced to a period of incarceration of two years or more serve their sentences in federal prisons. That is why we often hear in the media that so and so was sentenced to two years less a day or so and so was sentenced to two years plus a day. That is the method used by courts to ensure that individuals serve their time either in federal prisons or provincial prisons.

I am not dealing here with provincial prisons. In federal prisons, the inmates who cause the most trouble are those who are serving short sentences, the deucers. It is those who are serving sentences of two, three, four or maybe even five years in length. The reason they are the most difficult to deal with is that they do not care if they break the rules of the institution. If an inmate is serving two years plus a day, he does not care whether or not he earns remission.

Let us take as an example an inmate who is serving two years plus a day. He knows that the day he walks into that prison, regardless of what he does, with the exception, of course, of committing another crime, he will earn remission. I believe the formula is that for every month he serves, he gets 15 days off for good behaviour or for participation in prison programs. The result of that is that any inmate is released after serving two- thirds of his or her prison sentence. That is automatic and is called mandatory supervision. It was introduced in 1970. Later on, I would like to review the origins of mandatory supervision and trace its rather unfortunate history over the course of the last 16 years.

Returning to the example of the inmate who is serving two years plus a day, he knows that he is going to get a third taken off the time of his sentence. Right off the bat—

Mr. Robinson: Mr. Speaker, I rise on a point of order. I would like to return to the question of having an opportunity to ask questions of the Hon. Member for York South—Weston (Mr. Nunziata). I understand it is the Chair's ruling that there will be no opportunity to ask questions at the conclusion of the Hon. Member's speech in view of the fact that he has unlimited time. In those circumstances, I would seek some clarification as to whether or not it would be possible to seek unanimous consent to question the Hon. Member at an appropriate

time during the course of his remarks in order to seek clarification on those remarks.

Mr. Deputy Speaker: The Hon. Member for Burnaby (Mr. Robinson) is free at any time to ask unanimous consent of the House for questions.

Mr. Nunziata: I would like to thank the Hon. Member for giving me a breather.

As I was saying, the sentence of that inmate will be automatically reduced by a third. We are dealing with an individual who will, after serving about 18 months or so, be released. He has nothing to lose if he breaks the rules of the prison. He will get himself into fights and he will destroy the facilities.

Not long ago, I spoke to an individual at Joyceville prison who is part of the Prisoners' Committee and he was fighting mad. He said: "I have a bunch of deucers in here who are ruining everything". He said that they were supplied with basketballs, baseballs, bats and what-not and the deucers would take the bats to the basketballs or would boot the basketballs right out of the prison yard so the rest of the inmates would not have the opportunity to play those sports. That man was fighting mad at the deucers because they were making it very difficult for those who are serving longer periods of time.

The point I am trying to make is that there are misconceptions about federal inmates in society. I think we have to be careful, particularly since we are in a position to pass laws here in Parliament, to ensure that we do not base our decision-making processes on the myths that exist with regard to inmates, offenders and convicts. For the most part, the subject of crime, inmates and prisons is a very emotional one. It is very easy for us to have our opinions affected by certain myths or misconceptions that exist regarding federal inmates. I would caution my colleagues not to lump together all 11,000 federal inmates and classify them as being the dregs of society and degenerates.

There is a large percentage, though I do not know exactly what it is, of inmates who are one-time offenders and in all likelihood, after being released from prison, will not commit another crime. I am speaking of those who are truly remorseful because of the criminal acts they have committed and truly want to be rehabilitated. There are those who want to rehabilitate and are sorry for what they have done. They are prepared to serve their time and are prepared to readapt to civilian life in a law-abiding fashion.

When considering Bill C-67, I would simply ask that we try to put a human touch on our deliberations and try to understand with whom we are dealing. We are not dealing with monsters. Some of them, yes, can be classified as monsters. However, it is patently unfair to describe all prisoners as monsters. We have to put a human touch to it.

• (2000)

I should like to refer to one of my constituents, but I will not mention her name. A few years ago her husband committed a very serious crime. He was convicted of second degree murder and was sentenced to a very lengthy period of incarceration. This constituent came to my office with her child about a year and a half ago and asked for assistance because of an internal problem her husband had in the institution. I could not help but feel for her when she told me what she does every week. She boards the bus in Toronto to go to Kingston to see her husband. She takes the child along so that she can see her father. This has been going on for years. Her husband will become eligible for parole in a number of years. I have corresponded with him, but I have not yet had the opportunity to speak directly with him. However, through the correspondence one cannot help but feel for him, his wife, and his child. He admits that he did wrong. He knows that he breached a fundamental law of society. He does not resent in any way the fact that he was incarcerated. He believes that serving his time will be his way of paying back, but he also recognizes that he could never repay that lost life.

There are those people inside and outside the House who would argue that he should have been put to death, that there should have been capital punishment for him because he murdered another individual. Having met with his wife and child and having read the correspondence, I cannot help but be impressed with the fact that there is still hope for this family unit, notwithstanding the heart-wrenching turmoil through which the family has gone over the last number of years. They still have hope, and they still have love for one another. They long for the day a number of years off when they will have an opportunity to live their lives together, the day when this individual will have the opportunity to walk out of the gates of the prison as a free man.

I say all this simply to suggest that when we deal with inmates or prisoners, let us not lump them together. Let us try to understand who they are. Let us try to understand that they are human beings.

At this point I should like to interject the fact that our paramount concern is the safety of society. We recognize that such individuals have breached the laws of society and that by so doing they have deprived themselves of their own liberty. The protection of society should be a paramount consideration, but I do not think that society can completely absolve itself of responsibility. Yesterday we dealt with the young offenders Bill. At times we must ask ourselves why a child of 8 years, 10 years, or 12 years of age is a hardened criminal. We must ask ourselves why children of such a tender age are hardened criminals. It is not the fault of the child; it is society's responsibility. We collectively must take that responsibility. As we sit here in the House of Commons, in the plushness which surrounds us, it is all too easy not to accept any responsibility for the ills in society. Each and every one of us sitting in the House of Commons is fortunate to know that we are financially comfortable. The Lord knows that we in the House, at least

for the time being, do not have the worries of a great many of our fellow citizens. However, there is group of people out there in society who are the poor and the unfortunate.

For the most part it is from within that group that our prisons will be filled in the future. We know that a child of 8 years, 10 years, or 12 years of age, who becomes a hardened criminal, who starts to burglarize, who starts to steal, or who becomes violent, will be an offender later in life. As a society we have to take some responsibility for these people. We must try to determine who are these people and why they do what they are doing. For years and years criminologists, sociologists, psychiatrists, and various other experts have tried to understand crime. They have tried to understand why people break the law, why people do not accept some very standard and basic rules. It is more likely that one born to poverty will lead a life of crime than one born with a proverbial gold or silver spoon in his or her mouth.

I should now like to review the legislation before us and try to apply some of my concerns to it. This piece of legislation was introduced over a year ago, and there were reasons for bringing it forward at that time. One reason was that the concept of mandatory supervision introduced by the Liberal administration in 1970 was simply not working as well as it should have been working. At the time of its introduction it was felt that society required some control over offenders after they were released into the community. On listening to the Solicitor General tonight, one would almost think that with the passage of Bill C-67 we could unequivocally guarantee the safety of society. I believe that something very important has escaped the Solicitor General. I do not think he recognizes that some day in the future nearly all inmates will be released.

• (2010)

The Solicitor General used the example of someone who was incarcerated for nine years. He said quite correctly that after six years, because of mandatory supervision and the concept of earned remission, the individual who was sentenced to nine years in prison would be released by operation of law at six years. Let us assume for a moment that there is no such thing as mandatory supervision, that after this individual was sentenced it was up to the Parole Board to decide when that individual might be released.

As you know, Mr. Speaker, an inmate becomes eligible for day parole after serving one-sixth of his or her sentence and becomes eligible for full parole after having served one-third of the sentence. It is important to distinguish clearly between parole and mandatory supervision. There is a sea of difference between the two concepts. For the most part, parole is successful. There are inevitably cases where parolees commit crimes while out on parole, but generally speaking parole is more successful than mandatory supervision. That is because an individual who is sentenced to nine years in prison knows that if he is of good behaviour for three years, if he co-operates with the authorities, participates in prison programs, is remorseful and is able to show the authorities that he will not create another crime when released and can be integrated into society, he or she will become eligible for full parole after three years. That person is going to do his best to ensure that his record is such that when the Parole Board considers his application for parole he will be considered a prime candidate for parole and released into the community. Of course, there are certain conditions to that parole, such as that he report to a parole officer once a week, sign in with a local police station, continue to reside in a particular community or stay away from alcohol and drugs.

What happens if the person is not granted parole after three years? Let us assume that for some reason the Parole Board decides that the person should not be released into society because he has not displayed conduct becoming a law-abiding citizen and has failed to co-operate with the correctional authorities. He has the opportunity to apply for parole again at a later date.

There are those who, regardless of the number of times they apply for parole, will be denied parole because they have been bad in prison, because of their violent nature or because of their previous criminal record. If the person who is sentenced to nine years in prison is a bad apple, he would know that regardless of what happens, he is able, by operation of law, to earn three years worth of remission. This is the law of Canada. Every inmate is entitled to earn remission while serving time. There is a reason we have the concept of earned remission. It gives the correctional authorities in the prisons of Canada a carrot to dangle to ensure the proper conduct of an inmate. As long as an inmate has hope that his or her sentence might be reduced there is an incentive for that inmate to be of good behaviour.

If the Parole Board decides in its wisdom that this inmate is not going to be released on parole, he is entitled to be released after six years. Under Bill C-67 if this particular inmate falls within certain criteria, the National Parole Board, according to established criteria and procedures, can issue a detention order which is reviewable every year.

Using the example of the nine year sentence, let us assume that this legislation is in place and the Parole Board decides after six years that this inmate is violent and should be kept incarcerated for a further period of one year, and after that decides to keep him in again. After that there is no option. That person may be serving time in a maximum security institution. After the inmate, who has committed a violent crime, has served the nine-year sentence the doors of the prison must be opened.

Imagine the situation, Mr. Speaker. Imagine what is going through the mind of that individual. He committed a crime and was sentenced to prison for nine years. He was refused parole after three years and was possibly turned down on a number of occasions after that. The National Parole Board decided to issue a detention order a first and second time and then the doors are flung open. He goes from maximum security to the streets.

One must think what we are doing in this particular case. What is that person to do? We have no authority or control over that individual. We cannot attach any conditions to his release. We cannot say that he must spend time at a half-way house in order to learn life skills. We cannot prescribe that the individual must continue to reside in a particular community. The state loses complete control over that individual.

• (2020)

Mr. Robinson: Mr. Speaker, the Hon. Member is referring to an individual whose warrant expires and who is then out in the community without any form of supervision. I wonder if I might have unanimous consent to ask the Hon. Member to elaborate on a proposal he made some time ago with respect to the status of these individuals—

Mr. McDermid: Order!

Mr. Deputy Speaker: Is there unanimous consent to allow the Hon. Member to ask a question?

Some Hon. Members: No.

Mr. Deputy Speaker: Therefore, the Hon. Member for York South—Weston (Mr. Nunziata) continues in debate.

Mr. Nunziata: It is rather unfortunate that we heard so many noes from across the way. Here is our opportunity to—

Mr. McDermid: We are enjoying your speech too much. We do not want to waste it.

Mr. Nunziata: —debate this legislation. The Hon. Member for Burnaby would like an explanation on a particular point and Hon. Members opposite are refusing to allow him the opportunity to ask a question.

Mr. McDermid: He already did. Give us the answer.

Mr. Nunziata: In any event, the facts speak for themselves in so far as where the Conservative Government stands regarding this democratic institution and trying to make it work.

Mr. McDermid: On a point of order, Mr. Speaker, I think it is very clear where this Government stands on the democratic process. We have now allowed the Hon. Member to babble on for an hour.

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

Mr. Nunziata: Mr. Speaker, I very much resent that particular Hon. Member of Parliament standing up, as he rarely does, to babble. He does not have the courage to stand up and make submissions or represent the constituents of Brampton—Georgetown. He has never had the nerve, of course, over the last two years to do so. He continually persists in interrupting Hon. Members when they are speaking. If he does not want to sit here and listen and participate in the debate, I simply ask him to go home, go to bed, and not wake up.

Mr. Deputy Speaker: Order, please.

Mr. Cook: I rise on a point of order, Mr. Speaker. With the greatest respect to the Chair, there is a rule of relevance in this House. I wish the Hon. Member would stay with it.

Mr. Deputy Speaker: The Chair feels that the Member has been most relevant so far in the debate.

Mr. Nunziata: Mr. Speaker, for the Hon. Member to stand up and suggest that I am not being relevant would suggest that he should clean his ears out. I have been trying to lay out what led up to the introduction of this legislation. The moment I start quoting Shakespeare, he can stand up in his seat and suggest I am not being relevant. However, I suggest to him that when I do begin to quote Shakespeare—

Mr. McDermid: In many instances Shakespeare would be more relevant.

Mr. Nunziata: —I will continue to be relevant. Whether it is nobler in the mind to suffer the slings and arrows of outrageous fortune or to put up with a sea of Conservatives, I suggest it is well worth the fight and we are enjoying it immensely. We will take the slings and arrow any time—

Ms. Copps: The quality of mercy is not strained—

Mr. McDermid: Tell them what to say, Sheila.

Mr. Deputy Speaker: Would the Hon. Member get back to the Bill, please.

Mr. Nunziata: Mr. Speaker, I was being serenaded by my friend and colleague from Hamilton East. It is a pleasure to note that she has now graced—

Ms. Copps: And the Hon. Member for Calgary South (Mrs. Sparrow).

Mr. Nunziata: And the Conservative Member for Calgary South, who has been listening very attentively to my speech over the course of the last hour. I know she will have a whole host of questions to ask once I have completed my speech. However, I would like to welcome my colleague from Hamilton East to the House for this evening's debate. I know she would like to participate.

Getting back to my submissions—

Mr. Cook: About time.

Ms. Copps: To be or not to be.

Mr. Nunziata: To be or not to be. Before I was politely interrupted by the Hon. Member for Burnaby, we were talking about an individual sentenced to a nine-year term of imprisonment, denied parole on a number of occasions, and, given Bill C-67, being forced to spend the rest of his sentence in prison. I

asked Hon. Members opposite, including the Hon. Member for Brampton—Georgetown (Mr. McDermid), and I will repeat myself because I know that at times it is difficult for that Hon. Member to understand, given his obtuse nature, that if you open the gates of the prison—

Mr. Robinson: On a point of order, Mr. Speaker, with great respect to my friend from York South—Weston, I wonder if the reference to the Hon. Member for Brampton—Georgetown (Mr. McDermid) as obtuse is really parliamentary. It may be accurate but is it parliamentary?

Mr. Deputy Speaker: I do not consider that to be a point of order. Would the Hon. Member for York South—Weston (Mr. Nunziata) please continue in debate.

Mr. McDermid: Very serious debate.

Mr. Nunziata: Given the fact that the Hon. Member for Brampton—Georgetown did not respond, I am sure he agrees with me when I call him obtuse. He has been called obtuse in the past and if the shoe fits, wear it. *Res ipsa loquitur*, as they say.

We then have this person who has served nine years of his life in prison. We then open the prison doors because by law he must be released into society. Imagine for a moment this person who has not seen freedom in nine years. He has been kept incarcerated, perhaps in a segregated unit, for nine years. He has to be released into society with no conditions, no supervision, and no ability to exercise any kind of control. I suggest that what the system is doing in that case is nursing a time bomb. Over the nine years this individual has built up resentment, hate and vindictiveness which he might not otherwise have done. You then release him into society. Would it be any wonder if he committed another crime when he was released?

We have to take into consideration the fact that at some point in time, in line with Bill C-67, the inmate has to be released. If the purpose of this legislation is to protect society, we cannot say that we are at least protecting society for another three years in this case. I submit that we might very well be increasing the chance that this inmate will commit another violent crime. If you just release him from maximum security prison into the community, the likelihood of his committing another crime is enhanced. Simple logic will tell you that. I suggest that society would be better off, and there would be less likelihood of this person committing another crime, if there were a method by which some type of control could be exercised over the individual after he was released into society.

Those facts were taken into consideration some 16 years ago. Over the years we have had a number of commissions which have considered the concept of prisons and release and parole and mandatory supervision. We can go back to 1956, 30 years ago, when we had *La Commission Fauteux* which studied this particular area. In 1969 there was the Ouimet Commission.

[*Translation*]

This Commission also examined this issue, Mr. Speaker.

• (2030)

[*English*]

Then in 1972 we had the Huguesson Commission that studied this whole area of correctional law. In 1974 we had the Goldenberg Commission. All four commissions recommended that there should be a period of supervision after you release an inmate into society. That is a major factor that this Government should take into consideration.

The Solicitor General might argue that with the case of the nine-year prison term the National Parole Board might simply keep the person incarcerated for two extra years and in the ninth year of his prison term might decide to release him and attach certain conditions of residency, conditions that the individual not consume alcohol, smoke cigarettes or dope, or whatever the case might be.

How is society being served by keeping an individual incarcerated? That is the question we have to ask. The administration preceding this Conservative administration appointed a special committee to look into the whole area of sentencing. It became known as the Canadian Sentencing Commission. It was originally known as the Sinclair Commission named after a judge of the Supreme Court of Ontario. For health reasons he could not complete his task, and Judge Archambault, who was an expert in this area, was appointed to carry on the work of Mr. Justice Sinclair.

The previous Liberal Government felt it important that we look into the whole concept of sentencing. It relates to the legislation very directly because what we are dealing with here is the other end. After a crime has been committed an individual is convicted beyond a reasonable doubt and then he is sentenced. What we are dealing with in Bill C-67 is the release after the inmate has served his or her sentence.

The Canadian Sentencing Commission is going to consider sentencing procedures in Canada. I am sure a lot of Members recall a few weeks ago a special report on the Canadian Broadcasting Corporation program on, *The Journal*, where the disparity in sentencing across Canada was looked into. The show had four or five different cases of varying degrees of manslaughter. It was pointed out that the sentences ranged from no period of incarceration for manslaughter to a lengthy period of incarceration of some 15 or 20 years. The crimes were then compared. There was one crime where a father literally shook his child to death. He was convicted of manslaughter. There was another case where an individual somehow pushed a friend over a balcony after a period of drinking and was given a particular sentence. What the program pointed out in a vivid fashion was that there is a very serious disparity in sentencing in Canada.

Judges have no rules by which to guide themselves when they hand out sentences. *The Journal* concluded with an interview with the Chief Justice of the Supreme Court of

Ontario. He said he would welcome guidelines. He said he did not want to be too restricted in his judicial discretion, but he would appreciate guidelines.

Before being elected to the House of Commons I had the opportunity for a few short years to practise some criminal law. I found in my limited experience that there was, indeed, a problem with the disparity in sentencing. I could sit in a court of law on any given morning and watch a judge banging his gavel in case after case of drunk driving, for example, handing out a particular sentence, and walking into the next courtroom and then handing out a sentence which might be doubled or tripled.

There are those who suggest that there should be a median where the judge would have the flexibility to go 25 per cent one way or the other. As you know, there are very few crimes in Canada that carry a minimum prison sentence. First degree murder has a mandatory prison term of life imprisonment with parole eligibility after 25 years. With the exception of murder and, perhaps, a second offence of drunk driving and importing narcotics, all the other crimes in the Criminal Code of Canada would allow a judge to permit a person who is convicted of a crime, other than those mentioned, to walk away without a period of incarceration. The person could be released with an absolute discharge, a conditional discharge, required to be released on probation, fined or compelled to perform community service work. That is happening more frequently. My experience is with the Province of Ontario where, more often, judges are requiring those convicted of crimes to provide service to the community by working for voluntary organizations or municipal Governments, rather than sending them to prison.

• (2040)

Given the very nature of the sentencing procedure in Canada, the court has considerable discretion in handing out different types of sentences. Even though there is no minimum sentence for a particular crime, there is always a maximum sentence, so that in the worst possible case, the judge has the authority to impose the maximum sentence. Depending on a decreasing scale of seriousness, the person could be given a reduced prison term.

A few years ago it was felt that our sentencing procedure in Canada needed very drastic reform, given the disparity of sentencing. Therefore, the commission was established and, as I understand it, it is required to report in the near future. I am sure that once the commission reports, its recommendations will be far-reaching and the House will no doubt give thorough consideration to the report. It could very well result in some drastic changes in our prisons and further changes to mandatory supervision.

There are those in society who recognize the problem of sentences. There are also some very responsible people in society who are advocating total abolition of parole. At first glance, one would ask what type of madness would lead one to advocate abolishing parole, since it is a system that has been with us for hundreds of years.

According to the President of the Law Reform Commission of Canada, Canada should abolish parole, time off from prison for good behaviour, and fixed minimum sentences as part of a major overhaul of the way criminals are sentenced. This was stated by the President of the Law Reform Commission of Canada, Mr. Justice Allen Linden. He is a very learned individual and a former professor of law and colleague of yours, Mr. Speaker, at Osgoode Hall law school.

Ms. McDonald: And a good Liberal.

Mr. Nunziata: A good Liberal and a good friend of mine. He was one of my professors and he taught me well in the law.

Mr. McDermid: You were doing fine until then.

Mr. Nunziata: I hear some laughter across the way. Are Members opposite in some way impugning the integrity of the President of the Law Reform Commission of Canada, a justice of the Supreme Court of Ontario?

Mr. McDermid: No, just one of his students.

Mr. Nunziata: I am advised by one of my colleagues that one of the more senior members of the Conservative Cabinet did not even get through law school. We know that certain sons and daughters of Cabinet Ministers did not quite make it the first time around either. However, that is another story altogether.

Perhaps we can get serious for a moment, as the Member for Calgary South (Mrs. Sparrow) is suggesting. I think Calgary is a very lovely city and I understand there was a beautiful chinook there today.

Mr. McDermid: Do you know where it is?

Mr. Nunziata: The Hon. Member opposite asks me if I know where it is. He does not even know where the end of his nose is at times.

Mr. McDermid: That was a zinger.

Mr. Nunziata: Getting back to Bill C-67, Mr. Justice Linden, President of the Law Reform Commission of Canada, has done an absolute superb job over the last years, notwithstanding the suggestion that he might, in some fashion, be supportive of the Liberal Party. He has done very positive work and the Law Reform Commission has presented some very progressive discussion papers during the course of his tenure. Some of those recommendations have become legislation.

I want to quote Mr. Justice Allen Linden, who taught me torts in law school. I will never forget—

An Hon. Member: I hope they are not cooking them.

Mr. Nunziata: We are not talking about tarts, we are talking about torts. Tarts are tasty; torts are costly.

When referring to the parole, time off from prison for good behaviour, and fixed minimum sentence, Mr. Justice Linden said: "These mechanisms unnecessarily distort and complicate the process of sentencing". This suggestion is made by a judge of the Supreme Court of Ontario and President of the Law Reform Commission of Canada. He is a very responsible individual who served with distinction during his tenure as an active member of the judiciary. He is saying, as a judge, that we should abolish these mechanisms because they unnecessarily distort and complicate the process.

What did Mr. Justice Linden mean? Perhaps it is even presumptious of me to try to determine what the justice meant, but I think it is obvious.

Let us again consider the case of the individual who was sentenced to nine years. Let us assume that the jury decides to convict this person beyond a reasonable doubt for a particular crime that this person has committed. The judge has the responsibility to sentence this individual. Let us assume that there is no minimum sentence for the crime that was committed. What factors must the judge take into consideration and what factors is he allowed to take into consideration when sentencing this individual for that particular crime?

Before sentencing the individual, the judge will hear from the Crown prosecutor and defence counsel as to sentence. Unless an agreement has been struck between the Crown prosecutor and defence counsel, the Crown prosecutor will invariably argue for a lengthy period of incarceration. First, he will argue that the crime was violent and that the individual has shown no remorse. He will say that there must be specific deterrents, but more important, general deterrents so that this person could be made an example to society at large. He will then describe the crime and may bring forward witnesses to suggest that this person is of bad character. If the individual has a criminal record, the Crown prosecutor will introduce that as evidence.

On the other hand, defence counsel will try to convince the judge that he or she should hand down the minimum sentence, taking into consideration a number of factors. Of course, defence counsel will emphasize certain factors and de-emphasize others. He might bring forward character witnesses to say what a fine individual this person was, what a fine family person, et cetera. Then he might cite a number of cases involving similar circumstances to support his position that a lenient sentence must be handed down.

• (2050)

After the Crown prosecutor and defence counsel make their submissions, perhaps including various reports, such as medical reports, the judge must then decide what sentence should be handed down for this individual, taking into account these submissions by the two adversaries in our court system. Of course, he will reach back into his experience over the years. He might have heard a similar case just prior to this one and might use that as a yardstick. He then must make a decision as to the length of the particular sentence. As one can well appreciate, it is not a perfect art, but a sentence must be handed down.

The reason I have spoken at some length about sentencing is that even though the rules of law might state that a judge should not take parole or mandatory supervision into consideration, judges are human beings, and a judge will take into consideration the fact that the person he is about to send to prison will become eligible for parole after a period of time. This is exactly what Mr. Justice Allen Linden meant when he said that these mechanisms unnecessarily distort and complicate the process of sentencing, because in the back of the judge's mind—

Mr. Robinson: I rise on a point of order, Mr. Speaker. The Hon. Member has referred to considerations which judges will examine in imposing sentence. I wonder if I might seek the unanimous consent of the House to ask the Hon. Member a question with respect to a study that was done of sentencing and the factors which are taken into consideration during sentencing, a study which showed very—

Mr. Deputy Speaker: Order. Prior to the Hon. Member asking his question, will unanimous consent be given?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: Unfortunately for the Hon. Member for Burnaby (Mr. Robinson), there is no unanimous consent. The Hon. Member for York South—Weston (Mr. Nunziata) may continue with debate.

Mr. Nunziata: Once again, Mr. Speaker, we find that Conservative Members of Parliament are stifling debate, yet once again—

Some Hon. Members: Stifling?

Mr. Nunziata: Well, Mr. Speaker, they invoked closure today with respect to Bill C-96. Unfortunately for them, they do not have the opportunity to end the debate, but they are attempting to stifle the debate.

The Hon. Member for Burnaby, who has been listening very attentively for the last hour and a half—

An Hon. Member: When he's in the House.

Mr. Nunziata: —had some very important questions that he would have liked to ask.

An Hon. Member: Where is he now? In the Press Club?

Mr. Nunziata: And we have found that over the course of the last few hours, all that Conservative Members of Parliament can do is to continue to heckle and try to disrupt the

proceedings of the House. I must admit, it is not true concerning the Hon. Member for Calgary South (Mrs. Sparrow), and that is quite clear. There are the odd Members of Parliament on the Conservative side who are responsible and have taken considerable interest, and so the Hon. Member has said to her Conservative colleagues across the way, "Let us get serious".

An Hon. Member: We are all very responsible here.

Mr. Nunziata: Returning to the subject of Bill C-67, as Mr. Justice Linden pointed out, these mechanisms unnecessarily distort and complicate the process of sentencing; because a judge will know, when he sentences an individual to up to nine years in prison, that after six years, by operation of law, as a result of earned remission, that individual will have to be released into society. Obviously, that must be a consideration, even though there might be some rule that states he is not to take into consideration such factors. Not only will a judge—because a judge is a human being—take that fact into consideration, but a judge will also take into consideration the potential for parole. Therefore, when a judge hands down a sentence of nine years, he knows that the person will be out in six years.

Now that we are introducing Bill C-67, can Your Honour see how the Bill will further distort and complicate the process of sentencing? Whereas prior to Bill C-67 a judge would know full well, within a high degree of certainty, that an individual would be released after serving two-thirds of his or her sentence, with Bill C-67, a judge would no longer know that. I would very respectfully submit that that would affect sentencing. That is why I also mention the sentencing commission; because when the sentencing commission comes down with its report, it will no doubt consider parole and mandatory supervision. Your Honour might find that once the Archambault Commission hands down its report, this Parliament, once again, will have to consider this particular area.

It might very well be that before this particular Parliament rises to go to the polls once again, we might again be considering this legislation, or legislation that will affect the whole concept of mandatory supervision and parole.

Mr. Justice Linden made these comments in October of 1985 in a paper prepared for a seminar of the Candian Institute for the Administration of Justice. That was several months after this legislation was introduced in the House, in June of 1985, but it was before or during committee consideration.

In the place of the existing system of sentencing Mr. Justice Linden proposes one that would outline typical sentences for normal examples of each criminal offence. What does the justice mean? He means that instead of having a system where one simply stipulates the maximum sentence as found in the Criminal Code of Canada for a particular crime, or the minimum sentence in the odd case when one is dealing with the importation of narcotics or a second offence for drunk driving or for murder, there would be a system which would outline simply a typical sentence for normal examples of each criminal offence.

There are degrees of violence, or degrees of offences. All murder is not alike. As Your Honour knows, one can commit murder by pulling a trigger and firing a single bullet. One can commit murder by stabbing an individual with a single thrust. Then, again, one can commit murder by blowing up a house in which there is a person, or by blowing up a car in which there is a person. There are various methods by which one can commit murder.

• (2100)

As well, of every crime that is outlined in the Criminal Code, there are those that can be committed in an uglier fashion than others. What the judge is saying is that there should be a "normal" example of each criminal offence. The judge could then distinguish or deviate from that example, depending upon the seriousness of the crime. Mr. Justice Linden says that there is too much disparity in sentencing. In effect, he confirms the report which was aired on CBC's *The Journal*. He says that judges are told what sentence to impose in the worst case of each crime and that sometimes they are given no choice in imposing a minimum sentence as well.

However, he said, quite correctly, that there are no guidelines for normal cases. I submit that judges who deal with criminal matters in Canada would welcome and appreciate guidelines, some direction, some assistance. This is the reason why, prior to sentencing an individual, a judge will ask the Crown prosecutor and counsel for the accused for submissions in order to gain some assistance to help him or her decide what type of sentence should be handed out. I am certain that most judges would welcome some type of guidelines. The guidelines might very well suggest that the judge take into consideration parole or mandatory supervision. We know that Mr. Justice Linden has advocated the total abolition of that; but there are ways of retaining the present system, I would suggest, while providing guidelines for judges.

For instance, Mr. Justice Linden says that hijacking, manslaughter, aggravated robbery and aggravated sexual assault should be among those offences calling for a bench-mark sentence of seven years. Mr. Justice Linden explains that the bench-mark sentence would be the typical sentence. He is saying that if someone is convicted of hijacking, manslaughter, aggravated robbery or aggravated sexual assault then the bench-mark sentence would be seven years. He goes on to argue in the paper he presented to the Canadian Insitute for the Administration of Justice that judges should still be free to make an individual sentence lighter or tougher as the circumstances warrant. In his paper he condemns the out-dated sentences provided in the Criminal Code. He applauded the fact that the previous Liberal administration commissioned a royal commission to study the whole concept of sentencing.

As you know, Mr. Speaker, and as I pointed out earlier, criminal law provides for sentences up to and including life imprisonment for breaking and entering, even though only 55

per cent of those convicted of such a charge are actually jailed. Is it any wonder that there was a necessity, and is a necessity still, to review these out-dated sentences in the Criminal Code? I do not think that there would be too many people in Canada who would argue that breaking and entering should carry a prison term of life imprisonment.

Mr. Justice Linden also states in his report that our sentencing principles and practices are antiquated, complex and based on a multitude of differing philosophies. Most important, they are often unfair. Some of the factors considered by judges when imposing sentence may be clearly discriminatory. He states that employment is often cited as a mitigating factor and that the unemployed may therefore receive less lenient treatment. He asks this question: "Is this bias appropriate?" Mr. Justice Linden points out that the ideas he puts forth in his paper are his own and not necessarily those of the Law Reform Commission of Canada.

The reason I felt it necessary to comment on some of the suggestions made by Mr. Justice Linden is because in my mind it is important to consider when we are dealing with Bill C-67 what is happening when a judge is sentencing an individual. I believe it is important to understand that at the time of sentencing judges take into consideration a number of factors, including the fact that the particular individual would at some point in time be released on mandatory supervision.

As I pointed out a few moments ago, there have been four separate commissions which have studied this whole area, one in 1956, one in 1969, one in 1972 and one in 1974. I would commend to all Members a discussion paper entitled "Mandatory Supervision, a Discussion Paper". It is a report of the Committee on Mandatory Supervision dated March, 1981. It is a very thorough report prepared for the then Solicitor General of Canada, the Hon. Member for York Centre (Mr. Kaplan). At that time he felt it important to have his Department thoroughly consider the concept of mandatory supervision. The concept was in force for approximately 11 years at that point in time, but there were problems with it. It was felt that it was important to study the area in order for the Department to come up with suggestions.

This particular report looks into the history of mandatory supervision. It points out that the concept of mandatory supervision began in the United States in the 1950s. It points out that in the United States in the 1950s there was a growing belief in the corrective value of release on parole and the control and assistance provided by parole supervision. A national conference on parole convened by the United States Attorney General in 1956 recommended the same conditions and supervision for those being released as a result of remission.

The Canadian delegates to this conference returned to Canada with this recommendation. Some 14 years and several task forces later mandatory supervision was instituted in Canada, in August of 1970. As Hon. Members know several committees and commissions, the National Parole Board and the police identified the need for a program to provide supervision of all inmates released from prison.

This Bill could very well have the effect of ensuring that there would be no supervision whatsoever, if an individual is kept incarcerated until warrant expiry. I will not refer to this particular report at length. However, I commend it to Members of Parliament, for those who would like a thorough understanding of the history of mandatory supervision in order to understand the problems associated with it and to understand some of the statistics that have been compiled with regard to it. No doubt this report is available from the Department of the Solicitor General.

I would once again like to make it absolutely clear and certain that the Liberal Party does not object in principle to this legislation. I had a discussion with the Solicitor General about a particular provision of the Bill with which the Liberal Party is very concerned. I understand as well that the New Democratic Party is also very concerned with this provision which would allow the National Parole Board to make a decision with regard to whether or not a detention order should issue.

• (2110)

Before I refer to the report of the Senate committee that pre-studied this legislation, I would like to briefly describe how the legislation would work. As the Solicitor General pointed out, the National Parole Board will be given the opportunity under the legislation to decide in certain cases whether or not an inmate should be released. The National Parole Board first will consider the type of offence the particular inmate was serving.

The Schedule to Bill C-67 outlines what offences should be considered by the National Parole Board. Basically, the legislation would provide an opportunity for the National Parole Board to consider those inmates who are serving time for violent offences. There is a list of some 20 to 25 offences included in the Schedule. The list includes causing injury with intent, the use of a firearm during the commission of an offence, pointing a firearm, prison breach, manslaughter, attempt to commit murder, causing bodily harm with intent, overcoming resistance to the commission of an offence, assault, assault with a weapon or causing bodily harm, aggravated assault, unlawfully causing bodily harm, assaulting peace officer, sexual assault, sexual assault with a weapon, threats to a third party or causing bodily harm, aggravated sexual assault, kidnapping, robbery, arson, setting fire to other substances, setting fire by negligence and conspiracy to commit murder.

If an inmate is serving time for one of those particular offences which are considered to be violent in nature, the National Parole Board has the authority to decide whether or not that particular inmate should be subjected to a detention order which would be in effect for the period of one year. The inmate could have that detention order reviewed after the first year.

The Bill would authorize the National Parole Board, according to established criteria and procedures, to retain in custody until warrant expiry or place under strict residential conditions those inmates considered to pose a clear risk of violent conduct beyond a release date that would have been established by earned remission. In the case of which I was speaking earlier, after six years the authorities would have the opportunity to keep that person incarcerated. This legislation would allow inmates convicted of the violent offences specified by the criteria only one chance for release on mandatory supervision by denying them the opportunity to earn remission following a revocation of a first release.

You will note, Mr. Speaker, that the Senate committee that pre-studied Bill C-67 had some very serious concerns with regard to what is known as one-shot mandatory supervision. In a few moments, I will refer to the report of the Senate which made some very persuasive arguments as to why there should not be one-shot mandatory supervision.

Bill C-67 would establish procedural safeguards and criteria that would limit the application of the measures to only the most dangerous offenders. That is according to the Solicitor General. The legislation would assure that the procedures and practices of the National Parole Board complied with the duty to act fairly and provide equality of treatment and to equip the Board to manage better its operations.

Perhaps I can digress for a moment and comment briefly on the National Parole Board. Notwithstanding the fact that at times the appointments of various members of the National Parole Board have been labelled as partisan in nature, I for one believe that for the most part, the National Parole Board is doing an extremely effective job. As we all know, the sister of the Secretary of State for External Affairs (Mr. Clark), Marcia Clark, is a member of the National Parole Board.

Mr. Hnatyshyn: Is that Simma Holt you're talking about? Don't you criticize Simma.

Mr. Daubney: What about Keith Davey's wife, 20-year appointment?

Mr. Hnatyshyn: No, I don't want you to get personal.

Mr. Nunziata: The Government House Leader who is not sitting in his seat—I am not sure if that is because he was demoted—referred to Simma Holt, a former member of the National Parole Board, who was dumped unceremoniously by this insensitive Conservative Government in order to give the Government the opportunity to appoint one of its own. Another Conservative Member of Parliament suggested that the wife of a Senator was appointed to the Board. I did point out that in the very near past, appointments have been partisan in nature but we have not overly criticized those appointments. The moment I started to talk about the composition of the National Parole Board, we heard from Members opposite talking about Liberal appointments to the National Parole Board.

Mr. Hnatyshyn: Do you want to throw in the towel on Rod Blaker?

Mr. Nunziata: I can speak at length about Conservative appointments to the National Parole Board. As I was saying, the sister of the Secretary of State for External Affairs and former Prime Minister, Marcia Clark, was appointed to the National Parole Board representing—

Mrs. Sparrow: Sister-in-law.

Mr. Nunziata: The Hon. member for Calgary South (Mrs. Sparrow) indicates that it was the sister-in-law of the Secretary of State for External Affairs, Marcia Clark. Marcia married Joe's brother, in other words.

Mr. Merrithew: Brilliant deduction.

Mr. Nunziata: The point I am trying to make is that under Bill C-67, we are giving authority to the National Parole Board to determine whether or not a particular individual should be deprived of his or her liberty. For the last few moments, we have heard from Members opposite through their heckles about the partisan nature of appointments to the National Parole Board. It is true that individuals have been appointed to the National Parole Board because of family connections, whether it is being the sister-in-law of the Secretary of State for External Affairs, the wife of a Senator or a former Member of Parliament. That causes me concern and it should cause concern to each and every Hon. Member. Do we want to give the ultimate authority to the National Parole Board to decide to deprive an individual of his or her liberty?

• (2120)

There are those people who would argue that that is what they are doing, that is their job, and that they must decide whether or not an inmate should be released on parole. However, there is a difference. An individual released on parole is not entitled by law to be released on parole. An individual who is released on parole is released on certain conditions, and that parole can be revoked if the conditions are not met. On the other hand, mandatory supervision means that an individual is released by the operation of law; by the laws of Canada an individual who is serving a period of incarceration must be released.

There are those people who would argue that the ultimate authority on whether or not an individual should be released, after the date on which he or she becomes entitled to release by virtue of the earned remission provisions of various pieces of legislation, is the court. That final decision, it is argued, should be a decision of the court. The court, at first instance, makes the decision on how long a period of time the individual should be incarcerated. That one provision is the provision which most offends Members of Parliament on this side of the House.

We appreciate and support the thrust of this piece of legislation. We support the general principles which form the

basis of the legislation, but we are very concerned about the fact that there is not judicial determination of detention.

When the Solicitor General spoke, he indicated that this particular piece of legislation would only affect a handful of the 11,000 inmates in federal prison. Those were his precise words. He said: "Perhaps about a hundred a year". He was not quite certain about how many inmates would in fact be affected by the legislation. That was a bit surprising. One would have thought that given the fact the Solicitor General was introducing this important legislation, he would at least have some idea about how many individuals would be affected. He was not able to tell us; he said that it would be perhaps a hundred, a handful. If that is the case, if we are only dealing with a hundred individuals, then why not allow the courts to make the decision?

When I spoke with the Solicitor General shortly after Question Period today, he indicated that it would make this system too cumbersome. He argued that if these matters were referred to a court for final determination, there would be a tremendous backlog. How could there be a backlog if we are only considering about a hundred a year, spread across Canada? Is it too much to ask that the judiciary make the final determination? In that way we can be assured that there is ultimate fairness in this particular situation.

We are not arguing that violent offenders should be released into the community. As I indicated earlier, we want to ensure that society is protected and that society will be protected even if the inmate serves his or her full sentence and then is released into the community.

As the Solicitor General pointed out, the Senate considered this legislation and tabled two reports, one of which was dated May 14, 1986 and the other of which was dated June 12, 1986, less than a week ago. Well, we heard from the Solicitor General, and he seemed to be blaming the Senate for the delay in bringing forward this Bill. I have here the Senate's twenty-first report which was given to the Solicitor General over a month ago, on May 14, 1986. Even though he had the authority and jurisdiction to complete all stages of Bill C-67 before that period of time, he suggested something which was quite laughable. He suggested that one of the reasons he waited so long to bring forward the Bill was that he wanted the Senate to pre-study it. The Senate pre-studied the Bill.

If he were sincere about giving the Senate the opportunity to pre-study the Bill, in order to receive submissions, ideas, and recommendations on amendments to the Bill, why would he totally dismiss the recommendations of the Senate? I would suggest that the whole process of pre-study as enunciated by the Solicitor General was a farce, and that the Solicitor General did not in any way intend to listen to the Senate. He has spoken on a number of occasions in a very disparaging and derogatory fashion about the Senate. Why would he start listening to the Senate now?

I should like to commend the Senate Standing Committee on Legal and Constitutional Affairs. I am sure the Hon. Member for Burnaby, who has listened very attentively to my submissions, will stand in his place when his opportunity comes and will commend the Senate.

Mr. Robinson: That hurts.

Mr. Nunziata: He says that that would hurt. The Hon. Member for Burnaby represents a political Party which likely will never, ever—

Mr. Robinson: Go to the Senate.

Mr. Nunziata: —form a national Government in all likelihood; it might form a coalition Government some time in the future.

An Hon. Member: With the Grits.

Mr. Nunziata: With the Conservative Party, of course. He is a member of a Party which advocated the abolition of the Senate. I know, with all the certainty I can command, that that Member will stand and congratulate the Senate, the Senate Standing Committee on Legal and Constitutional Affairs. I know he will do that because he unequivocally agrees with each and every recommendation which the Senate committee made on Bill C-67 in its twenty-first and twenty-second reports. Who would suggest that the Senate does not work? As of June 12, it had submitted 22 reports; that is a lot more than many committees.

Mr. Althouse: Mr. Speaker, I rise on a point of order. Could Your Honour give us the final indication from the House Leaders on whether we will be adjourning for the night at 10 p.m. or at 10.21 p.m. if we take the ministerial statement into account?

Mr. Speaker: All the Chair can tell the Hon. Member is that at the moment the Chair understands the House will be sitting until 10.21 p.m.

• (2130)

Mr. Nunziata: Mr. Speaker, I do not intend to speak at length. I note that certain Conservative Members of Parliament are encouraging me to continue with my submissions. I would be very pleased to but I am about to wrap up.

Some Hon. Members: Hear, hear!

Mr. Nunziata: Rare is the case when Conservative Members of Parliament will applaud me.

Some Hon. Members: Sit down.

Mr. Speaker: Order. The Hon. Member has not ceased speaking. I accept that. I am simply indicating to the Hon. Member and others that the Hon. Member has the right to be heard in order.

Mr. Nunziata: Thank you, Mr. Speaker. Earlier this day the Member for Windsor West (Mr. Gray), our House Leader,

was given standing applause because he has served 24 years in the House of Commons, a very distinguished record. I would just like to point out that I only have to wait 22 more years to get standing applause from Members opposite as well.

Mr. Blenkarn: You won't be here.

Mr. Nunziata: If I were a betting man, which I am not, I would bet on the number of Conservative Members who will be re-elected in the next election. You can be darned sure, Mr. Speaker, you can bet your mortgage and your bottom dollar, that you will not have 209 Conservative Members elected in the next Parliament. It was an aberration in Canadian political history never to be repeated again.

Mr. Speaker: With great respect, the Chair does believe that the Hon. Member is stretching the rules of relevancy slightly with these comments.

Mr. Nunziata: Mr. Speaker, what I mean to say is that given the type of legislation which the Government is introducing, an example of which is Bill C-67, is it any wonder that the Government will go down to the greatest defeat ever in the history of Canada?

Mr. Speaker, if I can become serious for a moment—

Mr. Beatty: I doubt that.

Some Hon. Members: Hear, hear.

Mr. Nunziata: This is serious legislation. I know the hour is late and I promise I will not speak beyond 10.21. I will conclude my remarks. I want to touch on only one or two other areas and then I intend to resume my seat in order to give Members of the House an opportunity to ask questions.

I would like to refer to the twenty-first report of the Senate committee which is dated May 14, 1986. However, before referring to this report, I would like to point out that the Standing Senate Committee on Legal and Constitutional Affairs is not a study group or task force of the Minister. The Minister would have us in this House and all Canadians believe that the Senate committee was a creature of his Ministry, that somehow he created that committee to consider this legislation. The Senate Committee on Legal and Constitutional Affairs does not report to the Solicitor General of Canada contrary to what the Solicitor General of Canada might like or believe or want. It is a committee of the Senate and reports to the Senate. Perhaps in the future the Solicitor General could keep that in mind when he refers to this particular committee.

The Standing Committee of the Senate was referred the subject matter of Bill C-67 in advance of it coming before the Senate. Pursuant to the rules of this House and pursuant to Parliamentary tradition it is possible to refer a Bill to the Senate of Canada in order to allow pre-study of it. The Senate was asked to give some sober pre-thought to Bill C-67. I would like to commend the committee for the work it did on Bill C-67. It did not simply read Bill C-67 through and submit a report. This is not a lengthy piece of legislation. It is comprised of only 19 pages.

The Senate called a great number of witnesses. It listened to the various interest groups involved including the John Howard Society, the Elizabeth Fry Society, correctional officials and a great many other groups and organizations. In addition to listening, the committee considered reports from various groups and organizations. It also went to a number of prisons in order to talk to inmates, wardens, guards, and other people associated with the prison system.

After consideration of Bill C-67, the committee decided to submit an interim report which is the twenty-first report. It is pointed out that the report was not intended to be exhaustive and that the committee would continue its prestudy of the Bill pursuant to the order of reference. In its twenty-first report the Senate committee pointed out four areas of concern. The first area of paramount concern is the area which causes the Liberal Opposition in this House considerable difficulty, that is the issue of judicial determination of detention. With your permission, Mr. Speaker, I would like to indicate what the committee had to say with respect to this very important issue.

It said that the first issue has to do with the question of what is the appropriate body to make decisions with respect to the detention of allegedly dangerous inmates beyond the date of their eligibility for release on mandatory supervision. It was the opinion of the committee that the legislation should reflect the principle approved by the Senate when it adopted Bill S-32, on June 6, 1983, in the first session of the thirty-second Parliament, namely that the court rather than the National Parole Board should make decisions respecting the continued incarceration of inmates who would otherwise be eligible for release on mandatory supervision. The committee said that having heard the comments of the Solicitor General with respect to the appropriateness of the board taking on this responsibility it must, with respect, disagree.

While recognizing that the legislation attempts to ensure that inmates are afforded the best procedural safeguards available to administrative tribunals, the committee was still of the view that such decisions affecting, as they do, the liberty of individuals are more appropriately addressed in a judicial rather than administrative forum where affected inmates would have recourse to all the procedural rights and protections available in the criminal courts as well as the distinct right of appeal.

• (2140)

That in a nutshell is what the Senate committee had to say about this very important issue. Senator Earl Hastings is a member of that committee and I would like to publicly thank him for his involvement. For quite a number of years he has had a very keen interest in this area. I know this legislation is very important to him. He has closely monitored the Bill through all stages and on a number of occasions he attended committee to hear testimony.

Parole and Penitentiary Acts

The House of Commons committee which dealt with Bill C-67 also heard from the John Howard Society. That organization indicated its opposition to the enactment of this or similiar legislation. They submitted a brief and I would like to read from that brief. The Society said it was its intention to suggest amendments which would lessen the problems associated with the Bill as it currently stands. It did so at the request of a number of Members of Parliament who felt the Bill will pass in some form but may be subject to modification. They believed that the Solicitor General would listen. He indicated on a number of occasions that he would but, as you know, the Minister did not attend committee. I suggest that was a betrayal.

I now want to refer to the section of their brief dealing specifically with the issue of judicial determination of detention. They say, in reference to the enormous authority which Bill C-67 vests in the Parole Board, that they believe special safeguards are necessary to ensure the authority is used fairly and judiciously. For that reason, and because the Bill has the effect of lengthening the term of incarceration beyond that which the court anticipated, they recommended that the prisoner designated by the Parole Board to come under the special provisions of this Bill have the right to appeal the decision to a court of law. The appeal court must have authority to reverse the decision of the Parole Board.

What the Society is recommending very strongly is that this discretionary power should rest with the courts. They believe that would make the system a lot fairer. Yet once again the Solicitor General has totally and absolutely disregarded their very persuasive arguments. The Minister will often stand in his place and applaud the work of the Society. He will stand up and congratulate them. He will tell them what wonderful work they are doing. He would not hesitate to try and score some political points by applauding the Society. However, when it gets down to the crunch, he totally disregards them and tells the Society they are out to lunch, he does not agree with what they are saying.

One would hope at the very least that he would have some very persuasive arguments to put forward in order to substantiate his position that the National Parole Board should make the final decision with respect to whether or not a detention order should issue. We have not heard any persuasive arguments. I suppose he has been convinced by the sister-in-law of the Secretary of State for External Affairs that she should be given the authority, along with her colleagues in the National Parole Board. The Solicitor General certainly has not listened to the John Howard Society or the Elizabeth Fry Society, an organization which the Solicitor General would not hesitate to commend for the very fine work it does with regard to female offenders.

● (2150)

The Canadian Association of Elizabeth Fry Societies, which is an association consisting of all the Elizabeth Fry Societies across Canada, made a submission to the Senate Committee on Legal and Constitutional Affairs with regard to the proposed amendments to the Parole Act, the Peniteniary Act, the Prisons and Reformatories Act and the Criminal Code. This particular submission is dated April 17, 1986. The brief consists of 35 pages.

I wonder whether the Solicitor General has taken the opportunity to read through this very worth-while brief. I would be pleased to refer a copy to him. Given the actions of the Solicitor General, it appears that he has not listened to the Elizabeth Fry Society and has not read this brief. It includes a table of contents at the front of the brief, and perhaps I can refer to it in order to indicate the depth to which the Elizabeth Fry Society went in order to try to persuade the Government of Canada and, the Solicitor General to understand their concerns.

There is an executive summary, a background and then an overview. There is a section of the brief consisting of some five pages entitled "Parole Board Review Prior to Day Parole Eligibility". There are then two pages of recommendations in that particular area. There are another 15 pages devoted to what is entitled "Parole Board Power to Detain". The members of the Elizabeth Fry Society list a number of reasons for their objections.

They object to the selection of offences, the breadth of application, the conviction and sentencing for future behaviour, disclosure of information to the prisoner, the loss of right to earn remission and the value of remission. They object because violence is not predictable. They object by reason of the vagueness of the grounds for determining likelihood for future violence. They object because of the community resource availability, and they object because of the retrospectivity of the legislation.

The members of the Elizabeth Fry Society have also devoted a portion of their brief to the issue of one-chance mandatory supervision, which I hope to address in due course. They also address the six-day hold without warrant provision, and then they make some technical comments. The final recommendation is to rescind mandatory supervision.

I want to refer specifically to the portion of the brief which deals with the issue of judicial determination of detention, that paramount issue that the Opposition is concerned about, and the Standing Senate Committee on Legal and Constitutional Affairs was concerned about. In the executive summary at page (i) of the brief of the Canadian Association of Elizabeth Fry Societies it says:

> Bill C-67 would give new powers to the Parole Board to place a detention order on certain prisoners until warrant expiry, or until the order is lifted. These powers will effectively change the role of the Parole Board to a detaining body (which we normally leave to the courts which ensure due process)—

They go on to say the following:

> The fact that the Parole Board would be able to use this detaining power in relation to anticipated rather than actual behaviour, based on criteria contained in Regulations, which are themselves broad and which can be amended without Parliamentary scrutiny, make the provision particularly offensive to existing traditions of due process within the Canadian criminal justice system. It is likely

that the new provision will also be found to contravene Section 7 of the *Charter of Rights and Freedoms*.

An interesting point the Elizabeth Fry Society makes is that they believe, given their experience, that the retroactivity provisions could contravene Section 7 of the Charter of Rights and Freedoms. I wonder whether the Solicitor General has had the foresight to refer the legislation to some constitutional experts to determine whether or not the Bill complies with the Charter of Rights and Freedoms.

The Canadian Association of Elizabeth Fry Societies at page 17 of the brief make some further submissions, specifically with regard to the concept of judicial determination of detention. I would like to quote from page 17 of the brief, which is entitled "Conviction and Sentencing for Future Behaviour". It was pointed out yesterday I believe by the Member for Burnaby quite correctly, that it is impossible to predict with any degree of certainty future behaviour. I suppose there would be those who would argue that you can predict within a certain degree. Given a certain amount of information about a particular individual, you might be able to decide whether or not this person is likely to be violent at some future point in time. It is not a science.

Mr. Robinson: Mr. Speaker, the Hon. Member for York South—Weston (Mr. Nunziata) has referred to a report of the Senate Standing Committee on Legal and Constitutional Affairs. I wonder if I might seek unanimous consent to have a copy of this important report appended to the *Hansard* of today's date?

Mr. Speaker: The Hon. Member knows that such a request is not possible.

• (2200)

Mr. Nunziata: Mr. Speaker, I note that the hour is ten o'clock. Is it the intention of the House to sit until 10:21?

Mr. Speaker: I take it the Hon. Member is raising a point of order about his own speech. That is difficult, however. The House sits as long as the rules require it to sit. According to the rules, the House will sit to 10:21 p.m.

Mr. Cook: I rise on a point of order, which is out of my deep concern for the throat of the Hon. Member who has been speaking for three hours now. I wonder if I might seek unanimous consent to call it 10:21.

An Hon. Member: No.

Mr. Speaker: Having heard that there is not unanimous consent for that suggestion, we will resume debate. The Hon. Member for York South—Weston (Mr. Nunziata).

Mr. Nunziata: Mr. Speaker, I appreciate the fact that Members opposite would like to call it 10:21. I can give the guarantee to the Hon. Member that I will not speak beyond 10:21.

An Hon. Member: We will give you unanimous consent to continue.

Mr. Nunziata: If I might continue, Mr. Speaker, I was beginning to enjoy it.

Mr. Speaker: The Hon. Member has the floor.

Mr. Nunziata: Thank you, Mr. Speaker. At page 17 of the brief by the Canadian Association of Elizabeth Fry Societies, under the heading "Conviction and Sentencing for Future Behaviour"—

An Hon. Member: Do your job, Herb.

Mr. Nunziata: Perhaps we could have some silence on the other side of the House. It is most distracting.

Mr. Taylor: Why? You are not saying anything.

Mr. Speaker: Order, please. Of course, the Hon. Member is entitled to the respect from the House that he would normally give himself, I am sure, in such circumstances.

Mr. Nunziata: The Elizabeth Fry Society at page 17 of their brief discusses conviction and sentencing for future behaviour. I was commenting with regard to the Member for Broadview—Greenwood (Ms. McDonald) who said that it is like trying to predict the weather. Even the weather person, flawed as that person might be with regard to predicting the weather, is occasionally right whether or not they predict sunshine or rain. The point to be made is that even though one cannot accurately predict human behaviour with respect to future criminal or violent behaviour, it is no reason to stop trying. It is important to at least try to predict human behaviour in an attempt to ensure the greatest protection to society.

I agree that there should be some discretion and that there should be some determination as to whether or not the particular violent offender should be detained in custody. The John Howard Society also agrees, according to the brief which they submitted. The Solicitor General agrees and the New Democratic Party agrees, I believe. There are many other groups, organizations and individuals who agree with this principle.

However, we disagree about who is to make the decision. I certainly have been persuaded by the Senate committee and the submissions made by various groups and organizations that the ultimate decision should be that of the court.

Let me quote from the brief of the Canadian Association of Elizabeth Fry Societies. They say:

> The proposals place the Parole Board in the traditional role of a court, effectively giving it the power of conviction and sentencing, but for behaviour that has not occurred. This cannot be permitted in our justice system. Firstly, CSC's review and that of the Parole Board, based, as they would be, on behaviour that has not yet occurred, offends and sets aside a fundamental principle of justice, that of being held accountable only for behaviour that has occurred or been actively planned. Secondly, the legislated review and hearing process do not provide the safeguards that apply in court (such as right to counsel, strict rules of evidence, right of appeal, etc.) and yet the consequences of the Board review could be extremely serious for the prisoner, resulting in a

mandatory period of loss of liberty considerably longer than that which was anticipated in court at the time of the initial sentencing.

These two factors make the proposal unworkable; it will mostly likely be challenged under the Charter and perhaps invalidate it. It is preferable to seek societal safety in other ways.

The Elizabeth Fry Society made some very important submissions. They were ignored by the Solicitor General. He has ignored the Senate committee, the John Howard Society and the Elizabeth Fry Societies.

What about the Correctional Service of Canada? I want to produce a document that refers to the Correctional Service of Canada. It is entitled "Release on Mandatory Supervision of Mentally Disturbed and Dangerous Inmates". It is a report that was put together by the Correctional Service of Canada under the heading "Evaluation and Special Projects, January 8, 1985." The Correctional Service of Canada is responsible to the Solicitor General, whose predecesor introduced this legislation. His Department stated in this report that the Correctional Service of Canada encouraged the ministry to retable at an early date the proposed legislation to allow for a court review of the mandatory supervision release of dangerous offenders. They go on to state that: "It should be noted, however, that this only postpones the problem until warrant expiry, at which time it is no longer possible to make supervised release plans for these offenders."That was stated by the Correction Service of Canada.

The Elizabeth Fry Societies, the John Howard Society, the Senate committee and even the Correctional Service of Canada argue that the court should make the ultimate decision as to whether or not an inmate should be detained until warrant expiry.

They point out that detaining an inmate until the completion of his or her sentence only postpones the problem until warrant expiry. Yet the Solicitor General of Canada cannot seem to understand that at some point an inmate will be released and that an offender who has been deemed to be violent must be released. Even though that offender would have to be released at some point down the road—and we just want to point out the difficulties—we believe that the authority should rest with the courts.

• (2210)

Well, enough on that point. That is the crucial point about which the Opposition is concerned. There are other concerns that were raised by the Senate committee and by the Opposition at the committee level. Briefly, if I might, in the few minutes that are remaining, I would like to—

Mr. Valcourt: Keep on. Extend the hour.

Mr. Nunziata: I note that the Conservative Member opposite has just indicated that he is prepared to extend the hour. I am prepared to carry on, if the Hon. Member wishes to continue on with the debate, if he wishes to speak. I would be pleased to resume my seat if he will give me the undertaking that he will give this Bill the consideration that I have given this particular piece of legislation.

If I can return to the submissions I was making before I was interrupted by the Conservative Member who just woke up, the second point that was discussed in the twenty-first report of the Standing Senate Committee on Legal and Constitutional Affairs was the issue of entrenching guidelines in the legislation. The Solicitor General will argue, "Well, we listened to the Senate in that regard because we did in fact entrench some of the guidelines in the legislation". It was not enough. We argued that the guidelines should not be brought forward by way of regulation. We argued, very strenuously, that the guidelines, with regard to the whole concept of detention and the area addressed in Bill C-67, should be part of the legislation itself in order to ensure that the Governor in Council could not amend or change, almost at whim, these regulations that affect the very liberty of an individual.

What did the Senate committee state with regard to this most crucial issue? It stated, and I quote: "The second issue concerns the decision to allow the Governor in Council to make regulations dealing with guidelines with respect to detention orders, the right to assistance at hearings of the board and to such detention orders and the withholding of information from inmates subject to the detention process." Our comments on these matters would be equally applicable if the courts were the decision-makers with respect to detention orders. "The committee considers that the substance of the regulations contemplated to be made pursuant to Section 15.6 of the Parole Act as it would be amended by Bill C-67 should instead form part of the legislation itself." The proposed section would give the Governor in Council authority to make regulations establishing guidelines with respect to the application by the board of subsections 15.3(7) and 15.4()4 and Section 15.5.

"It is clear to the committee that any such guidelines will have an effect upon decisions touching personal rights and liberties and that policy directions as to how these decisions should be reached ought to be given by Parliament itself".

I would like to underscore that, Mr. Speaker. The Senate further stated: "We hold the similar view with respect to the power to prescribe what information may be communicated to or withheld from an inmate about the evidence which will be presented at a hearing to determine whether that inmate's incarceration should be continued, and with respect to the power to determine whether an inmate is entitled to assistance at a hearing, and the kind and extent of such assistance, as well as the persons or class of persons who may provide it. In this latter regard, we note that the right to counsel was guaranteed under Bill S-32 as proceedings of this nature would have been conducted before a court. In addition, Section 15.6(2)(b) allows the Governor in Council to prescribe the offences, the commission of which will trigger an automatic review. Once again, this is a matter critical to the liberty of incarcerated individuals and, in our view, the offences should be determined by Parliament itself".

In a very succinct fashion, the Senate, as it often does, is able to make a very persuasive argument as to why the guidelines should be entrenched in the legislation rather than being part of the regulations. I note that the Hon. Member for Calgary South (Mrs. Sparrow) is nodding in agreement, as is the Hon. Member for Parkdale—High Park (Mr. Witer), whose riding abuts my riding of York South—Weston.

Mr. Beatty: He's nodding off to sleep.

Mr. Nunziata: We are very appreciative of that, Mr. Speaker.

I have said enough with regard to the issue of entrenching guidelines in the legislation. I note that I have but a few minutes in which to speak and I have just barely touched the surface of some of the concerns, but I will terminate my submissions at 10.22 p.m.

The other very major concern put forth by the Senate committee, that was considered as well by the Elizabeth Fry Society, the John Howard Society and a number of other individuals and organizations, was the issue of limiting one-shot mandatory supervision. I referred to this particular aspect of the Bill some time ago, and I pointed out that there were concerns.

What the Senate basically had to say about this particular aspect of the Bill was that the one-shot mandatory supervision or the denial of the right to earn further remission to certain inmates whose mandatory supervision has been revoked is objectionable to the committee, and I quote from the committee report as follows: "We note that the scope of this amendment was considerably narrowed in the legislative committee of the House of Commons. Only inmates who have been made the subject of formal consideration for detention under proposed Section 15.4 of the Bill but are not detained by order of the board are to lose the right to earn further remission on reincarceration following revocation of their release on mandatory supervision".

The following is most important, Mr. Speaker: "This amendment, however, fails to take into account the criticism that an inmate may have his release revoked for the contravention of terms and conditions of that release which have nothing to do with his or her perceived or potential dangerousness. Even the narrow class of inmates who would become subject to the one-shot amendment should not lose the right to earn remission by reason of a technical or minor breach of conditions which results in revocation. That right should only be lost if there is a criminal conviction while on release". That is important.

Your Honour will recall that yesterday, very specifically, the Hon. Member for Burnaby pointed this out and proposed an amendment—which was not agreed to by the Solicitor General—with regard to Clause 4 of the Bill. One might ask, what is Clause 4 all about? Under Clause 4, where an inmate is released on parole or subject to mandatory supervision—and that is what we are discussing now and that is what the Senate committee was discussing—"the inmate shall comply with any instructions given by the parole supervisor in respect of any term of condition of parole or mandatory supervision in order to prevent a breach of any such term or condition or to protect society".

The problem is that if an individual released on mandatory supervision fails to comply with the instructions, any instruction, of a parole officer, then his mandatory supervision, his release, might be revoked. If it is revoked, then the individual would not have a further opportunity for mandatory supervision. Why you might ask would one be concerned? A parole officer might say to an individual released on mandatory supervision: "I don't like the people with whom you associate. I don't want you to associate with Conservative Members of Parliament—"

• (2220)

Mr. Speaker: It being 10:21 p.m., the House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 10:21 p.m.

HOUSE OF COMMONS

Thursday, June 19, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

FINANCE AND ECONOMIC AFFAIRS—FOURTH REPORT OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour to present in both official languages the fourth report of the Standing Committee on Finance and Economic Affairs. This report deals with simplification of the Income Tax Act and makes extensive recommendations concerning how Budgets should be prepared and how tax measures should be contemplated so that when presented in a Budget they are drafted simply. It is the view of the committee that simplification of the tax system ought to be a primary concern, while promoting equity and economic growth. The committee has recommended that the Minister of National Revenue (Mr. MacKay) use a questionnaire type tax reporting form on a trial basis for 1986.

The committee also makes extensive recommendations with respect to how the current Income Tax Act ought to be rewritten to make it readable. You will know, as do others in this House, that it is virtually impossible for Members of Parliament to understand the Income Tax Act. Indeed, senior tax practitioners have indicated they cannot understand the Act themselves. It is with that view that the committee makes this report.

CUSTOMS TARIFF—PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Mr. Gordon Taylor (Bow River): Mr. Speaker, as Chairman, I have the honour to present the report of the legislative committee in both official languages on Bill C-111, an Act to amend the Customs Tariff Act and to amend an Act to amend the Customs Tariff Act.

* * *

PETITIONS

REQUEST FOR IMPROVEMENT TO MAIL DELIVERY SERVICE

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, I would like to present a petition on behalf of more than 25 constituents resident at 121 Trudelle Street who wish to express concern about their postal service. They call upon the Minister responsible for Canada Post to take steps to ensure that mail delivery to that building be improved and, in particular, they request that it be delivered earlier in the day.

RIDEAU HALL—PUBLIC'S ACCESS TO GROUNDS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, in the continuing saga of tabling petitions concerning the closure of the Rideau Hall grounds by order of the National Capital Commission, I would like to table another six petitions which ask that the authorities reconsider this decision and allow residents and tourists to visit the grounds at Rideau Hall. They recognize that security concerns must be looked after, but the public of Canada should be allowed to enjoy the 120 acre park. The *modus vivendi*, that is the security measures should be installed appropriately so that the public can be allowed to visit these grounds.

REQUEST FOR CONSTRUCTION OF NEW POSTAL STATION

Mr. Alex Kindy (Calgary East): Mr. Speaker, on behalf of my constitutents in Calgary East I have the honour to present a petition asking Parliament to direct Canada Post Corporation to construct and operate a new postal station in the northeast sector of the City of Calgary in order that 80,000 residents of that area need not continue to face extreme overcrowding, lengthy travel requirements and poor service.

Mr. Speaker: There is a request to revert to tabling of committee reports. Is there unanimous consent?

Some Hon. Members: Agreed.

* * *

PRIVATE MEMBERS' BUSINESS

PRESENTATION OF THIRD AND FOURTH REPORTS OF STANDING COMMITTEE

Mr. Bill Kempling (Burlington): Mr. Speaker, I have the honour to present the third and fourth reports of the Standing Committee on Private Members' Business in both official languages. The third report deals with the proposals of the Standing Committee in order to rectify problems relating to Private Members' Business hours. The fourth report deals with the selection of votable items pertaining to the second draw which took place on June 10, 1986. I note that pursuant to Standing Order 36(1)(b) the fourth report is deemed adopted when laid upon the Table.

• (1110)

WESTERN GRAIN STABILIZATION ACT

MEASURE TO AMEND

Hon. Ray Hnatyshyn (for the Minister of Agriculture) moved for leave to introduce Bill C-119, an Act to amend the Western Grain Stabilization Act.

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

PRAIRIE GRAIN ADVANCE PAYMENTS ACT

MEASURE TO AMEND

Hon. Ray Hnatyshyn (for the Minister of Agriculture) moved for leave to introduce Bill C-120, an Act to amend the Prairie Grain Advance Payments Act.

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

JUDGES ACT

MEASURE TO AMEND

Hon. Ray Hnatyshyn (for the Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-121, an Act to amend the Judges Act and other Acts in relation to judicial matters.

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

SHIPPING CONFERENCES EXEMPTION ACT, 1986

MEASURE TO ENACT

Hon. Don Mazankowski (Minister of Transport) moved for leave to introduce Bill C-122, an Act to exempte certain shipping conference practices from the provisions of the Combines Investigation Act and to repeal the Shipping Conferences Exemption Act, 1979.

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

[*Translation*]

Mr. Guilbault (Saint-Jacques): Mr. Speaker, with respect to all these Bills the Government has just tabled, I should like to ask the President of the Privy Council (Mr. Hnatyshyn) whether he expects the House to adopt them all before the summer recess, for it seems to me we have only a few days left and it is a little bit late to introduce such major Bills.

[*English*]

Hon. Ray Hnatyshyn (President of the Privy Council): The question of the agenda for the House of Commons is a matter of ongoing discussions between the House Leaders. We have discussed what Bills are doable, as it were, before the end of this session. If he checks with his House Leader he will see that that matter has already been discussed and answered to his House Leader's satisfaction.

* * *

COMMITTEES OF THE HOUSE

TRANSPORT—POWER TO TRAVEL

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there are three items that have been a matter of discussion between the parties. I think you will find a disposition to have the following draft orders introduced by unanimous consent and passed unanimously without debate. They have to do essentially with respect to committees. The first order relates to the Standing Committee on Transport:

> That, in relation to its permanent Order of Reference on the Annual Report of the St. Lawrence Seaway Authority, dated September 9, 1985, and pursuant to Standing Order 96(2), the Standing Committee on Transport or a sub-committee thereof be empowered to adjourn from place to place inside and outside Canada and that, when deemed necessary, the appropriate staff accompany the Committee or sub-committee and members of the Committee as the case may be.

Mr. Speaker: The House has heard the terms of the motion. That motion takes unanimous consent for introduction.

Mr. Gauthier: Mr. Speaker, as a matter of information, is there any time limit to this motion? Is it an unlimited motion

that can be used by the committee to travel anywhere in the world?

Mr. Hnatyshyn: As an administrative matter the agenda has been presented not only to the Board of Internal Economy of the House of Commons, but to the House Leaders. The liaison committee has allocated sufficient funds to allow for the travel. So all bases have been touched with respect to this particular travel.

Mr. Orlikow: Mr. Speaker, I accept the statement of the Minister that this has been discussed by the House Leader, and if our House Leader has agreed then it is acceptable to us.

Mr. Speaker: The House has heared the terms of the order. Is unanimous consent granted for the introduction of the motion?

Some Hon. Members: Agreed.

Mr. Speaker: That being so, shall the order carry?

Some Hon. Members: Agreed.

Mr. Speaker: Carried and so ordered.

ENERGY, MINES AND RESOURCES—POWER TO TRAVEL

Hon. Ray Hnatyshyn (President of the Privy Council): Another order, Sir, again subject to discussions with all parties, including House Leaders, who have consented, and the appropriate budget has been approved by the Board of Internal Economy and the chairman of the liaison committee. I think you will find a disposition to receive the following order unanimously and to pass unanimously without debate. It states as follows:

That, notwithstanding any Standing or Special Order of this House, the Standing Committee on Energy, Mines and Resources or Members of the Committee be empowered to travel to Calgary, Alberta, Norman Wells, Inuvik, Tuktoyaktuk, Yellowknife, Northwest Territories, Fort McMurray and Cold Lake, Alberta, from August 11, 1986 until August 14, 1986 and that the appropriate staff accompany the Committee as it deems fit.

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

Some Hon. Members: Agreed.

Mr. Speaker: There being such consent shall the motion carry?

Some Hon. Members: Carried.

Mr. Speaker: Carried and so ordered.

CANADA'S INTERNATIONAL RELATIONS—POWER TO TRAVEL

Hon. Ray Hnatyshyn (President of the Privy Council): The final order has to do with the Special Joint Committee on Canada's International Relations. Again, this matter has been discussed between the parties and the House Leaders and consent is forthcoming all around. I would ask this matter be received unanimously and passed unanimously without debate. It reads as follows:

That, notwithstanding the Order of the House made on Tuesday, May 27, 1986, the Special Joint Committee on Canada's International Relations be empowered to present its report not later than Thursday, June 26, 1987; and

That a message be sent to the Senate to request that the Senate unite with this House for the above purpose.

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

Some Hon. Members: Agreed.

Mr. Speaker: There being such consent shall the motion carry?

Some Hon. Members: Carried.

Mr. Speaker: Carried and so ordered.

* * *

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT

ALLOCATION OF TIME TO CONSIDER THIRD READING OF BILL C-96

On the Order: Government Notices of Motions:

June 17, 1986—*The Minister of Finance:*

That, further to the notice given on Tuesday, June 17, 1986, by the Minister of National Revenue and pursuant to the provisions of Standing Order 117 in relation to Bill C-96, An Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, one sitting day shall be allotted to the third reading stage of the said Bill; and

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

Mr. Speaker: Before proceeding with motions there is a matter standing under Government Notices of Motion on the *Order Paper* which would normally be transferred. It is the motion under Government Notices of Motion with regard to June 17, 1986, the Minister of Finance. The House has already adopted an order with regard to time allocation. The Chair will either transfer that motion or accept it as being withdrawn.

Pursuant to the Standing Order, this Government Notice of Motion stands transferred to and ordered for consideration under Government Orders later this day or at the next sitting of the House.

Committee Reports

PRICING OF DOMESTIC WHEAT AND ITS PRODUCTS

CONCURRENCE IN THE FIRST REPORT OF SPECIAL COMMITTEE

Mr. Lorne Nystrom (Yorkton—Melville) moves that the first report of the Special Committee on the Pricing of Domestic Wheat and its Products, presented to the House on Thursday, June 5, 1986, be concurred in.

• (1120)

He said: Mr. Speaker, I rise today to move a motion of concurrence in a special report of the House prepared by seven Members of Parliament. It is probably somewhat rare that an opposition Member would move concurrence in a report of a committee on which the Government has a majority. However, I think the price of wheat in this country is an issue on which we all must agree and one on which we must act quickly if the farmers are going to stay on the land.

While the recommendations of the seven members of the committee were essentially unanimous, of course individual members had some differences. The committee was composed of the Hon. Member for Huron—Bruce (Mr. Cardiff), the Hon. Member for Algoma (Mr. Foster), the Hon. Member for Moose Jaw (Mr. Gottselig), the Hon. Member for Swift Current—Maple Creek (Mr. Wilson), the Hon. Member for Gatineau (Mrs. Mailly), the Hon. Member for Crowfoot (Mr. Malone) and myself. The committee worked well and it was obvious during our hearings in six different cities that there is a real crisis in agriculture today. The western farmer has not faced such a crisis since the 1930s. In fact, farm income for western Canadian farmers is at approximately the same level as in 1933, in 1933 constant dollars.

I am pleased that the Minister of State for Canadian Wheat Board (Mr. Mayer) is in the House today. I am calling on him to agree with the recommendations in this report and implement what the Members of three Parties are recommending on behalf of western farmers.

We are faced with a real crisis. The price of wheat is at approximately the 1933 levels, and one can imagine what that means by considering if one's income in another walk of life was at the same level in 1933, in terms of constant dollars. That is why many thousands of farmers are either going bankrupt or facing serious financial difficulties. They will be unable to make ends meet unless we do something.

This special committee was mandated to the narrow study of two-price wheat in this country and to examine, to a very limited extent, the question of parity pricing. I think all of us on the committee realize that we cannot solve the farm problem simply by considering two-price wheat. Two-price wheat represents only 9 per cent of our wheat production in Canada. Another 10 per cent or 11 per cent of wheat production is in feed grains and some 80 per cent of our wheat production is exported to other countries around the world.

I am talking about the problems as they face western Canadian farmers because about 95 per cent of the wheat produced in Canada is by farmers in the Wheat Board region in western Canada; another 4 per cent is produced in the Province of Ontario; and, the remaining 1 per cent is produced primarily in Quebec, with some in Atlantic Canada. Therefore, this is basically a western Canadian problem.

The solution to that problem is not a domestic wheat price increase. The solution is to bring back some sanity and order to international trade. Presently, there is a tremendous trade war between the Europeans and the Americans, both of whom are massively subsidizing their farmers in the export of grain around the world. We state in our report that the United States is spending some $53 billion American in their agriculture for the next three years in order to subsidize the American grain producers. Some $1 billion of that is being used to subsidize American wheat exports around the world. That $53 billion American is the equivalent of $75 billion Canadian being spent by the United States for subsidies in the next three years, or $25 billion Canadian each year to subsidize the American farmers. How can we compete when the Americans are subsidizing their farmers by some $25 billion Canadian each year?

The U.S. Farm Bill is providing tremendous subsidies for the export of grain. For example, the Americans are selling wheat to Algeria for $104 a tonne, with a subsidy of $54 a tonne. In other words, they are giving one free bushel of wheat for every two bushels they sell to Algeria, as is the case with Morocco. The Americans are after our barley markets in Saudi Arabia and may be after our wheat markets in Syria and other parts of the world. The Americans are fighting against the Europeans, particularly the French, in places like Algeria, Morocco and Egypt. However, if the French are displaced from those markets, the Europeans will go elsewhere and fight for some of our traditional markets.

The real victims of this trade war between the Europeans and the Americans are the Canadian farmers, the Argentinian farmers and Australian farmers. There are only five great grain exporters in the world: Europe, the United States, Australia, Canada and Argentina. That is the current situation.

In addition, as a result of a drop by 19 per cent in world prices for better quality grains, the initial price of wheat went down. The initial price of barley dropped by some 27 per cent this year. Therefore, farm income will decline very rapidly in Canada.

The U.S. loan rate is $2.40 a bushel, which is in effect the price of wheat in the world. We hear much speculation from the Office of Majority Leader Senator Robert Dole and the Office of Mr. Lyng, the U.S. Secretary of Agriculture, that the loan rate in the United States could drop from $2.40 U.S. a bushel to $2.10 U.S. a bushel. The prices would then be lower than those in the 1930s. If that happens and we do not respond, tens of thousands of farmers will go under and we will see the disappearance of many towns and villages and a rural way of life that is so important to this country.

I believe that all Parties in this House agree that if one segment of our society is in trouble, through no fault of its own, whether it is farmers, fishermen, loggers or anyone else, it is incumbent on the nation as a whole to come to the support of that segment of our society. The farmers in western Canada are in serious trouble, through no fault of their own but because of a trade war, world prices and the increased production of grains in countries like China and India that are becoming increasingly self-sufficient. Consequently, our western Canadian farmers are in trouble.

Some may ask if they could improve their efficiency. As the Hon. Member for Crowfoot, the Chairman of our committee said, the western Canadian farmers is the most efficient farmer in the world with the possible exception of the corn producers in the State of Iowa. Our farmers produce food very cheaply for the people of this country. In fact, we have the second cheapest food in the world in terms of the percentage of our disposable income that is spent on food. We spend about half as much on our food as we did in 1947, which proves that our farmers are not at fault for high prices. Our farmers are very efficient and extremely productive.

Our committee made nine recommendations which I believe should be taken very seriously by the House. I ask the Minister of Agriculture (Mr. Wise), the Minister of State for Canadian Wheat Board and the Prime Minister (Mr. Mulroney) to accept these recommendations.

The first recommendation is that we retain the present two-price system for wheat. That two-price system has been in place since 1967, when it was brought in to protect consumers. This two-price system meant that when the world price of wheat went high Canadian consumers would not have to pay as much for bread. On the other hand, if the price of wheat in the world was very low, the Canadian price would be somewhat higher so that the farmers would have a better deal and be able to survive on the farm.

What has happened in the 19 years we have had a two-price wheat system? Our committee reports that the consumers have benefited from the two-price wheat system by some $469.5 million because the Canadian price was lower. What about the farmer? On the other side, the two-price wheat system has helped the farmer by only $3.1 million, because only for short periods of time was the Canadian price higher than the world price, so the farmer benefited by $3.1 million and the consumer, when the Canadian price was lower, benefited by some $469 million. Up until now, the two-price wheat system in this country has meant that bread has been lower in price than it might have been; it has meant that the price of Shreddies for everyone in this country has been a little bit lower than it might have been because the farmer, in effect, has helped the consumer keep the price down.

• (1130)

What we are asking in the report is that the consumer now help the farmer by allowing us to increase the price of wheat from $7 a bushel to $10 a bushel for domestic purposes. With an increase of $7 to $10 a bushel, which is an increase of $3 a bushel which will go directly to the farmer, the wheat content will increase by 4.5 cents in a 16 ounce loaf of bread. An increase of 4.5 cents in a 16 ounce loaf of bread is not very much for the consumer to pay to help keep farmers on the land and to ensure that people in my riding, in Swift Current—Maple Creek, and other ridings do not go bankrupt because of the trade war between the United States and Europe.

Wheat for $10 a bushel is only part of the solution, because that concerns only 9 per cent of our production in Canada. However, with such an increase, there would be an extra $220 million in the pockets of western Canadian farmers which would help those farmers in my riding and in other ridings stay on the land. It will help to keep our farm food production system very efficient.

I appeal to the urban consumers represented by urban Members of Parliament in this House by saying that if the farmers are forced off the land and if we have fewer farmers and large corporate farms, the price of food will rise in this country and the people who will suffer in the long run will be the consumers, through an expensive food policy. If the price of food is to be kept down in Canada, we should keep the family farmer operating, and the price of food will be reasonable.

Therefore, I would ask the Minister of State for the Canadian Wheat Board (Mr. Mayer), who is in the House today, to agree to the position we took in committee and increase the price of domestic wheat from $7 a bushel to $10 a bushel.

In my few remaining minutes, I want to mention that recommendation No. 3 is that when export prices improve again the Canadian Wheat Board should review the $10 a bushel wheat price; in other words, if the price of wheat rises internationally from $3 or $3.50 to $5 or $6, we can review the domestic price with a view to dropping it so the consumer will once again get a break in the price of wheat-based products.

To me, recommendation No. 4 is the most important, and that is that the Government should consider a deficiency payment or combination of deficiency payments and stabilization payments for western Canadian farmers. As I said before, domestic wheat is only about 9 per cent of our production. Another 80 per cent is exported; another 10 per cent or 11 per cent goes into feed grains. With the world price of wheat being so low, I believe the farmers of this country must receive a deficiency payment from the federal Government if they are to survive. Our committee, with five Conservative Members of Parliament, unanimously states that the Government should consider a deficiency payment to the farmers of western Canada.

One might ask what the amount should be. In the United States, the farmers are receiving the equivalent of $25 billion Canadian a year. There are more farmers there and it is a bigger economy. However, what the organizations that represent farmers are stating in this country is that the farmers

of Canada should receive $1.5 billion to $2 billion in deficiency payments. I argue that if we can afford to spend, as the Government did last year, $1 billion in bailing out the banks and bank depositors because two banks in Canada collapsed, then surely to goodness we can spend $1.5 billion or $2 billion on a deficiency payment to keep western Canadian farmers in business and on the land. If the farmer is on the land, he or she will be productive, will pay taxes, make a contribution to our society and create jobs.

When the farmer is better off, we are all better off. I know that my friend from Alberta, the Hon. Member for Red Deer (Mr. Towers) would agree with that. When the farmers are better off, they will be spending money, creating jobs in the towns and cities of Canada for the young people of Canada. When the farmers get another $2 or $3, they spend $5 or $6. When the farmers spend money they stimulate the economy. It is a Canadian-owned enterprise. The federal Government now must come, on behalf of Canadians as a whole, to the benefit of the farmers, and provide a deficiency payment to ensure that farmers stay on the land. In my opinion, that is the most important recommendation we make in the report.

We also make other recommendations by saying, for example, that we must protect the historical production patterns in terms of wheat production in this country. We must also look at mechanisms to protect our wheat-based industries if the higher domestic wheat price makes them less competitive.

We are also saying, as recommendation No. 7, that the Department of Consumer and Corporate Affairs should very closely monitor the price of wheat-based products to ensure that there is not undue price escalation, and if the Department identifies unreasonable pricing to the consumer, a public inquiry into the pricing practices of the entire system should be pursued. Many times, the middleman, be it the miller, the processor, the retailer or the wholesaler, will add two or three cents, or five or six cents, or seven or eight cents to the price of a loaf of bread when the price of wheat increases. I maintain that these are unjustifiable price increases. We made a recommendation that the Department of Consumer and Corporate Affairs closely monitor the price of wheat-based products to ensure that that does not occur.

Another very important recommendation we make is that the Government consider the possibility of a refundable low income tax credit for low income consumers. Bread is a basic staple of life. Low-income people eat lots of bread. If the price of bread increases by 4.5 cents or 5 cents or 6 cents or 7 cents a loaf, then there should be a refundable tax credit so low-income people, even if they do not pay taxes, can file an income tax form and receive a tax credit back from the Government, or $100 or $200 from the Government, whatever we calculate the increase in the price of bread to be for the average low-income family.

Finally, I refer to the ninth recommendation, which is that we lead the way as a country, as one of the five great exporting nations of the world, to ensure that this issue becomes one at GATT and to make sure that we negotiate a meaningful grains agreement by which the price of wheat will be based on the cost of production so that the farmer will receive his just return and so that consumer nations on the other side will not be charged excessive prices at certain times in the international wheat cycle.

I close by making an appeal to the Government of Canada to accept the recommendations of the committee. Parliament was generous enough to recognize that there was a problem. A committee was struck from all three Parties. Several tens of thousands of dollars were spent in going around this country and studying the situation. We have now made a recommendation, coming from all three Parties, for an increase in the price of domestic wheat from $7 a bushel to $10 a bushel and for a deficiency payment for western Canadian farmers. I appeal to the Minister in charge of the Wheat Board, the Minister of Agriculture and the Prime Minister to accept the recommendations that are made in this report.

[*Translation*]

Mr. Speaker, the situation in Canada is quite dramatic. The average family income in western Canada is about the same as it was in 1930—50 years ago. I hope the Government of Canada will accept the recommendation of the special committee of the House and raise the price of a domestic wheat bushel from $7 to $10, a $3 increase for western Canada families.

Secondly, Mr. Speaker, I hope the Government of Canada will act on our recommendation to consider the advisability of awarding a compensatory payment to western Canada farmers. Mr. Speaker, I know that residents of Montreal, Quebec City, Vancouver and Toronto are prepared to pay a fair price for bread, so a $3 increase for a bushel of wheat means that a 16-ounce loaf of bread will cost 4.5 cents more as a result of rising wheat prices in this country.

• (1140)

[*English*]

We live in a democratic country, and I hope the Government will accept our recommendations. If it does not, then a great many farmers will go bankrupt, a great many farmers will disappear. Here is a chance to do something about that. What we are saying is that part of the solution must come from the consumers in terms of paying higher prices for wheat-based products such as bread, cereal and pasta. It is the minority part of the solution which comes to the tune of about $220 million. I believe, and the committee did not set a figure on this, that we need a deficiency payment whereby the majority of the money to solve the western Canadian problem in the short term must come from the taxpayers. If we do not do that, farmers will disappear, we will lose traditional wheat markets, and once the international trade war is over our farmers will not have those markets.

I stop my comments here. I make an appeal to Ministers to accept the recommendations which have been made by

members of the Conservative Party, by myself and by the Hon. Member for Algoma. If we do this then we can at least keep our farmers on the land for a little while longer, at least until the international grain situation improves, and until we find the real solution to the problem of western Canadian farmers in the international arena.

The Acting Speaker (Mr. Charest): Are there questions or comments? The Hon. Member for Swift Current—Maple Creek (Mr. Wilson).

Mr. Wilson (Swift Current—Maple Creek): Mr. Speaker, I would like to make a comment and ask a question of the Hon. Member for Yorkton—Melville (Mr. Nystrom). In carrying out his duties on the committee, along with myself and four other Conservative colleagues and the Hon. Member for Algoma (Mr. Foster), he did a service to the country in hearing the interests of the producers, the processors, the consumers and those who can be affected by an increase in the domestic wheat price which, in turn, will manifest itself in some modest increase in the price of wheat-based products. The Hon. Member very passionately and properly explained the problems facing Canadian agriculture, in particular the grain sector at the present time, owing to the disastrous effects on world prices as a result of the trade war which is escalating between the European Economic Community and the United States.

This is a situation in which the United States guarantees its producers $4.38 U.S. per bushel, while flooding the world market at the same time with wheat at $2.40 U.S. per bushel. In fact, the American situation is exacerbated by the export bonus programs which are in place with the result that for every two or three bushels of wheat sold under contract an additional bushel can be thrown in free of charge. There are a number of export enhancement and credit programs which are leading the Americans toward infiltrating and getting into grain markets which were traditionally Canadian.

In a rare spirit of unanimity the committee has put forward a number of recommendations. I was concerned that the Liberal member of the committee dissented, insofar as the two-price wheat system is concerned. He preferred not to see an increase in the price of domestic wheat from $7 to $10 per bushel. His answer was the typical Liberal answer. He suggests that the entire solution to the problems facing Canadian farmers is for the Government to come to their rescue. I think the rest of the committee recognized that the two-price wheat proposal is only part of the solution. Members of the committee agreed that once that proposal is implemented the Treasury may indeed have to supplement the two-price benefit. However, I was concerned that all in all the solution put forward by the Hon. Member for Algoma was simply to raid the government Treasury again, to futher mortgage tomorrow in order to pay for today's programs. After all, that is what has placed this country in the economic difficulties in which it finds itself; that is, a national debt of $235 billion, interest charges which consume one out of every three government revenue dollars and one out of every four government expenditure dollars. The level of expenditure on interest on the national debt, if left without taking any reponsible action, any restraint, would result in interest charges consuming the entire federal revenues by the year 2000, with the result that there would be no moneys left for any of the social programs to which Canadians have become accustomed.

Be that as it may, I want to congratulate the Hon. Member for Yorkton—Melville, in particular, for his recognition of the fact that the consumers in this country should shoulder some of the burden, that the burden of these low world prices should be shared not just by the producer and not just by Government but by—

The Acting Speaker (Mr. Charest): Order, please. I am sorry to interrupt the Hon. Member for Swift Current—Maple Creek, but the Chair wants to assure itself that it is clearly understood that this is a period for questions and comments and that if the Hon. Member has a question that he put it. After all, it is a short period of only 10 minutes.

Mr. Wilson (Swift Current—Maple Creek): Mr. Speaker, thank you for reminding me of that. This is a subject in which I am most interested. That was my comment.

Can the Hon. Member for Yorkton—Melville confirm my understanding that he feels it is right and proper that the consumers of Canada should shoulder some modest increase in the price of wheat-based products in order to help out a very productive sector of agriculture in this difficult time?

Mr. Nystrom: Mr. Speaker, I concur with that analysis. I was somewhat surprised that the Hon. Member for Algoma did not agree with increasing the price of wheat from $7 to $10 per bushel. However, he can speak for himself later on.

I agree that the consumer should pay part of the package in terms of helping western Canadian farmers. As I said before, the two-price wheat proposal has worked to the benefit of the consumer to the tune of $469.5 million since 1967, and to the benefit of the farmer by only $3.1 million. The time has come for the consumer to help the farmer. I think farmers, like everyone else in our society, want to get their money out of the market-place. They do not want subsidies or charity. They do not want hand-outs. They want a fair deal from the market-place in this country, and in the world. The big problem is the world problem. The domestic wheat problem is only 9 per cent of the problem; but it can be part of the solution. The big solution has to be the international one. However, for the time being, I think the consumers of Canada will have to contribute an extra couple of hundred million dollars to the farmers to help them stay on the land.

I remind Hon. Members that when business people put up prices they do that because they want to increase their profits or expand their plants, or whatever. One reason for the price of a car going up is that the wages for people who make the cars go up and so on. I do not quarrel with the fact that we have well paid auto workers. I want them to be well paid. I am a

very strong supporter of the new Canadian auto workers union. I hope that they will continue to make good wages so that they can have good standards of living. Of course, when their wages go up the price of a car goes up a bit. So when the wages of a farmer go up, through an increase in the price of a bushel of wheat from $7 to $10, then it is only natural that the price of bread will go up. In a 16-ounce loaf of bread the wheat content on a $3-per-bushel increase amounts to only 4.5 cents. It is only 4.5 cents per loaf for a 16-ounce loaf of bread which we eat in Yorkton. I ask, is 4.5 cents too much to pay to help some farmers stay on the land?

For those reasons I agree with my colleague from Swift Current—Maple Creek (Mr. Wilson). I think you can see yourself, Mr. Speaker, that we have agreement here from different sides of the House, from different Parties, different regions and different ideologies. All we need now is for the Government to agree, then we can all go home happy for the summer.

Mr. Towers: Mr. Speaker, the Hon. Member referred to a $1-billion bail-out of the banks in his remarks. Is the Hon. Member aware that if that exchange of money had not taken place there would have been a great many little people, including farmers, and throughout Alberta, hurt very badly, one to the tune of $325,000? That would have put him out of business completely if the federal Government had not bailed out the banks. As far as the residents of the City of Red Deer are concerned, that so-called bail-out of the banks was worth $50 a citizen to each and every person who lives in the City of Red Deer. Kanata, Ontario, was found in the same position. It was really not a bail-out of the banks; it was a bail-out for a lot of little people across Canada. Does the Hon. Member recognize that?

• (1150)

Mr. Nystrom: Mr. Speaker, of course I could and I checked my rhetoric very closely. I think I referred to both the banks and the depositors; if I did not, that is what I meant to say. Of course much of the money went to international banks that had deposits in the two banks that went under. As well, there were many depositors including people in my riding who had money in those banks.

The point I was trying to make is that if we can make a decision over a weekend to spend $1 billion to help those people in trouble, surely to goodness we can do the same thing for the farmers of western Canada. We could make a tremendous economic contribution to Canada. I think the Hon. Member would probably agree with that.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am happy to have a chance to say a few words on the motion for concurrence in the report on the domestic price of wheat moved by the Hon. Member for Yorkton—Melville (Mr. Nystrom). The committee did a lot of very important work examining the feasibility and benefits of increasing the domestic price of wheat and the impact that would have on agriculture.

At the present time, the domestic price of wheat is about $7. The posted price at Thunder Bay of No. 1 Northern Wheat is something very close to that. However, come July 1 we expect that the international price of wheat will drop. In fact, the initial price posted by the Wheat Board is $3.54. We can see that in the coming crop year, agriculture in western Canada and in the wheat growing areas of eastern Canada is going to face a tremendous drop in income. That was the message we heard most strongly in the West as well as throughout the country.

Agriculture is facing the most serious challenge it has faced since the 1930s. In fact, the price of wheat that we expect in the coming crop year will in real dollars approach the level it was in 1933. It was very appropriate therefore that this committee examine the question of a domestic price of wheat.

A domestic wheat-pricing mechanism has been used throughout the years to provide subsidies to consumers, amounting to something like $469 million. Very little of that has gone to the farmers. Perhaps something in the order of $2 million or $3 million has gone to the farmers, and that information is all contained in the report.

The key issue is that the downturn we will see in wheat prices, as posted by the Minister of State for the Canadian Wheat Board (Mr. Mayer), of 20 per cent in gross revenues will have a devastating effect on the agricultural community. I do not think anyone can really appreciate how devastating it will be. If the commodity price goes down by 20 per cent, land values will probably go down by 10 per cent. A young farmer who is highly leveraged will not only see his income decrease, but will see his equity decrease as well. The situation is very grim.

I suppose the most distressing part of the situation for Canadian wheat growers is that American commodity producers are receiving deficiency payments which lift their prices from something like $3.50 to about $6.10 per bushel. The European Economic Community farmers in France, Germany and the U.K. are benefiting from similar kinds of support programs. The impact of the world downturn in wheat prices will not be felt as much by them as it will be by Canadian farmers. In fact, one analysis in a Chase Econometrics study which I read suggests that net farm incomes will drop as much as 20 per cent this year across the entire country. We are facing a very difficult problem.

I was quite pleased to note that in eastern cities, most consumer and retail groups seem to be very conscious of what is happening in Canada, particularly to western grain farmers who produce 96 per cent of the wheat, as well as other wheat growers in eastern Canada. These groups seem to be sympathetic to and concerned about this problem.

Let me refer to a couple of recommendations made in the report. One is that Canada continue to pursue in a very active way having agriculture commodity pricing and marketing put on the agenda at the general agreement on tariffs and trade

meeting which will be held in Uruguay this fall. Unfortunately, when the Group of 7 heads of Government met in Japan, wheat was not one of the commodities recommended to go to GATT. The seven leaders talked about services, foreign investment and intellectual rights being referred to GATT for negotiation, but bringing farm commodity prices under the general provisions of the GATT arrangement was not recommended. I was pleased to have read a press report yesterday indicating that the European Economic Community is pressing for agriculture commodities to be brought under the GATT.

The committee also heard a lot of testimony indicating that profit levels in the milling industry in particular are very high. We were not able to substantiate that, but a report that was often referred to by witnesses indicated that the profit levels in the milling industry in Canada approached $21 per tonne compared to some $3.50 per tonne in the United States. The committee was concerned about, but was not able to authenticate that charge. It recommended in the report that the Consumer and Corporate Affairs Department do a careful investigation of the milling industry and, if indications of price gouging are found, that a full public inquiry be established by the Government to look into that, and supposedly take action in that regard.

The committee enumerated two solutions for dealing with the farm income problem. One was to increase the domestic price of wheat from $7 to $10. If the Government decides to do that, it will generate some $220 million worth of benefits for farmers. Unfortunately, the total impact on Canadians could be as high as $675 million, because in some sectors the value added is not 100 per cent but is up to 200 per cent. If the domestic price of wheat is increased by $3 per bushel, a 24-ounce loaf of bread will contain 6.5 cents more wheat, but the consumer price will be 13.5 cents higher per loaf. In other commodities the increase would triple rather than double.

Increasing the domestic price of wheat will generate approximately $220 million for Canadian agriculture, but at the same time we will have to pay almost twice that to the millers, the bakers, the distributors and the retail stores. In fact, some groups indicated that when the price of domestic wheat rose by only $1 back in the early spring, it should have resulted in an increase of about 2.2 cents per 24-ounce loaf of bread. Additional costs in the price of grain would double that to around 4.5 cents. In some markets, such as those of the corner stores or smaller towns which do not have the highly competitive situation that exists in supermarkets, the increase was actually in the order of 10 cents or almost double what we were generally told would be the market activity. Although we found that the increase for a 24-ounce loaf was 13.5 cents, in many markets it could have been much higher than that. That solution is one solution, but I personally favour a direct deficiency payment, about which I will talk later this morning.

• (1200)

The repercussions or resulting impacts of the domestic price increase are almost as worrisome as the fact that farmers only receive about a third of the additional costs, while the millers, bakers, and distributors receive two-thirds. If we increase the domestic price by $3, in order to protect our baking industry we would have to provide tariff protection. In many markets we would see wheat-based products flowing into Canada, and I assume we would have to provide tariff protection of at least 13 per cent, 15 per cent, or 20 per cent. At a time when the Government is attempting to negotiate a free trade agreement, I just cannot imagine that it would want to impose a tariff on wheat-based products coming into Canada. However, if the Government does not do that, certainly the pasta industry, the bread industry, and many other baked products industries will have a very difficult time, because the projections for wheat prices this year indicate a possible $6 per bushel difference. If the world price goes down by approximately $4, and our domestic price is $10, we will be looking at a $6 differential and obviously a tariff would be required.

The committee made another recommendation which it thought would be necessary if the domestic price were increased by $3 per bushel. It recommended a refundable tax credit for low-income families. The committee staff has estimated that to cost about $115 million. Therefore, it equals more than half the value which farmers would realize from the $3 increase. That detracts from the desirability of the $3 per bushel increase.

Another concern registered by the committee was that if we increased the domestic price by $3, we would have a drastic change in marketing and production. We have already seen some change this year. For example, last year Ontario produced some 220,000 bushels of hard spring wheat, and this year the projection is that it will be 3 million bushels. Likewise, soft winter wheats have been traditionally produced in Ontario. I am sure southern Alberta, which produces about 33 per cent, would look with great desire upon producing more soft winter wheats because of the differential in price that may go as high as $6 per bushel. I think the committee recognized that, and that if the Government were to use this mechanism it would have to put in place some method of market controls so there would not be drastic distortions.

Also the committee recommended that this should be a short-term proposition. Let us look at the world situation. If the world market price rises, we should lower the domestic price once farmers are receiving an adequate return on their cost of production.

The recommendation which I favour is one that has less repercussion; that is, to move to a straight deficiency payment. The Liberal caucus and the Liberal Party have recommended a payment of some $30 per tonne to reinstate, essentially, the 1985-86 crop year initial prices. We estimated that on the wheat portion this would cost $660 million. I think that amount reconciles with the $750 million or $800 million figures discussed in committee which would be required to re-establish 1985-86 initial prices for western grain. Of course, consumers will pay. If the world price drops to $4, there will be a $3 advantage for which consumers will pay.

When we look at the prospect of a $3 increase, which delivers only $220 million to farmers, it seems to me that a straight deficiency payment would provide three times that amount or some $660 million. That would be much more adequate for wheat production. We would not have to get into the problem of imposing tariffs. We would not have to get into the problems of production and marketing controls among various wheat producing portions of the country. We would not have to get into the question of a refundable tax credit. We would not have to worry about rebates being provided by the Canadian Wheat Board to wheat-based product manufacturers who market their products in the United States. All in all, we would put in place a fairer system, because it would be distributed to all producers, not just those in the No. 1 and No. 2 wheat pools, as would be the case with a strict benefit through the domestic wheat price system.

I hope the Minister of State for Canadian Wheat Board will be able to announce today a deficiency payment of adequate size. I recommend to him that it be at least $30 per tonne, based upon No. 1 wheat. At least we would then come to grips, in an initial way, with the kind of Herculean demand or problem facing the Canadian wheat producing industry which will have a devastating impact upon western agriculture, especially in this coming year. There will be a smaller impact upon wheat producers in eastern Canada as well. However, since 96 per cent of wheat production is in the West, the impact of the anticipated low prices will be very serious. I hope the Minister will be able to make that announcement today or in the very near future, because we are only five weeks or six away from the start of the new crop year.

* * *

• (1210)

WESTERN GRAIN STABILIZATION ACT—BILL C-119

MEASURE TO AMEND

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I rise on a point of order. During the Introduction of Bills, there was, unfortunately, some administrative confusion on our side. We purported to move four Bills but physically had only three. I have discussed this matter with the Deputy opposition House Leader and with representatives of the New Democratic Party. I think that if you were to put this motion to the House, Mr. Speaker, you would find unanimous agreement to withdraw the Western Grain Stabilization Act Bill?

The Acting Speaker (Mr. Charest): Is there unanimous agreement to withdraw the Western Grain Stabilization Act?

Some Hon. Members: Agreed.

[*Editor's Note: Earlier proceeding declared null and void.*]

PRICING OF DOMESTIC WHEAT AND ITS PRODUCTS

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

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

That the first report of the Special Committee on the Pricing of Domestic Wheat presented to the House on Thursday, June 5, 1986, be concurred in.

The Acting Speaker (Mr. Charest): Questions or comments?

Mr. Wilson (Swift Current—Maple Creek): Mr. Speaker, I would like to make a brief comment and then ask a question of the Hon. Member for Algoma (Mr. Foster). I personally want to commend him for his excellent work on the Special Committee on the Pricing of Domestic Wheat. I was pleased to note that he correctly identified and elaborated on the problems faced by Canadian agriculture and the difficulties in which the Canadian farmer finds himself.

I am concerned though that the Hon. Member dissented to the report which was agreed upon by the rest of the committee. He called for a straight deficiency payment as the sole answer. If I understand the Member correctly, he feels the Canadian consumer, despite the history of the two price wheat system, ought not to shoulder at least some of the burden through perhaps a modest price increase in wheat-based products. The Hon. Member suggests that the answer to this and presumably all other problems is for Government as always to raid the treasury, to borrow more money, to increase the national debt and the interest charges that go with it. Yet this policy and attitude has clearly placed Canada and Canadians in a rather severe economic situation.

I heard earlier the Hon. Member for Yorkton—Melville (Mr. Nystrom) state that the benefit of the proposed increase in the domestic wheat price from $7 to $10 a bushel would be something in the order $220 million to Canadian wheat producers. I ask the Hon. Member for Algoma to remember that, according to records of Agriculture Canada and Statistics Canada, the total farm debt outstanding in 1984 was something in the order of $21 billion. A 1 per cent increase in interest rates then could manifest itself in a $210 million additional expense to Canadian agriculture by way of interest costs. Similarly, if deficit reduction measures are successful and lower interest rates result, then there could be a resulting decrease in interest costs. That is surely what responsible deficit reduction measures should be trying to attain.

I know the Hon. Member's concern for agriculture and I know that he would not want to see the Government get into a Catch-22 situation where by rushing forward with payments out of the treasury we would compound the problem by increasing the national debt, and increasing interest costs. This would put upward pressure on interest rates, which in turn would cause the farmers more grief than they already have. I know that calling for a straight deficiency or a stabilization payment has appeal. It is awfully easy and it is simple, but I suggest to Hon. Members that it is also very seductive and

highly dangerous. I suggest to the Hon. Member for Algoma, considering the problem and the history of the two-price wheat system, which has helped the consumer in the past, that perhaps now in this time of difficulty for Canadian wheat producers turnabout is fair play and the consumer should bear some part in the solution to this problem. It may well be that the situation will call for deficiency payments as recommended by the committee. Surely the Hon. Member cannot expect the treasury to bear the entire burden of this and every other problem facing our society. Would he elaborate on that please, Mr. Speaker?

Mr. Foster: Mr. Speaker, it occurs to me that if the domestic price of wheat is maintained at $7, as I would suggest, and the world price drops to $4, consumers will be paying some $220 million in the months ahead—if those projections occur. The net benefit of the $3 increase is $220 million whereas the actual over-all cost to the country is up to $675 million and there is a disproportionate benefit to the millers, bakers, distributors and retailers. On top of that, Mr. Speaker, there is a benefit of $220 million to the farmers, yet at the same time the Government is putting in place a low income refundable tax credit that will cost $115 million, which is more than half of the benefit to the farmers, plus all these other problems of putting in place a tariff and production and marketing controls. As a result, the net benefit to the farmer is low, yet you create all these distortions.

It seems that what we want to do is to deliver in the most efficient way possible as many dollars as possible to the farmer. By raising the domestic price of wheat is one way, and maybe the Government will decide to do it that way. The amount of money paid out to manufacturers, distributors and retailers together, along with the low-income refundable tax credit, will cost something like $785 million, yet the farmer gets only $220 million. That does not seem like a very efficient way to me.

The Prime Minister (Mr. Mulroney) and the Minister for International Trade (Mr. Kelleher) I assume have to look at the repercussions of imposing a tariff. You do not put on tariffs like that in a minute, but you would have to so to protect the bakery manufacturers. In places like Vancouver, the Washington State manufacturers already have 20 per cent of the market. The pasta people say they will be wiped out because everybody will be shipping Durum wheat to Italy where it will be processed. The European Economic Community will put on variable levies and then there will be the reconciliation benefits as the pasta comes back out. This does not seem to me to be very efficient, when we are trying to provide a substantial benefit to farmers.

I think there was general agreement in the committee that we need to provide a substantial benefit to the farmers. If we go the domestic price increase route then we have a very substantial cost. It provides only about one-third of what is generally discussed as being needed as a basic deficiency payment, and then you have to provide a deficiency payment as well. The distortions and the net benefit to the farmer are so low compared to the straight deficiency payment that it does not seem to me to be a good thing.

Mr. Geoff Wilson (Swift Current—Maple Creek): Is the Hon. Member for Gatineau (Mrs. Mailly) asking a question, Mr. Speaker? I will concede to her if that is the case.

[*Translation*]

The Hon. the Government Deputy Whip.

Mrs. Mailly: Mr. Speaker, I have a question for my colleague. According to him, it was better to give wheat producers a support payment to help them get through this crisis. As I recall, during the debates of the committee on which I sat we came to the conclusion that the kind of financial assistance the producers need at this time would amount to about $700 million. Chances are we would have to borrow that amount to help them, so if the Government were to go ahead this would only make our debt that much heavier. Otherwise, without a loan, it would have to let the deficit grow, and we know the deficit has an impact on interest rates. Experts have even told us that if interest rates were to go up by 1 per cent, the wheat producers for instance, the very people the committee recommended for help, would have to pay $210 million more as a result of this additional 1 per cent interest. So I wonder whether my colleague would agree that this solution did entail an element of risk?

• (1220)

[*English*]

Mr. Foster: Mr. Speaker, I find it interesting that people believe the money used to fund agriculture is borrowed money. How do we know that the borrowed money is not that used to pay for the Prime Minister's trips to New York and France? We cannot identify what the borrowed moneys are used for. In our own minds we decide what our tax money is going to be used for, but in fact it all goes into the Consolidated Revenue Fund.

The problem facing agriculture is a lot more grave than those facing the two banks that went broke last year, yet, the Government was able to make a decision on that. I do not believe this expenditure is any less deserving than the expenditures we make in other fields of government activity. This is an enormous industry which faces very serious problems. I do not believe we can solve the problem with anything less than a deficiency payment, because the percentage of wheat used for domestic purposes represents less than 10 per cent of the total production. We hope that the issue of trade between the United States and the European Economic Community will be resolved, but if it is not surely we are not going to walk away from the farmers.

[*Translation*]

Mrs. Claudy Mailly (Gatineau): Mr. Speaker, in the course of this debate, I noticed some of our fellow citizens in the visitors' gallery and I want to welcome them to their Parliament and their National Capital. I was delighted to see they

were here for this debate. Although not as spectacular as question period, which will start at two o'clock, the subject of this debate has a far greater impact and is far more important to them personally than the proceedings that will start at two o'clock this afternoon.

That is because, Mr. Speaker, this report and the work done by the committee that examined the pricing of domestic wheat, are a perfect example of the principles that should guide this Parliament, our Government and all Members of this House. I am referring to the co-operation and support one part of the country should show another that is experiencing a crisis.

It is true that wheat is consumed across this country, Mr. Speaker, but it is produced, it is mainly grown in Western Canada, and to a lesser extent in Ontario, while less than 1 per cent of our wheat is grown in the other provinces, including Quebec. Mr. Speaker, our wheat growers are in trouble, but the problems they are facing are not of their own making. It is not because wheat growers in Western Canada are not productive enough or made the wrong decisions or did not work hard enough or were not smart enough to cope with and prevent the crisis they are facing today.

No, it is because the world price paid for their wheat has dropped dramatically and probably will drop even more until it reaches a level where they can no longer continue their operations and make a profit as well.

Our special committee, on which I sat as vice-chairman, made its recommendations in this report with a view to protecting Canada's rural economy and our agri-food industry. Although most of our wheat is grown in the West, it is sold to the processors who are located in Central and Eastern Canada. In other words, Mr. Speaker, the jobs in the agri-food industry are in the latter two areas.

Therefore, the purpose of today's debate is to explain to our colleagues in the House and to our fellow citizens that, when examining the pricing of domestic wheat, the special committee was also concerned about the agri-food industry and the consumer. And that, as was explained by the Hon. Member for Algoma (Mr. Foster), is because any increase in the domestic price of wheat automatically increases the price of products that contain wheat.

It was our duty to ensure that any solution we proposed to deal with the wheat grower's problems would not harm our agri-food industry, our processors, our manufacturers of wheat-based products and especially the consumer, and there again, especially those Canadians on low incomes who are far more dependent on such products. I am thinking for instance of the various kinds of pasta that make up a large part of the diet of those Canadians who unfortunately are not as well off as many of us in this country.

The challenge to be met by our committee was: to provide an emergency solution for a whole industry that is mainly concentrated in one part of this country, while protecting another industry that is mainly located in another part of the country.

In our report we have tried to deal with this problem. We had to use a mechanism that was already in place, since we did not have time to set up other mechanisms that, as the Hon. Member for Algoma (Mr. Foster) said, and rightly so, might have resolved the problem on an *ad hoc* basis, without the need for setting up all kinds of controls and monitoring agencies and quota systems to cope with any over-reaction from processors who will have to absorb any increases in the production price and the price of the primary ingredient of their food products.

The existing mechanism was the double price system for wheat, including a domestic price, which the Government of Canada has been able to control over a number of decades. The system has been in existence since 1967, Mr. Speaker. Initially, it was aimed at helping producers who were faced with prices that were far too low on the international market. The two-price system for wheat was also developed and maintained, to help consumers and prevent major increases in the prices of certain food products, such as bread, pasta and other wheat-based products.

• (1230)

This is why, after making an in-depth assessment of the need to retain this two-price system to ensure the survival of wheat producers, especially in Western Canada, but also in part of Ontario, the members of the Committee did decide to maintain this system because it could be used immediately for the 1986-87 crop year which will begin on August 1 in Western Canada.

Second, we were well aware of the fact that the crisis facing Western wheat producers is the result of external factors, namely the enormous subsidies which farmers in Common Market countries in Europe receive from their Governments to sell their wheat at a more than competitive price, which creates inequities on the world market.

The United States, which are also major wheat producers, reacted by introducing a protectionist bill to keep up with the enormous subsidies which exist in Common Market producing countries.

Our wheat exports have given us in the past a standard of living which would not have been possible in Western Canada, or indeed in other regions, but unfortunately, our country relies a lot on exports, much more than other producing countries. We are therefore facing a crisis because our producers rely on the world market to purchase 80 per cent of their production.

As for the remaining 20 per cent, Mr. Speaker, 10 per cent are for human consumption and it is this part of the production that we have had to examine.

When we look at the recommendations contained in this report, we find that it recommends an increase from $7 to $10 a bushel in the domestic price of wheat. What is really unfortunate, Mr. Speaker, is that the $3 a bushel increase will bring only about $180 million at the most, of relief to the

wheat producers for whom the crisis means a shortfall in their income of maybe $700 million compared with last year.

The initial price of wheat announced by the the Canadian Wheat Board will mean a shortfall of this magnitude for wheat producers. In our opinion, if we were to avoid causing too much upheaval in the agro-food industry and hitting the consumers too hard, and if we wanted to add controls and safeguards for the consumers, such as when we ask for the assistance of the Department of Consumer and Corporate Affairs or suggest a tax credit for the disadvantaged, the maximum increase permissible would bring up the price to $10.

Accordingly, where do we get the difference in losses between the $180 million at the most that can be derived from a serious and responsible increase, and the $700-odd million needed to have them back in a situation similar to that of last year? This is why we also recommended that an extra payment be added to the increase in the price of domestic wheat.

Earlier, my colleague for Algoma (Mr. Foster), in answer to my questions in which I suggested that if we had covered that loss of revenue simply by an added payment, without changing the domestic price for wheat, replied that perhaps hundreds of millions would have to be found. But, finally, could he explain where those hundreds of millions would come from, which would have to be added up to the national debt . . . Could we over-burden the agro-food industry or the farming industry with an increased interest charge that would result from increasing the deficit in order to allow a full added payment without changing the domestic wheat price? We would not know where those additional funds would come from and they could as well be attributed he said . . . for instance, to the expenditures incurred by the Prime Minister's Office. I would suggest to him, Mr. Speaker, that the Prime Minister's Office can only spend within the budget that was approved in the Estimates, and this has nothing to do with the national debt. Moreover, he referred to the western banks which were in difficulty and which the Government chose to help because their depositors were in a critical situation. He said that if the Government had $1 billion to spend helping the Banks, why would it not have $1 billion to help wheat producers?

That argument does not hold, Mr. Speaker, because the Government did not help those banks. What the Government did, and indeed it was a critical situation, it helped depositors, small municipalities, people with small savings, even unions, farmers' unions, even farmers. My colleague for Red Deer (Mr. Towers) gave instances of farmers in his constituency, in his municipality, where everybody would have lost $50 because of the debt the municipality would have been left with had not the Government of Canada helped those depositors. It is therefore twisted logic to suggest that the Government is able to find funds when it wants to. This is not the way things work. And, anyway, perhaps it is because of the approach to the national debt which the previous administration had, and which was supported by the Hon. Member for Algoma that at one time we found ourselves with those interest rates between 22 and 25 per cent that sent our western wheat producers belly-up and which may have sent farmers in his own Ontario constituency belly-up too. Because whenever interest rates increase by one point under the pressure of a growing deficit, an extra $210 million must be paid by wheat producers. And as we very well know for those producers, especially the younger ones with the most productive farms, loans are absolutely essential to remain on top of things, to get the equipment needed for large farms to remain viable, and 22 per cent interest rates are an unacceptable burden to anyone. Not only to wheat producers or farmers generally, but also to homeowners. Just how many of them have lost their properties when interest rates were sky-high during the 1982 crisis?

Mr. Speaker, having considered all these challenges and problems, the Committee has come up with the recommendations which appear in its report.

I, for one, believed that it was really an emergency response to recommend a price increase for wheat from $7 to $10 a bushel. I was personally quite concerned about the consumers, especially the least affluent of them, having to assume an excessive increase. That is why we have this recommendation that the Department of Consumer and Corporate Affairs be empowered to control the increase passed on to consumers.

It is for that reason also, Mr. Speaker, that, as indicated in the Minutes of Proceedings, it was I who moved a motion that the two price wheat policy be temporarily maintained and that it be used to help producers in a crisis situation. However, I had suggested a more modest increase.

Mr. Speaker, in a democratic system, the voice of the majority should prevail whether we agree or not with a proposal. That is why I find that, generally speaking, this report, with its control measures, the monitoring power granted to the Department of Consumer and Corporate Affairs, a recommendation to the Government of the day to negotiate a better treaty to support the world price for wheat and make our producers more competitive—was a responsible approach.

That is why I have accepted that my motion calling for a price increase to $8 on January 1, and to $9 next August, be defeated. Mr. Speaker, I have been persuaded that wheat producers needed these $180 million right away, at the end of crop year 1986-87, and that thanks to our monitoring and control measures, we could effectively protect consumers.

In concluding, Mr. Speaker, I would like to suggest that the Government of Canada, my Government, might seriously consider a proposition I made: instead of increasing domestic wheat prices it should impose a business transfer tax on the entire wheat processing industry and set these funds aside for the agri-food sector. This would make it possible to help producers through critical periods, and consumers would pay only for the portion going to the producers.

These are my closing words, Mr. Speaker. I strongly urge the Government to give serious consideration to this mechanism I am proposing, for I think it would be widely accepted

by consumers and their associations. I think we should review the two-price system for wheat because, very useful though it may have been in the past, it is no longer adequate to cope with the kind of crises we can expect as a result of all these world market fluctuations.

• (1240)

[*English*]

Mr. Wilson (Swift Current—Maple Creek): Mr. Speaker, I would like to congratulate my colleague, the Hon. Member for Gatineau (Mrs. Mailly) who participated throughout in the hearings of the special committee on the pricing of wheat, and who, I think, brought to the committee a very welcome, useful and somewhat different perspective.

She will recall the suggestion by one of our colleagues, the Hon. Member for Wetaskiwin (Mr. Shellenberger), that consideration be given to the imposition of some sort of a levy or tariff at or near the point of retail sale on wheat based products, with the idea that that levy could be captured intact and somehow a mechanism be devised to return the entire benefit of that levy back to the producer of the particular commodity. In this particular case it is wheat.

Certainly at first blush the suggestion by our colleague has considerable merit. I know that it was raised from time to time during the hearings and I wonder if the Hon. Member would care to give her reaction and comment to that proposal.

[*Translation*]

Mrs. Mailly: Mr. Speaker, I am pleased to comment on this. Yes, it was a rather imaginative suggestion from our colleague.

[*English*]

As my colleague from Swift Current—Maple Creek (Mr. Wilson) knows there were a few drawbacks to the suggestions made by our colleague. One of them was that the emergency was staring us in the face. We had to have some help for our wheat producers for the 1st of August. The tariff or tax that our colleague was suggesting, although it did have some equity features and various other aspects which would have solved a lot of the problems, could not be put in place immediately.

Therefore, it was very difficult for us to want to rely on such a recommendation when we did not know exactly how this mechanism was going to work. That was one of the drawbacks.

A second drawback was the fact that it would be a tax on food. We do not have a tax on food in this country, and there is something a little abhorrent about taxing food. We find that having to pay a tax when we go to a restaurant is not very pleasing, but to put it on food, and particularly on bread and pasta, which is consumed in the major part by the poorer people in our society, was something we were uneasy with.

There was also a third drawback, and that was when we consulted some of the Finance Department officials about it. They pointed out to us the difficulty of implementing such a tax or a tariff because of the fact that it would be based on the wheat content in the products. There would not be a tax on the wheat itself, it would be on the product that was derived from the wheat. Therefore, how would you define which product would be taxed and which product would not? That was one problem.

Another problem was that it would be at the retail level. Since bread is sold in hundreds and hundreds of small stores, the idea of every one of these little family corner stores having to amend and modify its cash register in order to have to collect this tax on some items, and maybe not on others, presented some difficulties.

It did have advantages. As a matter of fact, in our report we mention that we realize that using the domestic price of wheat to help the wheat producers was an emergency situation, and we should look at other ways of generating some funds so that we can help producers when they are in a crisis situation.

One of the things that was suggested was that we look at various mechanisms which would permit the raising of funds from the middle people, the manufacturers, and make sure that, whatever the price of wheat is, the benefits of any increase that would go towards the price of wheat would be given to the producer.

Therefore, I think that if the Government of Canada accepts our report it will be looking at the mechanism that was suggested by our colleague and would then be able to see whether we can overcome the drawbacks that I have mentioned.

• (1250)

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I appreciate the opportunity to speak on this concurrence motion. The committee faced a difficult task in looking into the problems of the two-price system for domestic wheat. It became obvious that the question of increasing the price of domestic wheat was more complex than originally thought and needed to be considered very carefully.

While it is the Government's responsibility to decide whether it will accept these recommendations, particularly the two-price recommendation of $10 per bushel for domestic wheat, it should recognize a number of valuable points raised in the report.

First, the report may have increased the awareness of other parts of Canada, other than the wheat-producing areas of the Prairies and Ontario, about the problem facing grain producers and the need for more cash flow in farming generally.

The recommendation of $10 per bushel was clearly recognized as not being a solution, but simply a means of adding a little extra to the coffers of the wheat producers.

Since this recommendation somewhat ignores the total problem of cash flow, the committee went on to suggest that while this may help, there will still be a deficiency for grain producers as far as cash flow is concerned.

Since we use only some 10 per cent of the wheat we produce, this recommendation would add some 35 per cent to the price

of perhaps 1 or 2 per cent of the total grain produced. This does not represent a bail-out of farmers across the country.

The report also recommends deficiency payments for grain producers which may ultimately be the most effective and worth-while of all the recommendations. The report recognizes the effect that increasing the price of domestic wheat may have on low income consumers and suggests that the Government should protect them from large increases, if it accepts the recommendation.

The report also warned against the danger of increasing the cost of wheat products which may have to compete against imported products and recommended that the Government ensure that this did not happen.

It is obvious that the committee did a very thorough job in not only looking at the problem of cash flow, which was its particular mandate, but looking at other problems which arose as part of the whole approach.

The greatest value of this report, apart from its recommendations which are now before the Government, is possibly the fact that it will make the rest of the country aware of the need to do something about the cash flow of grain producers so they may continue to operate even with the current low price for grain?

The Government will have to consider several alternatives to inceasing the domestic price of wheat. One of the alternatives suggested in the report is deficiency payments. Some action has already been taken with respect to the cost of production, an area in which the Government can possibly do more if it decides to increase domestic payments. The Government has taken steps with respect to the price of farm fuel and has removed the federal tax on both diesel and regular fuel to the point where the tax is only a fraction of a cent per litre. Fertilizer is a major cost to wheat farmers, and while its price has decreased somewhat, it is only because the farmers have not bought as much fertilizer. The price of fertilizer has not even been affected by the reduction in the world price of oil. This is an area in which the Government could take action.

The Government has not taken steps to reduce the input costs to farmers, such as the cost of chemicals, and therefore reduce the requirement for large deficiency payments. If the cost of production can be reduced by a few dollars per acre, the requirement for bringing deficiency payments up to the cost of production will not be so great.

I hope the Government is prepared to produce its debt review structure for which we have been waiting. Such a mechanism would not particularly increase the income of farmers, but it would help them to remain in business. We hope this debt review structure will have the authority to force creditors to recognize that there is a problem and farmers must be given the opportunity to recuperate from the disasters of the low price of grain.

The farmers are carrying a $28 billion debt and, much like the situation faced by the Government, much of their cash flow is used to service the interest on that $28 billion debt. Maybe that is a good place for the Government to start. Maybe we should be eliminating, as far as possible during these times of low commodities, the cost of servicing that debt.

• (1300)

The Government has also taken some action, at least, in freezing the cost of transportation, which has become another major factor over the last few years, in delivering grain to the world market. But most of all, I suppose what the Government must do, as the Secretary of State for External Affairs (Mr. Clark) expressed it a few weeks ago, is to try to break the cycle of subsidies that are being paid in other countries and to put the structure of the sale of farm products, particularly grain, much closer to the cost of production level than is presently happening, with the U.S. and the European Common Market subsidizing as much as 70 per cent of the cost of production.

I must also express my concern that the Government has not consistently placed before the agricultural community a policy which indicates that it is really serious about making it possible for the farmers to stay on their farms. In fact, just last week, the Deputy Minister suggested that the main policy approach of the Government of Canada must be the elimination—although I am sure he did not use that word—of 20 per cent of the farmers during the next few years, and to help ease the pain of getting those farmers off the land. It would be interesting to know if this is the basic policy that the Government is accepting, that it has moved away from the protection of the family farm and is now finding methods of getting 20 per cent or more of the farmers off the land, into the transition program and, consequently, no longer producing. However, I would point out to the Government in this case that, farmers being what they are, eliminating a certain portion of the farmers from the structure will not solve the problem, because the farmers who take over the land will produce grain on the same land and if they cannot receive cost of production, they will not survive very long. We will still be facing exactly the same problem as we do now in the pricing of grain.

As in the past, we again call on the Government, even as it considers these recommendations and makes decisions as to how they will be implemented,to take a global look at agriculture and the possibility of establishing some kind of parity pricing, which would mean that in all of the agricultural areas, all of the commodity producers could look forward to a price which would at least give them the cost of production. In cases of emergency, that cost of production does not need to be much higher than exactly the basis of the input plus the cost of the land, in some kind of a capacity so that a large portion of the farmers can survive.

The Farm Credit Corporation told us just yesterday that it feels that 22 per cent of farmers across the country are in some kind of financial difficulty and that as many as 6,000 people to whom it has lent money are no longer able to make any payments on their debt and that 2,000 of them are beyond saving. That situation is growing. If it is that bad now, it will

be worse by the fall. In the grain-producing part of the country, with prices going down on August 1, we can expect a fairly major increase in the percentage of farmers who will be looking someplace else to make a living.

Although I am not wildly supportive of increasing the price of domestic wheat to $10, I think that if it is the only direction we can go, then we must accept it, with all the problems that are there; but there are other ways of doing it, and I hope that the Government will look at them. The main one, also a recommendation of the committee, is that the Government recognize the need for deficiency payments to increase the cash flow. There should be recognition that a very small portion of our total grain production would be affected by increasing the domestic price of wheat and, consequently, going through the process of protecting the low-income consumer and ensuring that our wheat products are still competitive in the world against the exports that we will have to face, may make it much easier for the Government to say, "Let us establish a deficiency payment level, put that in place, and not worry about the domestic price of wheat". In the process, not only would the wheat producers be helped a little bit, but it would help all grain producers quite a lot. That would be a solution recognized by the committee, but it would not have the real, inherent problems with which the Government would have to deal if it were to accept the recommendation of two-price wheat or the domestic wheat price at $10 a bushel.

I hope that the Government takes a good look at the report and then recognizes that there are other ways of dealing with the problem, ways which are less difficult and more likely to solve the numerous problems faced by farmers, not only those in the grain area, but also those involving most of the commodities that are today much lower in price than the cost of production.

Mr. Wilson (Swift Current—Maple Creek): Mr. Speaker, I would just like to direct a question to the Hon. Member for Prince Albert (Mr. Hovdebo). The Hon. Member was not part of the committee on the pricing of domestic wheat, but I know him to be a farmer and certainly to understand the problems of agriculture. While he recognizes the limitations inherent in any suggestion of raising the price of domestic wheat, he does appear to support that notion in principle and also, I think, finds favour with the fourth recommendation the committee made, that is, the unanimous recommendation that the Government give consideration to a deficiency and/or stabilization payment for the crop year beginning August 1, 1986.

One of our colleagues in the House, the Hon. Member for Wetaskiwin (Mr. Schellenberger), has in the past brought forward a suggestion that consideration be given to some sort of tariff or levy on groceries, in essence, that stem from agricultural production. He suggested that such a levy be placed at or near the point of retail sale with the idea that if that levy could be captured and returned back to the producer, to the grower of the produce, in this case wheat, it might be a more efficient and better way to deliver a benefit from the consumer back to the producer. It is true that some people might call that a tax or a levy on food, but there are many, many other taxes and levies which impact on the cost of food all through the chain. Is the Hon. Member aware of this suggestion made by the Hon. Member for Wetaskiwin concerning the notion of a tariff or a levy? Does it find any favour with him?

• (1310)

Mr. Hovdebo: Mr. Speaker, I thank the Hon. Member for his question. I have to agree with the Hon. Member for Gatineau (Mrs. Mailly) who spoke on this subject earlier. I, too, have a natural abhorrence to adding a tax on to the products which come from wheat, and that it is what it would be seen to be. In fact, it would be a continuous reminder, possibly a negative one, that we have a real problem in buying and using our own grain. I would rather suggest that a recommendation be made along the lines of the statement made by the Minister of State for the Canadian Wheat Board (Mr. Mayer) in committee not long ago. He suggested that there must be some way of putting up the domestic price of wheat while not having it multiply as it goes through the chain. From my reading of the report I know that the committee looked at that possibility. It seems to me that the mechanics of keeping the price down as it goes through the chain from miller to processor to baker and to retailer would be easier to accomplish than the collection of tax would be, although it would require a structure which some people would find abhorrent.

My short answer to the Hon. Member's question is that I can see the value in such a system in terms of getting the extra money into the operation. However, I think it would be doing something which all of us have avoided doing as much as possible for the last many years.

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, I am pleased to join in this debate concerning the report of the Special Committee on the Pricing of Domestic Wheat and Its Products. This is a committee which was formed as a result of a Private Member's Motion moved on December 13 of last year to the effect that a committee be appointed to prepare and bring in a Bill with the objective of providing higher returns for wheat producers from wheat sales for human consumption in the domestic market-place while avoiding undue hardship to processors, consumers and other wheat users.

In moving such a motion last December I made reference to the farm income crisis facing Saskatchewan and Canadian agriculture, with particular reference to the grain farmer. Some 80 per cent of the Canadian wheat crop is marketed internationally, which accounts for much of Canada's favourable balance of trade in agriculture. The remaining 20 per cent of Canadian production is used domestically, with approximately half of it going toward animal feed and the other half finding its way into wheat-based products for human consumption. Unfortunately, record world wheat crops have increased

carry-over stocks, depressed prices and lowered expected volume. I would like to give some background with particular reference to my Province of Saskatchewan where there are some 66,000 farmers.

The average farm size is about 1,000 acres. The average capital investment is $480 per acre. In 1984 the average net income per farm was $15,000. For the year 1985, according to figures provided by the Saskatchewan Wheat Pool, after deducting operating expenses and depreciation, the average realized net income for each one of those farms was something in the order of $5,500. From that sum of $5,500 the farm family has to find room to make payments on the principal on loans, to meet all of its other expenses, including living expenses, food, clothing, utilities and so on. This sum of $5,500 represents the farmer's labour, as well as his return on a capital investment of some $500,000. Since those comments were put forward last December, the situation has deteriorated considerably.

The initial price of wheat announced for the forthcoming crop year, 1986-87, which commences August 1, is 81 cents per bushel less than last year. It was against that backdrop that the Special Committee on the Pricing of Domestic Wheat and Its Products was finally formed in the month of March, with a mandate to conduct hearings on the domestic wheat price and also on parity pricing.

The committee was heartened, I believe, by the announcement of the Prime Minister (Mr. Mulroney) that the range under which domestic wheat would be priced would be increased from the existing $5 to $7 range per bushel to a range of between a minimum of $6 and a maximum of $11 per bushel. In doing this I believe that the Prime Minister signalled to wheat producers and to committee members that he was prepared to take a serious look at the domestic wheat pricing situation. The seven-member committee heard representations and received presentations from interested groups representing all of the players: the consumers, the processors and the wheat growers. These hearings were conducted in cities across the country and here in Ottawa.

Basically, three alternatives presented themselves to the committee. The first was simply to maintain the current domestic wheat price of $7 per bushel. I believe that that was found to be unacceptable because Canadian wheat producers, while perhaps being the most efficient in the world, cannot fight the combined treasuries of western Europe and the United States which are subsidizing their producers to the hilt.

It is not accpetable to suggest that increased returns to farmers should come entirely out of the federal Treasury. It should come as a surprise to no one that there was a minority, a partial minority, opinion put forward by the Liberal member of the committee. His suggestion was simply that Government make payments directly to the farmers out of the federal Treasury. I am not surprised at that because, after all, deficits are nothing new to members of that Party. Deficit-financing was, and appears to remain, that Party's answer to everything. It seems to think that we should mortgage tomorrow to pay for today's programs. It says: never pay today what you can refinance tomorrow, and continue to roll the debt over and let someone else worry about it down the road.

The idea of making a deficiency or a subsidy payment directly to farmers out of the federal Treasury is an interesting one. It is easy and it is simple. I said earlier that it is rather seductive and dangerous because the federal deficit today, with the combined excesses of the past, comes to some $235 billion. The carrying charges on that deficit are in the area of $25 billion to $28 billion per year. Thus, one out of every four government expenditure dollars goes to service that debt, and one out of every three revenue dollars gathered by Government today pays interest on the debt. In fact, without the interest charges on the national debt the Government is very close to balancing the books, even in the face of historically low wheat and oil prices.

To his credit the member of the New Democratic Party who sat on the committee recognized that the consumer is part of the equation and ought to bear some of the impact of the effect of the world grain subsidy wars on Canadian producers along with the farmers and the Government. He recognizes that the problem with borrowing to finance all that is required to assist agriculture at this time puts the Government and indeed all of us in a classic catch-22 situation. Each time the Government resorts to the Treasury or borrows more money, upward pressure is put on interest rates. Interest rates, of course, are the price of money and reflect the supply and demand. They tend to move upwards when there is demand for it. If the Government borrows more, there is a crowding out effect and the competition for money increases, with the result that interest rates rise.

• (1320)

I should point out that back in 1984, Canadian farm debt in the aggregate was estimated to be some $21 billion. No doubt that figure has increased since that time. A 1 per cent increase in the interest rate on a debt of $21 billion plus comes to something in the order of $210 million. That sum is roughly equivalent to the amount of benefit to grain producers that an increase in the domestic wheat price of $3 would provide. In other words, a 1 per cent interest rate increase across the board would pretty well cancel out the benefit of an increase in the domestic wheat price from $7 to $10. Clearly it is unacceptable to resort to the Treasury as the entire answer.

The second alternative with which the committee was faced was to increase the domestic wheat price. Increasing the domestic wheat price is, I believe, a vote of confidence in the concept of two-price wheat, a concept which has been in effect in Canada for many years. The basic premise of it is that a price range is set within which domestic wheat can fluctuate up and down depending on conditions and circumstances. When world wheat prices are high, the domestic wheat price would be fixed at or near the bottom of the range so as to protect Canadian consumers against unusually high prices. Conversely, when world wheat prices are low, as it appears

they will be for the foreseeable future and particularly for the crop year commencing August 1, the domestic wheat price should be fixed at or near the top of the range so as to provide some measure of assistance to Candian grain farmers who face unreasonable foreign subsidization.

While the negative impact on prices of wheat-based products was observed by the committee, the advantages to an increase in the domestic wheat price far outweigh any down side. The two-price wheat system is well known, is established and has worked reasonably well in the past. Second, it produces a transfer of funds to the wheat producer at the lowest possible administrative cost. Third, and very important, it provides flexibility to respond within a stated range to changes in world price conditions. The domestic wheat price can move up and down in inverse relationship to the world price. Fourth, as I mentioned earlier, the announcement made by the Prime Minister gives some hope to producers that the Government is cognizant of the problems they face and that within the limitations inherent in the two-price wheat system, some adjustments can be made.

The third alternative facing the committee was to consider replacing the two-price wheat policy. The committee listened to many points of view and heard some suggestions that the Government should fund the entire program. Some suggested that the Government should get rid of the two-price system altogether leaving us with just one price, the world price. The committee heard suggestions that the Government should consider some sort of levy or tariff at the point of sale, and indeed, at first blush, the suggestion of a tariff or levy on agricultural-based products at or near the point of retail sale does have some appeal. Such a system could theoretically minimize the impact of a wheat price increase being built on over and over again in the food-chain between the farm gate and the supermarket shelf.

How nice it would be if it were possible to capture a levy at a point of sale and return it intact to the farm sector. Unfortunately, as has been pointed out earlier in debate, there are a number of pitfalls which attach to the food levy concept. First and most compelling is the notion that this would be construed as a food tax. I think that notion has been found to be distasteful to the majority of Canadians. Second, and this is an important factor as well, the administrative mechanism required to put forward such a program promises to be exremely expensive. We were advised informally that such a mechanism might cost something in the order of $100 million to establish and run. Clearly Canada does not need another bureaucracy which could so dissipate the benefits of any such levy or tariff.

At present, there is certainly no mechanism in place nor any intention to impose a system whereby a tariff or levy could be imposed on the sale of agricultural-based products at or near retail sale. Such a mechanism would require a considerable lead time to establish and certainly would not be available to respond to the problems of today even if the philosophy or principle behind it found favour with the committee and the House. The symbolism involved in a levy on food is, I think, such that it would certainly require all-Party consent before such a levy would be put forward. Clearly I think there is no suggestion of that and indeed no enthusiasm from any source concerning it.

We have been considering all of the alternatives and emphasizing the one constant theme that we heard throughout the hearings, which is the inadequate return to wheat producers. This theme was repeated time and time again, not only by farmers and farm groups but also by consumers, processors and other wheat users. It became obvious that the committee must find a way to lend assistance to this sector of Canadian agriculture. The subsidization of the Common Agricultural Policy of the European Economic Community is now being met head-on by the Americans who are determined to retain their traditional market shares. In fact, the Americans are entering into markets which had been traditionally Canadian. It is essential that all means of enhancing and improving returns to wheat producers be retained. Therefore, the committee made a series of recommendations.

The first recommendation was that the current two-price wheat policy be retained. The second was that the domestic wheat price be increased to $10 per bushel. This, incidentally, should manifest itself, if adopted, in an increase of approximately 25 cents per bushel across the Canadian Wheat Board area and something in excess of that in the Ontario area. It was also suggested that if this is implemented, it should certainly be reviewed and monitored from time to time. This is important because it should be understood that this recommendation is of an interim nature. If Canadian grain farmers were receiving $6 per bushel today, there would be no need for a domestic wheat price increase or for a domestic wheat policy because all involved in the process would be most pleased.

The fourth recommendation, and the important one put forward by the committee, was that the Government give consideration to a deficiency or stabilization payment for the forthcoming crop year. In dealing with this recommendation, it is important to note that some farmers may be beyond help. Rightly or wrongly, some farmers bought assets at the wrong time and may have outbid others for land and cannot now expect the prudent ones to save them.

This recommendation is not a cure-all and it is certainly not a panacea. The Government cannot and indeed ought not try to devise schemes to prevent all farm failures. Some farmers will fail as will some small business people and some professionals. The Government is not in a position to guarantee everyone's success or to put forward a freedom from failure policy.

Considering the compelling situation facing Canadian agriculture, I believe that the Government must make a reasoned and measured response in the face of these difficult world conditions to assist Canadian agriculture to survive over the next several years and to give efficient young operators a fighting chance to succeed in the future.

• (1330)

In my travels I detected that producers do not expect miracles. They do not expect Government to cure all their problems, problems which they recognize are not the making of the Government or the making of Canadian agriculture. I also detect that producers would be satisfied if their returns for the forthcoming crop year, for the 1986-87 crop year, were equal to what they will receive for the current crop year, the 1985-86 crop year. That would be my personal suggestion to the House.

In saying this, I recognize that at this time it is simply too soon to determine what support would be necessary because world wheat stocks, while they are large, could certainly disappear in a hurry, and that has happened in the past. To make an early panic payment for political expediency would not serve the country well. If in fact part way through the next crop year prices have materially improved, the need for Government involvement would certainly be lessened or in fact could disappear.

The point is that we are talking about a crop year which has not yet begun, the crop year that will begin on August 1. In the meantime, farmers can rest assured that the Government understands the problems of agriculture and is indeed sympathetic to them.

Concerns were raised with the committee about possible change in production patterns motivated by the increase in the domestic wheat price. Therefore, the committee suggests that the Minister of State for Canadian Wheat Board (Mr. Mayer) try to ensure that the two-price wheat policy continue to reflect historic market share. In other words, if 95 per cent has previously gone to the Canadian Wheat Board area and 5 per cent elsewhere, then the benefits should continue to be so allocated regardless of any changes in regional volume.

I note, Mr. Speaker, that you are signalling that my time is almost up. I should like to conclude by saying that the establishment of the two-price wheat committee is consistent with a long line of initiatives which have been put forward by the Government, by the Minister of Agriculture (Mr. Wise) and by the Minister of State for Canadian Wheat Board. It must be noted that the recommendation to increase the price of wheat domestically from $7 to $10 per bushel is a partial response. If conditions continue and unfold as projected, clearly that increase in domestic wheat price, if it comes about, will not be enough. If these future forecasts prove correct, clearly more action is necessary—consequently, the fourth recommendation concerning the deficiency or stabilization payment. Indeed, we have commitments from the involved Ministers that the Government will continue its support of agriculture.

The report of the Special Committee on the Pricing of Domestic Wheat means many things. Should Government act on it, it will mean more for the farmer, as I mentioned earlier. It will mean marginally higher prices to the consumers of wheat-based products. I trust they will recognize that this is an interim and urgent measure designed as a response to the crisis in which Canadian farmers find themselves. The report noted that the pricing regime intended to prevent undue increases to consumers. There was a stated intention to prevent regional dislocation. Also the report recognizes that the two-price wheat system is not an entire answer but rather part of the solution, and certainly the Government Treasury is not the entire answer. As well, the report emphasizes the importance of trade negotiations both through GATT and through the pursuit of an international grain agreement.

Finally, I should like to say that I think it represents a bit of a triumph in terms of parliamentary process and parliamentary reform, in that a Private Member can put forward a motion with some expectation that something may come of it. In terms of that process, we have been able to follow a Private Member's Bill which in turn has manifested itself in a special committee, which in turn has been constituted to travel the country and has been in a position to formulate a report to the House. That process indicates that Private Members can have meaningful input, input which can and does influence government policy.

I see that my time has come to an end. I thank the House for providing me with that time.

Mr. Boyer: Mr. Speaker, I listened very attentively to the Hon. Member for Swift Current—Maple Creek (Mr. Wilson). It will not surprise any of us that in a very masterful way, of which he is capable, he has presented to the House the considerations presented before the parliamentary committee which produced the report on the pricing of domestic wheat. I was particularly interested in listening to what he had to say on the subject of alternatives which were considered by the committee, in light of the fact that the recommendation is an increase from $7 to $10 per bushel in the price of domestic wheat.

The Hon. Member indicated that this recommendation was a partial response, thinking in terms of the global situation and what the Americans and the Common Market are up to. It is also a partial response in terms of the domestic situation. My abiding concern with the recommendation is that it is a 10 per cent solution for a 100 per cent problem. The amount of wheat being produced in Canada which goes on to the domestic market is but a small fraction of the total production. Therefore, this increase to $10 per bushel in the domestic wheat price will only have a limited and partial effect.

The Government is committed to ensuring that wheat producers or farmers are able to carry on and obtain some return for a fundamentally important activity. The wheat farmers are one of at least four groups in the chain. As well there are the processors, the retailers, and the consumers.

I have read in the report the concerns outlined by the processors about a counter-productive step being taken if we go to a $10 per bushel price. I have also heard talk that the high domestic price would result in significant price increases to consumers, increased imports, and a decline in the entire

sector, ultimately resulting in a small and less stable domestic market for Canadian agricultural production

The situation affecting producers is one in which I have particular interest. The Hon. Member for Swift Current-Maple Creek spoke of the producers or farmers in his locale. In Etobicoke—Lakeshore, for example, we have Christie bakeries. Everyone knows "Mr. Christie, you bake good cookies". Christie Brown & Co., which makes cookies and crackers, is the largest cookie and cracker manufacturer in Canada. The President of the company, Mr. R. J. Verdun, indicated the following:

> I appreciate the plight of the wheat farmer. I don't appreciate the logic of undercutting the competitiveness of Canadian producers which can't be in the farmers' long-term best interest in lieu of simply providing temporary deficiency payments to farmers.

I have also spoken at length with the plant manager at Christie Brown which has 800 employees and is looking at significant lay-offs because of biscuits and cookies which are being produced with lower-priced American and European wheat flour. Manufacturers abroad are able to produce products which are coming into Canada at a much lower price, and our market is very seriously challenged.

Morrison Lamothe Inc. is one of many such companies in my riding. Its president, Mrs. Grete Hale, pointed out the following:

> We are in the specialty bakery business and the present retail prices of our products will have to rise by 10 per cent to 13 per cent.

That is, given the proposal to go to $10 per bushel. She continued:

> Such substantial increase as it occurs in such instance will cause a decline in consumption because of higher cost to the consumer and eventually a reduction of employment.

● (1340)

Mr. Wilson (Swift Current—Maple Creek): Mr. Speaker, I rise on a point of order. I am becoming concerned that I may not have a chance to respond to the excellent points being raised by the Hon. Member.

The Acting Speaker (Mr. Charest): So is the Chair. Perhaps the Hon. Member for Etobicoke—Lakeshore (Mr. Boyer) would like to wind up.

Mr. Boyer: Mr. Speaker, I would like to come to a quick conclusion. I have heard at great length from Local 426 of the Bakery, Confection and Tobacco Workers International Union. In short, theirs is a concern that was clearly described in the committee report.

In the Hon. Member's view, does the recommendation adequately respond to the concern of the processors, the bakers, those who work in the bakeries, because the processors do represent one important part of the chain? Does the Hon. Member not agree that what is very important ultimately is fairness throughout the chain?

Mr. Wilson (Swift Current—Maple Creek): Mr. Speaker, I am pleased to be able to respond to the position put so eloquently by my colleague, the Hon. Member for Etobicoke—Lakeshore (Mr. Boyer) who represents, I am sure, the consumer and the processing end of the equation. It is very important that we hear from someone with that sort of constituency in the debate today. Too often there is the possibility that we hear from one side only. Thus far we have heard from those who are most sympathetic to the position of the grain farmer.

Indeed, there is a good deal of truth to what my colleague has put forward. This is a partial solution. Indeed, it is a 10 per cent solution. Clearly, as the quote from the Christie representative indicates, there is a general recognition across Canada of the plight of the grain farmer against an impossible back-drop of international price subsidization. There is a world wheat war going on and the Canadian producer finds himself on the sidelines watching. In fairness, we cannot stand by and watch that happen.

Through the workings of the two price wheat system, from time to time there have been benefits passing from the Canadian wheat producer to the consumer through that system. I am suggesting to the Hon. Member that that turnabout is fair play. This is a time I believe in our history when the producer is up against it and, therefore, it is quite right and proper that there be a transfer, if you like, from the consumer to the producer through the two-price wheat system.

I also recogize the concerns which the Hon. Member expresses with regard to the processors. One of the great regrets I personally had in participating in the domestic wheat hearings was the compressed amount of time and the inability to be able to question in depth the representatives of the processors. We were told that in addition to the wheat flour cost component in bread, the bakers, for example, would want to add another 60 per cent on top of that to the ultimate pricing of bread. They stated that this was for such things as returned products, production waste, selling commissions, discounts and so on. As I mentioned, it is regrettable that the time available to the committee did not permit closer examination of these claims and the opportunity to question industry representatives thereon. In any event, accepting their figures and current pricing methods, it appears that an increase in the domestic wheat price as suggested could manifest itself into an increase on a 16 ounce loaf of bread of perhaps 7 cents and on a 24 ounce loaf of bread of perhaps 10 cents. Similar mark-up activities would take place on other wheat-based products.

The committee was aware of the problems expressed, and it is a case of trying to work out a fair and equitable solution for all Canadians. I have every confidence that the Ministers involved and the Cabinet will accept the report, examine it and come forward with the appropriate recommendation. I note that the Hon. Minister of State for the Canadian Wheat Board is in the House. I believe he wishes in the remaining time available to respond on debate. I am, therefore, prepared to concede the floor to him.

Mr. Towers: Mr. Speaker, I rise on a point of order. Would it be possible to ask one short question?

The Acting Speaker (Mr. Charest): Yes, if there is unanimous consent. Is there unanimous consent for the Hon. Parliamentary Secretary to the Solicitor General (Mr. Towers) to ask a short question?

Some Hon. Members: Agreed.

Mr. Towers: Mr. Speaker, I congratulate the Hon. Member for Swift Current—Maple Creek (Mr. Wilson) for the effort he has put forth. During the hearing, was there any discussion that the actual amount of flour going into a loaf of bread would mean an increase in the cost of the loaf of bread of only 4.5 cents if the bushel of wheat were raised by $3? Most of the processors say the price will increase 15 per cent, when in actual fact it will be less than 4 per cent as far as the extra cost of the flour is concerned.

Mr. Wilson (Swift Current—Maple Creek): Mr. Speaker, in response to the question put by the Hon. Member for Red Deer (Mr. Towers), I think I can tell him that for each $1 per bushel increase in the domestic wheat price, the impact on the wheat flour component in a loaf of bread is 1.5 cents on a 16 ounze loaf, but bread in Canada is packaged in different ways. In western Canada it is generally, I am told, in 16 ounce loaves. In the east, it is 24 ounce loaves. For each $1 increase per bushel in the domestic wheat price you would see a 1.5 cent increase in the wheat flour component on a 16 ounce loaf and a 2.25 cent increase in the pricing of a 24 ounce loaf. If you are talking about an increase from $7 to $10 a bushel, this could manifest itself in about a 4.5 cent increase in the wheat flour component of a 16 ounce loaf of bread and about 6.75 cents or 7 cents in the pricing of a 24 ounce loaf.

In addition to that, the processors indicated there were other items such as selling commissions, returns, discounts, production waste and other things. I, for one, would be interested in pursuing that further to learn more about how these things are structured and why they would have to increase proportionately with any increase in the domestic wheat price.

The Acting Speaker (Mr. Charest): Debate.

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, first I want to pay tribute to the committee. As everybody knows, the committee did a very good job. On reading its report and seeing the work that went into it and the information provided, you cannot help but congratulate the Members who served, especially when you consider the amount of time the committee was given to perform its task. Let me mention the members of the committee: the Hon. Member for Crowfoot (Mr. Malone), Chairman; the Hon. Member for Gatineau (Mrs. Mailly), Vice-Chairman; the Hon. Member for Huron—Bruce (Mr. Cardiff); the Hon. Member for Moose Jaw (Mr. Gottselig); the Hon. Member for Yorkton—Melville (Mr. Nystrom); and the Hon. Member for Swift Current—Maple Creek (Mr. Wilson). They all deserve some thanks and gratitude.

It is interesting to note that the Hon. Member who just spoke pointed out that this was an interesting committee and report. It effectively made use of one of the new House rules for the first time that allows a private Member to bring forward a motion, have it proceed, with the potential that it could end up as a Bill to influence what goes on. There have been some changes in the House in the way the place operates. When you see the results, it is a step in the right direction in having this place function and perform in the way the people who sent us here expect it and in many ways have a right to expect it.

• (1350)

In my remarks I would like to do two or three things if time permits. The first is to give some perspective on Canada's position as a wheat producer. About 500 million tonnes of wheat are produced in the world every year. Of that, Canada produces between 4 and 5 per cent. Our production over the last number of years has varied between 20 million and 25 million tonnes. That is not a lot of wheat when you think about it. We like to think that western Canada is the bread basket, but those figures put that in a different perspective. The amount of wheat that we trade is much more significant. About 100 million tonnes of wheat are traded in the world every year. Of that amount, Canada contributes up to 20 per cent. We are, therefore, much more significant in terms of trade than in terms of total production. That is one of the reasons we find ourselves in considerable difficulty with regard to prices.

Due to our soil, climate and efficiency, I believe that Canadian producers are as efficient as producers anywhere in the world. We are not being hurt because we are inefficient but because of circumstances outside of normal market forces. I am referring to the subsidies in the European Economic Community and, to a lesser extent and more recently, in the United States. As an illustration, Europe used to be a major customer of Canadian wheat growers in particular. In the last 20 years Europe has moved from being a major customer of ours to being a major competitor. In fact, two years ago the European community exported more wheat than did Canada. That is very interesting to note.

In 1984-85, Canada exported 16.9 million tonnes and the European Economic Community exported 18.5 million tonnes. Europe has become a major exporter of wheat almost totally through subsidies. The subsidy on a tonne of wheat moving out of the European community on to international markets is now around $120. Our initial prices are now $160 a tonne and will move to $130 on August 1. That says something about the subsidies which we face on international wheat markets.

We do not think that we, as a country, have much business telling the European community what to do internally. What they do and how they pay their producers is their business. However, we think it is legitimate for us to be interested in the

subsidies they provide as they move on to international markets. We are very concerned about the subsidies the Europeans are providing because they very much affect our producers and the international markets on which our producers have to compete.

The Americans are also very concerned. They feel they have lost their world market share because of the Europeans and their subsidies. At the beginning of this year the Americans stepped in with the U.S. Farm Bill. The Americans have lowered prices in order to get back the world market share they believe they have lost. From our point of view that is a questionable assumption on their part. We do not think they have lost nearly as much market share as they say they have. They believe that through large subsidies on the international markets, which have the effect of lowering prices, they can regain some of the market share they have lost. We do not think that will work. We think that there is more to being a good supplier than simply having a low price. You must have consistency of supply.

Canada has a very good reputation internationally. We have never embargoed any country on grain sales. That has resulted in Canada gaining the reputation of being a reliable supplier. We have very good quality grain. We have a first-class inspection and grading service in the Canada Grain Commission, which serves us very well internationally and allows us to maintain our reputation. We also have a selling system in the form of the Canadian Wheat Board which serves us very well in times like this. We presently have long-term agreements with the Soviet Union, Brazil and Egypt. There is no country which has longer term agreements than does Canada. That speaks to our reputation and our ability to continue to sell.

We do not think the Americans will get back their market share by simply lowering prices. The Americans are very concerned about their balance of payments and the fact that they are consistently running very large deficits. They want to sell more grain to reduce that. However, they will not rectify the situation by selling the same amount of grain at a lower price. In fact, that will make things worse.

We think that a couple of the assumptions which underlie the U.S. Farm Bill are fallacious. They assume that by reducing price they will increase demand. That is not borne out by fact. The BICEP program in the United States has been in effect for over a year. The record shows that prices have gone down, but the Americans have not increased their market share.

We also question the assumption that if you reduce prices to producers they will produce less, thereby addressing the oversupply problem. In many cases the normal reaction to lower prices is to produce more. If you are getting less for your commodity one way in which to maintain cash flow is to increase the amount sold. That is what is in fact happening in many cases. Since we believe the assumptions underlying the U.S. Farm Bill are fallacious, we question how it will be effective in getting back market share.

The irony in this situation of lower grain prices is that the two areas of the world that have increased production more than Canada, Argentina or Australia are the United States and Europe. Yet, it is those producers who will be shielded more from world prices than will other producers. We have done studies on the amount of subsidies provided. In Canada, government subsidies on a tonne of wheat are roughly $35 Canadian a tonne. In the United States they are approximately $95 Canadian a tonne, and in the European community they are about $103 Canadian a tonne.

If the Americans believe that the U.S. Farm Bill will effectively lower supply, they should be lowering prices to their own producers, which they are not doing. As indicated by the figures I just quoted, the American producer will receive approximately $95 per tonne of wheat in the coming crop year while Canadian farmers will receive approximately $35 a tonne, a ratio of about three to one. One can see that it will be very difficult for Canadian producers to be shielded from the low prices which were caused largely by the Europeans and the Americans.

I would like to conclude by referring briefly to the recommendation in which the committee asks that the Government refer to mechanisms to ensure that the two-price wheat policy continues to reflect historical regional market share of all wheat types utilized domestically for human consumption. I believe there are ways to deal with that, as I believe there are ways to deal with the recommendations—

Mr. Speaker: Order, please. I am afraid it is two o'clock.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ENVIRONMENTAL AFFAIRS

OIL-FILLED HEATERS CONTAINING PCBS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the Minister of the Environment (Mr. MacMillan) should stop dilly-dallying and immediately withdraw the De'Longhi heaters from the market. He should also strengthen the inspection of products entering Canada to protect the consumer and prevent this from happening again. This matter has been dragging on for too long.

• (1400)

On May 6 the Minister issued a warning about oil-filled heaters manufactured by De'Longhi containing PCBs in concentrations as high as 800 parts per million. On May 6 the public was warned to disconnect the units and place them in a secure area until further notice. Details of the product withdrawal were to be announced as soon as a plan was finalized. Six weeks later Canadians are still waiting for a plan of action. While these heaters are sitting around, their

withdrawal, whenever announced, will be conducted on a voluntary basis.

The company concerned has clearly broken the law by importing 38,000 units containing PCBs.

* * *

HOUSE OF COMMONS

TRIBUTE TO PAGE STAFF

Mr. John Nunziata (York South—Weston): Mr. Speaker, late last night I had the pleasure of joining our House of Commons pages at their farewell dinner. The evening was filled with fun, laughter, and some touching moments as the pages reflected on their year working with us here in the Chamber.

These 40 outstanding individuals have come to Ottawa from every part of Canada to work as pages. They have demonstrated their exceptional abilities and eagerness in all capacities, and always responded swiftly and efficiently to our requests. They have served us in a courteous and friendly manner no matter our mood, and we have never heard them complain about any task they were asked to do. Their attention, initiative, and resourcefulness have proved invaluable to all Members of Parliament.

On behalf of the Liberal Party and every Member of Parliament of whatever Party, I would like to thank the pages for all the effort and dedication they have shown us this year. They are certainly appreciated and we are sorry to see them leave. I wish them all the best of luck in their future endeavours.

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NORTHERN AFFAIRS

DANGERS POSED BY ICE-BREAKERS TO INUIT ECONOMIC ACTIVITIES

Mr. Thomas Suluk (Nunatsiaq): Mr. Speaker, the residents of Arctic Bay in the High Arctic are getting a raw deal in the annual resupply by ships such as the ice-breakers *Lady Franklin* and *M/V Arctic*. These ships are prematurely breaking the traditional transportation routes of the Inuit across the sea ice and jeopardizing the narwhal hunts and tourist initiatives of that community.

I call on the Minister of Transport (Mr. Mazankowski) and the Minister of Indian Affairs and Northern Development (Mr. Crombie) to consult with Arctic Bay and Crosbie Shippers of Montreal to seek a more equitable timetable for the annual resupply to avoid conflict with the community's traditional and economic activities.

S.O. 21

PUBLIC SERVICE

ELIMINATION OF REGIONAL WAGE DISPARITIES IN ATLANTIC CANADA

Mr. W. R. Bud Jardine (Northumberland—Miramichi): Mr. Speaker, federal blue-collar workers employed in Atlantic Canada will receive wage parity beginning in August, 1987. The federal Government has shown sensitivity towards general labourers and trades employees by treating them equally in each of the Atlantic provinces. The original two-zone scheme was devised more than 20 years ago to pay higher wages to workers in areas with higher costs of living. Moncton and Halifax comprised one zone, and the other comprised the remainder of the Maritimes. The two existing pay zones in the three maritime provinces will finally be incorporated into one, eliminating current wage differences. This problem, which had long been outstanding, has now been resolved.

Much has been said from time to time about the lack of attention the Government has shown to Atlantic Canada. This fair and progressive action by the federal Government demonstrates who is in support of and behind Atlantic Canada. It is indeed the Government of Canada.

* * *

PEACE

PRESENTATION OF BOOK OF PRAYERS TO LIBRARY OF PARLIAMENT

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, later today I will be presenting to the Library of Parliament a beautifully produced book of sacred text and prayers prepared in May at a conference at St. Paul University here in Ottawa on the quest for peace in our day. The participants have all signed the book and are presenting it to Parliament as a token of their aim, which was to see how different religious faiths could be used as a basis to bring people together in the cause of peace.

The calligraphy is by Quinn Redekop, aged 14, the son of one of the members of the worship committee. The book contains text and prayers from 16 religious traditions, many of them non-Christian, and is a testimony to the seeking by many Canadians and other people around the world of international peace.

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SMALL BUSINESS

SASKATCHEWAN SILICA SAND PROCESSING PLANT—SOD-TURNING CEREMONY

Mr. Jack Scowen (Mackenzie): Mr. Speaker, on June 13, in Hudson Bay, Saskatchewan, I had the pleasure, along with the Hon. Neal Hardy and president/owner Edward Budnick, of

participating in a sod-turning ceremony celebrating the start of a $3.5 million plant to process silica sand, which is used in a multitude of products from toothpaste and glass, to computer chips and tiles. The Minister of State for Small Businesses (Mr. Bissonnette) provided $375,000 from his office and this will create 25 permanent jobs.

This silica sand deposit has been known for 40 years. Others have tried to develop the area. However, the most significant part of the day was to learn how Mr. Budnick, while not being paid anything for a road be built for another company, persisted, hounded, badgered and begged for over 10 years to get the lease on the property so he could bring the project to where it is today. This is an example of the type of people in my constituency. We will thus add another unique industry to a unique constituency.

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[*Translation*]

PORNOGRAPHY

DEFINITION CONTAINED IN BILL C-114

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I should like to tell you about the many reactions we have seen these past few days concerning the Bill on pornography. The least we can say about this Bill is that it did not create a general consensus. The major criticism against Bill C-114 is that the general definition of pornography includes normal sexual acts, bestiality, and any other sexual act. There is something unrealistic about putting everything in the same basket!

I am not the only who feels this way, Mr. Speaker, even Dalton Camp agrees with me.

[*English*]

He really believes that the Minister of Justice has gone too far. In *The Toronto Star* he says that the section depicting various modes of intercourse is broadened to include other sexual activity. That could include Roy Rogers kissing his horse. Even the editorial board of *The Globe and Mail* agrees with me. According to it, the heart of the pornographic Bill is a puritanical throwback which makes a mockery of the legislation. Does the Minister need to hear more about it?

* * *

INTERNATIONAL YEAR OF CANADIAN MUSIC

CONTEMPORARY MUSIC FESTIVAL

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, 1986 is the International Year of Canadian Music, an occasion on which Canadians have much to celebrate. For over 300 years music has been composed and performed in this country. Around the world Canada is renowned for the vitality and diversity of its composers. Our music is recognized for its exceptional quality. This year the Canadian Music Centre, in conjunction with the federal Government, established a secretariat to promote and co-ordinate a year of concerts, conferences, recordings, and anniversary celebrations.

As part of the celebrations the National Arts Centre is presenting a week long festival of contemporary music this week, featuring works by major Canadian composers. Entitled "Now Music", the festival is the most extensive presentation of contemporary work yet undertaken by the NAC Orchestra. I hope all Members will join with me in paying tribute to Canadian composers during the International Year of Canadian Music.

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PHARMACEUTICAL INDUSTRY

GENERIC DRUGS LEGISLATION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, the people of Canada have known for some time that the Conservative Government plans to do away with generic drugs. As late as last month the Minister of Consumer and Corporate Affairs (Mr. Côté) promised a Bill within two weeks or, at the most, two months, to reduce the availability of generic drugs to Canadians. However, today's *Toronto Star* tells us the Bill will not be tabled until the fall at the very earliest. What do these delays mean?

Certainly the Government continues to ignore representations of consumers, seniors, labour and public interest groups who have said their members cannot afford to have generics taken away. Instead, generic drugs are now a part of the free trade talks to be simply bargained away. This may be an improvement over the give-aways to the U.S. in the form of repeal of the Foreign Investment Review Act and the National Energy Program, but it is certainly not in the best interests of Canadian consumers. The reality for all Canadians is that if the Government goes ahead with restrictions on generics, the policy and the labels on the bottles should clearly read "Made in U.S.A.".

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[*Translation*]

EMPLOYMENT

FUNDS FOR JOB CREATION

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, the Minister of State (Youth) (Mrs. Champagne) recently announced that $16 million will be earmarked for job creation under the Innovations program. In 1986, this program is designed to provide financial assistance for projects which

advocate new and creative solutions to labour market problems.

Since it usually takes two or three years to assess projects launched under this program, the Government will allocate about $50 million to this sector over the next two or three years.

Such initiatives attest to the Government's commitment to create employment opportunities for young people. If the private sector, young people and the Government make concerted efforts and pool their resources, we will find a solution to the problems of young Canadians.

* * *

• (1410)

[*English*]

HUMAN RIGHTS

BALTIC STATES—SOVIET UNION'S TREATMENT OF CATHOLIC CHURCH

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, in June of 1941 the Soviet Government began a callous policy of mass deportations from the countries of Estonia, Latvia, and Lithuania. To date more than 760,000 people have been deported from those countries.

An ecumenical service was recently sponsored by the Baltic Federation of Toronto to commemorate this tragic event. This service also reminds us of the present Soviet policy of suppression and intimidation against the Catholic Church in those countries.

In 1983 the Soviets arrested two leading priests of the Catholic Church, Reverend Alfonsas Svarinskas and Reverend Sigitas Tamkevicius, founding members of the Catholic Committee for the Defence of Believers' Rights. They were then sentenced to ten-year prison terms.

Widespread protests and 123,000 signatures on a petition by Lithuanians have demanded their release. I urge my colleagues and the Secretary of State for External Affairs (Mr. Clark) to add their voices to these pleas and to pressure this oppressive regime to restore the basic human right of freedom of religious belief.

Mr. Speaker: Order, please. Sixty seconds.

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CANADIAN NATIONAL RAILWAYS

PROPOSED SALE OF MAINTENANCE SHOPS IN MONCTON

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, CN has delivered a severe blow to the Atlantic region. It has announced that it intends to sell its railway shops in Moncton. This decision will mean the loss of at least 600 jobs in a region of high unemployment.

Last summer the Minister of Transport (Mr. Mazankowski) gave a strong commitment, that he would not support any massive lay-off at the shops. The Minister is not keeping his word. He is not honouring his commitment and he is allowing a Crown Corporation to take 900 people off its payroll in Atlantic Canada.

The people of my area feel very disillusioned with the Minister and the Government. They feel they have been treated unfairly by CN and by the Minister of Transport.

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[*Translation*]

THE ECONOMY

CANADA'S PERFORMANCE

Mr. Gilles Bernier (Beauce): Mr. Speaker, the half-yearly report on the OECD economic outlook indicates that Canada's real economic growth rate this year will be 3.75 per cent, the highest level among all major industrialized nations and third highest among the 24 OECD member countries. Canada's employment growth rate this year will be better than that of all major countries. For this we must be thankful to Canadian businessmen and businesswomen who have been working with our Government to achieve such an outstanding economic performance. Come to Quebec and the Beauce area this summer to see for yourself what ordinary people can do when they are prepared to take risks and are stimulated by a strong spirit of entrepreneurship. The Beauce area, the kingdom of small business in Canada, welcomes you. In Beauce, we are people like—

* * *

[*English*]

CANADA POST CORPORATION

RURAL ROUTE SERVICES

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I would like to draw to the attention of this House the treatment being accorded residents of rural routes by Canada Post and the Government of Canada.

The method being utilized by Canada Post trying to close rural routes is deceptive. Modest and temporary requests for adjustments are ignored.

While the Government may not be responsible for the methods being used by Canada Post, it must assume the ultimate blame for the elimination of rural routes by having demanded Canada Post be totally self-sufficient by 1987-88.

The Government's cynicism is flagrant. The Prime Minister (Mr. Mulroney) and his Cabinet spend freely for their own wants, for example: the largest Cabinet in history, a monstrous staff, presidential amenities, oversized delegations such as four Tourism Canada officials attending a mid-March American Society of Association Executives Convention in Orlando taking five star accommodations rather than four star, unnecessary major airport upgradings in the Prime Minister's riding, bank bail-outs, Senate appointments, patronage trough-wallowing and high-priced home movies, while postal customers in remote areas—

Mr. Speaker: Order, please. Sixty seconds.

* * *

REGIONAL DEVELOPMENT

ECONOMIC GROWTH IN NOVA SCOTIA

Mr. Gerald Comeau (South West Nova): Mr. Speaker, I would like to bring to your attention some of the signs of strength demonstrated by the Nova Scotia economy since September, 1984.

The May inflation rate was 3.5 per cent, below the national average of 4.1 per cent. Total exports in April, 1986, were up 30 per cent compared to April, 1985. Total value of building permits in 1985 were up by 18.9 per cent compared to 1984. Total housing starts in 1985 rose by 51 per cent, to their highest level in eight years. Retail sales have increased by 14.5 per cent since the election. Realized net farm income is estimated to have increased by 7.5 per cent in 1985.

With these kinds of results Nova Scotians can finally look forward to the future with optimism.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF BRITISH COLUMBIA MINISTER OF LANDS, PARKS AND HOUSING

Mr. Speaker: I wish to draw to the attention of Members the presence in the gallery of the Hon. Jack Kempf, Minister of Lands, Parks and Housing for the Province of British Columbia.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—U.S. POSITION ON FINANCIAL SERVICES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Prime Minister I would like to direct my question to the Secretary of State for External Affairs on trade. There is more chaos today on the trade front, just when we were beginning to think that the Prime Minister was back to his original position on a comprehensive free trade pact.

The Americans indicate to us that financial services are not going to be on the table. Since financial services are not going to be on the table, do we have a comprehensive negotiation or not? If it is going to be sectoral, as perhaps the Americans themselves are now starting to recognize, why can we not take our cultural industries and the Automobile Pact off the table as the Americans want to take off the financial services?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, they will be comprehensive negotiations. They will not be sectoral negotiations. The United States will decide what it wants to put on the table, and we will decide what we want to put on the table. We are not discussing cultural industries and cultural policy in the context of trade negotiation. We have no intention to discuss the question of an Auto Pact which, in our view, works well for Canada, and there is no need to change something that works well.

These matters have been repeated innumerable times in the House of Commons. I presume that the Right Hon. Leader of the Opposition keeps repeating questions because he cannot find a consistent policy of his own to follow.

[*Translation*]

FREE TRADE—EXTENT OF NEGOTIATOR'S MANDATE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, once again I may observe this afternoon that our policy represents the unanimous position of our caucus.

Mr. Speaker, I shall repeat my question: Last night, an interesting confrontation between Mr. Reisman and Mr. Murphy on television confused the issue even further. Mr. Reisman claimed that our social programs were not on the table and Mr. Murphy said they were.

Could the Secretary of State please explain the situation? Does Mr. Reisman have a specific mandate? Perhaps he could table that mandate here in the House, so that we will know what is going on and whether Mr. Reisman has received clear instructions, so as not to add to the general confusion every evening.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it will be interesting for the House of

Commons to see today's unanimous policy, and tomorrow there will be another unanimous policy from the Liberal Party!

As far as the Government's policy is concerned, Mr. Reisman has a mandate, and I am not going to tell the United States about it in my answer to the Right Hon. Leader of the Opposition here in the House.

[*English*]

CANADIAN NEGOTIATOR'S INSTRUCTIONS

Right Hon. John N. Turner (Leader of the Opposition): Putting it very simply for the Secretary of State of External Affairs and to circumscribe some of his new-found enthusiasm and eloquence in the House, are there matters beyond the scope of Mr. Reisman, as chief negotiator for our country, to negotiate? If Mr. Reisman has been told by the Secretary of State of External Affairs and by the Prime Minister that there are matters beyond his power to negotiate, would the Secretary of State let the people of Canada know so we can have precision as to the scope of the negotiations?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, if I may repeat my response to the Leader of the Opposition's first question, the question of cultural matters is not a matter of negotiation in a trade negotiation. We see no reason to change an Auto Pact which is working well. The social programs of Canada are not at question in a trade negotiation.

These matters have all been repeated several times. They are well known to the country. I look forward to the occasion when the Right Hon. Leader of the Opposition, in fact, finds a unanimous policy that will last longer than one day, so he can stop repeating questions to me in the House.

UNITED STATES POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Secretary of State. He has just stated that matters such as the social programs and Auto Pact are not to be discussed. Yet Peter Murphy, the U.S. negotiator, said yesterday that the United States has the right to study the impact of Canadian social programs and the Auto Pact. When will the Secretary of State or the Prime Minister contact Mr. Murphy's boss, the President of the United States, and tell him that they do not have the right to study these matters and that we get the negotiations off on a proper footing so that we both understand what we are talking about?

• (1420)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Official Opposition should at least become consistent in its outrage. The Leader of the Opposition is outraged that the United States would determine what they want to discuss. Now the Member for Winnipeg—Fort Garry pretends outrage that we would determine what we want to discuss. We will decide what Canada discusses at the table. What the Americans might put on the table is their business. What we might put on or take off the table is our business.

FINANCIAL SERVICES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, we are outraged about the dialogue of the deaf that is going on, where you are both talking about totally separate things. You do not do something that is as historically important as this and talk about two different agendas and two different items.

If Mr. Murphy is saying that the Government of the United States has a right to study everything, why are we acquiescing in the Government of the United States pulling financial services from the agenda?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, now the Member for Winnipeg—Fort Garry is consistent with his Leader and inconsistent with himself.

* * *

APARTHEID

SOUTH AFRICA—CANADIAN COMPANIES' NON-COMPLIANCE WITH CODE OF CONDUCT

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Yesterday we received the report of Albert Hart on the activities of Canadian corporations in South Africa operating under the voluntary Code of Conduct. The Minister indicated that the Canadian people could judge for themselves the behaviour of those companies under that code. The more important question is what the Government thinks of a situation in which five companies are paying wages which are below the minimum level for living in South Africa?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I thank the Hon. Member for his question. He will know that it was as a result of an initiative by this Government that, for the first time, the responses to that Code of Conduct were made public and are now a matter of public scrutiny and debate. As far as I am concerned, I do not approve of those practices by the Canadian companies. I would hope that those practices will change.

The reason we put the facts in public view is so that the pressure of public opinion, which is clearly effective in a country like ours, will be joined with the pressure and advice of the Government of Canada in trying to encourage a change on the part of those companies in what we consider to be a continuation of the Candian fight against apartheid.

Oral Questions

APPLICATION OF SOUTH AFRICAN LAWS TO CANADIAN COMPANIES

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, as the Secretary of State knows, some of the companies in violation of the voluntary Code of Conduct are required, pursuant to South African segregationist laws, to segregate black workers from white workers at on-site accommodations. What advice would he offer to those companies which are faced with this inconsistency between the Code of Conduct and South African racist laws?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we would urge Canadian companies to follow Canadian standards and the Canadian Code of Conduct. If they are seeking information as to how they can do that in a way that is consistent with South African law, we certainly are prepared to aid them in resolving that particular problem. However, we believe that there is a Canadian standard that is very clearly at variance with the practice of the Government of South Africa. We think that the practice of the Government of South Africa, in following an apartheid regime, is abhorrent, and we want to see Canadian practice conform to our standards, not South African standards.

REQUEST FOR MANDATORY APPLICATION OF CODE OF CONDUCT

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, if a Code of Conduct can be expected to work effectively, would it not make a good deal more sense to make it mandatory and require those corporations which do not adhere to the Code of Conduct to remove themselves from South Africa?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that is clearly an option. The point I made to the Hon. Member earlier is that the step that the Government has taken is to have moved the question of compliance into the public domain so that the country and Parliament are in a position to exert influence upon those Canadian companies now. That is my preferred option. There is another.

REQUEST THAT GOVERNMENT HOLD DISCUSSIONS WITH COMPANIES

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, Canadians were certainly ashamed to learn that five of our companies were breaking the Code of Conduct and treating blacks like cheap labour. I am glad that the Secretary of State for External Affairs and the Government, for that matter, are not happy with the situation. We have yet to hear what concrete steps the Government is willing to take to bring this exploitation to an end. Is the Government at least willing to meet with the companies and persuade them to respect this voluntary Code of Conduct? If they do not want to do that, will the Government make it mandatory?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think the publication of this Code of Conduct is supported by all Parties in the House, although it was not the practice of former Governments to require that publication. The Hon. Member has asked me whether I am prepared to meet with the representatives of the Canadian private sector that are active in South Africa. I have met with them. We did that early in the evolution of our process. We are prepared to meet with them again.

The point I want to make is that we have now secured a situation where these facts are in the public domain. I believe that the companies in question are, among other things, subject to public opinion. I hope that public opinion will be strong and clear.

[*Translation*]

Mr. Guilbault (Saint-Jacques): Mr. Speaker, personally, I think these Canadian companies should withdraw altogether from South Africa, just like the U.S. House of Representatives said in its motion last night.

INQUIRY WHEN GOVERNMENT WILL TAKE ACTION

Mr. Jacques Guilbault (Saint-Jacques): However, Mr. Speaker, I would like to ask the Secretary of State for External Affairs when he is going to show he has some backbone and stop waiting for public opinion in Canada to have some impact on these companies. When is the Government going to take concrete action instead of waiting for these companies to make up their minds to follow a voluntary code?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, under the Liberal Government, the companies concerned were not required to publish a record of their performance. Under the Liberals, they could hide those details. But that is history, and now companies must provide disclosure.

I hope there will be a strong reaction from the public, because our present option is the one we prefer. But I repeat that there is another option.

[*English*]

STERNSON COMPANY'S FAILURE TO REPORT

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Two of those companies mentioned in the report are located in my constituency. They are Massey-Ferguson, or Massey Combines as it is now known, and Sternson Ltd. Sternson Ltd. has not even taken the opportunity to report. What specific action will the Secretary of State take against Sternson Ltd. to make certain that it reports immediately on its financial undertakings in South Africa?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am prepared to work very closely with the Hon. Member, as the Member of Parliament for the region, to try to encourage that company not only to report,

but to encourage that company and others to comply. In my judgment we now have a situation where there is a way by which the facts can become known. That did not exist before. Other options are open to us, such as the option of resorting to forced action by the Government of Canada. I would very much prefer to have public opinion work and achieve a change that way. I believe this is a multi-partisan matter and I would welcome the co-operation of the Hon. Member in achieving that goal.

MASSEY-FERGUSON CORPORATION

Mr. Derek Blackburn (Brant): Mr. Speaker, has the Secretary of State already contacted Massey-Ferguson, which is a multinational corporation, and, if so, what has he told Massey-Ferguson with respect to paying substandard wages in a country that is already notorious for paying very low wages to its black population?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have not contacted Massey-Ferguson or the other companies since I tabled the report in the House yesterday. What the Government has done that is new, is take steps that cause the information to come into the public domain so that Members of Parliament, the public, and others who are interested, are in a position to act. I hope they will act. I hope there will be change. I repeat the point: if there is not change as a result of that kind of action, there are other options for the Government to consider.

* * *

• (1430)

NATIONAL RESEARCH COUNCIL

INDUSTRIAL RESEARCH FUNDING

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. I have in my hand a Government document in which the Vice-President of the National Research Council states that industrial research funds will be transferred to the space program, to be managed by the space program, as an activity separate from industrial research. In the document the Acting President of the National Research Council confirms the accuracy of this assessment.

Given this evidence, I would ask the Minister to correct the impression that he left with the House earlier this week, to level with Canadians, and admit that the industrial research program has indeed been cut and that some 2,000 small Canadian firms will lose vital research support.

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I do not know from what document the Hon. Member is reading, but let me tell him that the industrial research program is designed to build a basis on which we can expand our economy with future-oriented jobs. This is what the space program is designed to do, to create 100,000 new, future-oriented jobs, and $5 billion worth of industrial spin-off to private firms and small firms. That is what the program is designed to do.

The Hon. Member now tells us that he and his Party wish us to walk away from space. Well, this is not what is going to happen.

MINISTER'S POSITION

Mr. David Berger (Laurier): Mr. Speaker, when will the Minister admit that the effect of this decision will be to cut research funds from some 2,000 small Canadian companies over the next five years? When will the Minister be able to report to the House the truth about this question? When will he provide Parliament and the Canadian people with information that we can believe?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, if the Hon. Member chooses to believe what he hears on the streets, I will never be able to satisfy him. I told him what the program is about and what happened, and if he chooses to seek information that is less factual than what he hears from me, I am sorry, but I cannot help him.

* * *

MEDICAL CARE

DOCTOR'S TELEVISED STATEMENT—REQUEST FOR INVESTIGATION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Will the Minister ask the College of Physicians and Surgeons in the Province of Ontario to investigate a statement made by Dr. Shelley McLean on *The National* two evenings ago? She said: "If one patient dies now, we may be preventing a hundred patients from dying in five years".

Some Hon. Members: Shame.

Mr. Deans: She made the comment in response to questions about the closing of the emergency section of the hospital in Cornwall.

An Hon. Member: Moral blackmail.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, what the Hon. Member raises is a most serious issue. I want to say to him that I know he recognizes—I am not trying to push responsibilities from one level of jurisdiction to the other—that Ontario has the responsibility of maintaining health care in the Province of Ontario. I called the Minister of Health for Ontario, roughly at noon today. He was not in, but I spoke with a member of his staff and requested an

update to see whether or not the services in Ontario were being provided and to see that people were not being put at risk.

I have publicly said that I would hope the disagreement between the Government of Ontario and the doctors could be resolved; not only amicably. I have great difficulty when people's lives and health are being put at risk because two groups are in conflict with each other.

REQUEST FOR SUSPENSION OF DOCTOR

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I would like to ask a supplementary question. Would the Minister agree that this statement is in violation of that doctor's Hippocratic oath and ask that she be suspended from practising in the Province of Ontario until such time as an investigation is conducted into this matter?

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. I am not aware that the Minister has any ministerial responsibility involving the licensing of doctors. That is my dilemma.

Mr. Benjamin: He didn't say that, he didn't ask that.

Mr. Deans: I asked the Minister to ask the College of Physicians and Surgeons.

Mr. Benjamin: He just asked the Minister to make representations.

Mr. Speaker: Order, please. The Hon. Member for Westmorland—Kent.

* * *

CANADIAN NATIONAL RAILWAYS

PROPOSED SALE OF MAINTENANCE SHOPS IN MONCTON

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, my question is directed to the Minister of Transport. On January 15 of this year, the Minister clearly stated in this House, as reported at page 9791 of *Hansard*, that the CN shops in Moncton were not for sale. Why is the Minister now allowing CN to proceed with the sale of the CN shops?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the answer to which the Hon. Member refers is somewhat selective, in the quotation that he is using. What I did say at that time was that CN shops were not for sale but that Canadian General Electric had expressed an interest in establishing a locomotive manufacturing facility in Canada and, within the context of the rationalization of the shops, that that was being considered; and, to be perfectly technical, at that time the shops were not for sale, and a proposition was not ratified—

Some Hon. members: Oh, oh!

Mr. Mazankowski: Mr. Speaker, a proposition to enter into the negotiations was not ratified by the Board of CNR until last Sunday.

Mr. Robichaud: So much for a first promise.

POSSIBLE LAY-OFFS—MINISTER'S POSITION

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, why has the Minister now broken a second promise, the promise that he would not support massive lay-offs? How can he allow the loss of 600 jobs in an area with 15 per cent unemployment?

Some Hon. Members: Shame!

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, when the Hon. Member uses those figures he is simply distorting the facts. I would encourage him to stop and to cease and desist from doing that, because he has no licence to disseminate fear and apprehension in the minds of the workers.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: Furthermore, Mr. Speaker—

Mr. Speaker: Order. The Minister is coming close, very close, to unparliamentary language.

Mr. Mazankowski: Furthermore, Mr. Speaker, I say to the Hon. Member, and I know that this is a very sensitive subject, that he is doing a great disservice to the people of Moncton, particularly the workers. It is quite apparent that the Hon. Member—

Some Hon. Members: Order.

Mr. Mazankowski: —is opposed to the establishment of a new locomotive manufacturing facility in Moncton.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—FINANCIAL SERVICES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I want to ask a question of the Minister of State for External Affairs, if I may. While Mr. Reisman and Mr. Murphy continue to argue publicly about what sectors are to be discussed, the United States has unilaterally pulled the financial sectors off the bargaining table. I want to ask the Minister if the Government does not see that this kind of contrast points out the great inequalities in bargaining between the two countries and shows the dangers that we face if we continue down this course.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I can only assume that a distinguished former university professor knows better than that. The facts remain as they have always been, that the Government of Canada can decide what it wants to put on the table and keep on the table, and the Government of the United States decides what it wants to put on the table and keep on the table. Nothing has changed.

SOCIAL POLICY

Mr. Steven W. Langdon (Essex—Windsor): In that case, Mr. Speaker, if the Minister is prepared to talk—so, talk. Let me ask him if in fact he will act right now, unilaterally, and say, "Despite Mr. Murphy's comments yesterday, we are not prepared at any time, or in any way, to talk about social policy in the course of these free trade talks".

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, if the Hon. Member thinks that was tough talk, "he ain't seen nothing yet".

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): I do not know what passes for tough talk in the New Democratic Party.

Look, Mr. Speaker, the question of social programs is not an issue in discussion on trade. The question of cultural programs is not an issue in discussions of trade. The question of the Auto Pact is not something we propose to raise or have result in a change in the system that we think is working perfectly well. That, by my calculation, is the one million two hundred and thirty-seventh time I have given that answer in the House of Commons, and I would hope that the New Democratic Party would get in touch quickly, by telephone, with the CLC to get some new questions.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order.

* * *

• (1440)

CAPE BRETON DEVELOPMENT CORPORATION

OCCUPATION OF MANAGEMENT OFFICES—CONCERNS OF MINE WORKERS

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, my question is for the Acting Minister of Regional Industrial Expansion. Can the Minister tell us whether he intends to respond to certain concerns expressed on behalf of miners employed by the Cape Breton Development Corporation?

Hon. Don Mazankowski (Acting Minister of Regional Industrial Expansion): Mr. Speaker, first, I want to acknowledge the tremendous work that the Hon. Member has done—

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Minister will finish his answer, please.

Mr. Mazankowski: —as well as his support and his advice.

As I indicated yesterday to the House we will be treating this matter very seriously. We have had a number of discussions. I personally discussed the issue with Premier Buchanan of Nova Scotia this morning. We have discussed it with union leaders. We have discussed it with the Chairman of the Board of Devco. Arrangements are now being made to organize a meeting between senior officials of DRIE and representatives of those who are engaged in the sit-in. Hopefully we will be able to resolve the outstanding issues referred to in the protests of the sit-in miners.

REQUEST FOR MINISTERIAL UNDERTAKING

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I wish to take this opportunity to congratulate the Acting Minister of Regional Industrial Expansion for taking such positive action with regard to this most serious situation. However, I ask him in all sincerity whether he can give an undertaking to the House that before the end of June substantive answers will be given to the United Mine Workers of America with regard to the high unemployment at the Cape Breton Development Corporation, as well as the future direction that that corporation will take? Can he give us that undertaking?

Hon. Don Mazankowski (Acting Minister of Regional Industrial Expansion): Mr. Speaker, I am not sure that I can give the Hon. Member the undertaking with respect to the time-frame. However, I can give him the undertaking that we will sit down and discuss all the outstanding issues to which the miners have referred.

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[*Translation*]

CROWN CORPORATIONS

CANADAIR—REQUEST FOR CLARIFICATION OF REPORTED SALE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Acting Minister of Regional Industrial Expansion and concerns the sale of Canadair. When is the Government going to select one of the purchase offers for Canadair? And could the Minister give the House the assurance that, considering the precedent set by de Havilland, a parliamentary committee will examine the sale and have a

chance to communicate its conclusions to the House, before the sale is finalized?

[*English*]

Hon. Don Mazankowski (Acting Minister of Regional Industrial Expansion): Mr. Speaker, this matter is still in the hands of the CDIC. I have not received its recommendations, and so I am not able to give the Hon. Member the undertaking to which he has referred.

REQUEST FOR PARLIAMENTARY REVIEW

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, there are very serious concerns about jobs and about ownership in this particular area. Is the Minister aware of the very serious pledge made by his predecessor who said: "We want to assure all Canadians that the divestiture will be administered responsibly with an opportunity for appropriate parliamentary review"? Will the Government guarantee that that review will take place by a committee and that it will be able to report back to Parliament before the sale is finalized in the fall?

Hon. Don Mazankowski (Acting Minister of Regional Industrial Expansion): Mr. Speaker, I undertook to meet with representatives of the unions yesterday. We had a very good meeting and a very good discussion. I think they went away satisfied. The Hon. Member should recall the fear and the apprehension that he spread in this House with respect to the potential takeover of de Havilland. I think history speaks for itself—de Havilland is flying high.

Some Hon. Members: Hear, hear!

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GOVERNMENT EXPENDITURES

VIDEO TAPING OF PRIME MINISTER'S VISIT TO UNITED STATES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Deputy Prime Minister. It pertains to the Prime Minister's extravagant spending of taxpayers' money for his own personal glorification. Will the Deputy Prime Minister explain to unemployed Canadians who can barely afford the necessities of life why the Prime Minister of Canada spent taxpayers' money to the tune of $2,483.21 per minute so that the American people could have the opportunity—

Mr. Speaker: Order, please. The Hon. Member, I think, can conclude his question.

Ms. Copps: This is his question.

Mr. Boudria: Will the Deputy Prime Minister tell the people of Canada why the Prime Minister spent that kind of money for his greatness to be seen on television by United States citizens?

An Hon. Member: That's out of order.

Mr. Hnatyshyn: He used Taiwanese film.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I presume the Hon. Member is talking about the gathering of videotape for a—

Mr. Ouellet: If you don't know the answer then sit down.

Mr. Clark (Yellowhead): I am getting coached in the House of Commons by the Hon. Member for Papineau.

Mr. Ouellet: Indeed. Sit down!

[*Translation*]

Mr. Clark (Yellowhead): He often helps me with my French, and that I don't mind.

[*English*]

The situation is very clear, Mr. Speaker.

Mr. Guilbault (Saint-Jacques): We know that. What is the answer?

Mr. Clark (Yellowhead): I will explain it, if I am given a chance by the Opposition. The answer is that, starting with the Trudeau Government in earlier years, there has been the practice—

Mr. Dingwall: He was Prime Minister longer than you.

Mr. Clark (Yellowhead): —of gathering material that can then be made available for communication, for distribution, to television stations in the United States to increase the profile of Canada in that country. That process, when it is followed, is a particle of the cost that would be—

Mr. Speaker: Order, please. The Hon. Minister knows that this is long, too. Supplementary question.

Mr. Marchi: That's a hell of a particle!

[*Translation*]

INQUIRY CONCERNING DURATION OF PRACTICE

Mr. Don Boudria (Glengarry—Prescott—Russell): I have a supplementary, Mr. Speaker. Could the Secretary of State for External Affairs inform Canadians how long they will have to put up with this kind of extravagance, just so Americans will have a chance to the Prime Minister's face on television?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it is not an extravagance. In fact, if Canada had opted for one of the other media, such as newspaper advertising, the cost would have been much higher.

[*English*]

The facts here are that videotapes were taken of a very significant, newsworthy event involving Canada and the United States.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): The judgment on its newsworthiness was made by the some 1,400 American television stations that used the footage, therefore bringing attention to Canada, therefore helping Canada to increase a consciousness of Canada, the kind of consciousness that is very necessary if we want to resist countervail actions on our timber, if we want to prevent the kinds of actions that were taken on shakes and shingles, if we want to maintain a strong Canadian—

Some Hon. Members: Hear, hear!

Mr. Blackburn (Brant): Joe for President!

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REGIONAL INDUSTRIAL EXPANSION

NEWSPAPER REPORT OF PROPOSAL TO BUILD ARMAMENTS PLANT IN CAPE BRETON

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is for the Secretary of State for External Affairs. I was concerned to read an article in *The Globe and Mail* today which suggests that the Government is reconsidering the Thyssen proposal to build a plant in Cape Breton to build armoured personnel carriers, including tanks, for export to countries in the Middle East. Is the Government actively reconsidering that proposal by Thyssen?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, no.

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AGRICULTURE

THREAT OF U.S. BARLEY SALES TO ISRAEL

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Minister of State for the Canadian Wheat Board or for the Secretary of State for External Affairs. I regret to inform the House of some bad news. The United States has just targeted Israel under its export enhancement program for the sale of 200,000 tons of barley. That represents our annual sale to Israel. I wish to ask either of the Ministers whether or not the Government is now considering any special action in order to counteract this American initiative on a country-by-country basis? As Hon. Members know, this will totally devastate our grain producers in western Canada.

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, we have been aware of the BICEP program. It has been in effect since June of 1985. The success that the Americans have had in terms of increasing the sale has not been effective. Hon. Members should know that this type of thing will not devastate western Canada in terms of sales. The big problem is with respect to prices. The Hon. Member should know that we are selling wheat at the same record clip that we have been for the last two years. Sales are there. The big problem we have is with prices.

Mr. de Jong: That's not going to sell back home, Charlie.

Mr. Mayer: We have discussed that many times in the House.

CANADIAN POSITION

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, is the Minister aware that the United States has just targeted Israel for 200,000 tons of barley per year, a traditional Canadian market, and that it is now talking about increasing its sales to Saudi Arabia from 100,000 tons to one million tons per year? Is the Minister aware of that? If he is aware of it can we expect any concrete action to counteract it on a country-by-country basis? It is an important question.

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the one correct statement which the Hon. Member has made is that it is an important question. We are aware of that. The Hon. Member should know that Canada has taken the lead in raising the agricultural trade subsidy issue internationally. The Prime Minister raised it in Tokyo. We have to give him credit for that. We managed to convince the major exporting countries to hold a meeting recently on the West Coast. I think there were some results there. We are aware that in addressing it we should address it in what I think is the best forum possible and that is the international forum. With everyone's co-operation, we will be able to address it globally at the next GATT round.

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[*Translation*]

TRANSPORT

CANADIAN COAST GUARD NAVIGATION SERVICES' COSTS

Hon. André Ouellet (Papineau): Mr. Speaker, in the absence of the Prime Minister I will direct my question to the Minister of Transport.

Does the Minister of Transport know that yesterday all participants in the Montreal economic summit, without exception, voiced their opposition to Bill C-75 and, considering all these views against clause 4, is the Minister now prepared to delete that clause from Bill C-75 for the time being?

• (1450)

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I think the Hon. Member knows that a number of safeguards have been put into this particular clause, a clause which I know has generated some controversy but one which I

believe is now considered to be fair. The imposition of the charges would not take place before January 1, 1988. There is a consultative mechanism and an appeal process. There are many safeguards, and I think the Hon. Member would agree that this is the first time there have been such safeguards in the imposition of these kinds of enabling charges.

[*Translation*]

METHOD OF PAYMENT

Hon. André Ouellet (Papineau): Obviously, Mr. Speaker, all those who are against this law are not satisfied with the verbal—let alone the legislative—commitments of the Minister.

Could the Minister assure all the interested parties that he will include in clause 4 of the Bill a guarantee to the effect that payments will not begin before 1988, that they will not exceed $20 million a year, and that they will end in 1990, as he is alleged to have promised the Quebec Minister of Transport?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, those conditions are clearly on the record. As I have said, there is a consultative process and there is a 90-day provision for Gazetteing. There are appeal mechanisms, and we are requesting a modest return of something like $20 million. After all, the cost recovery on the Coast Guard services right now is something between 3 per cent and 5 per cent and we want to increase that to a minuscule 7 per cent. That certainly is not very much considering the services provided. I think all industries recognize that there has to be some provision for cost recovery, and I would hope that when they understand the kind of protective mechanisms we have put in place, they will find this Bill acceptable.

* * *

HEALTH

REQUEST FOR BAN ON CIGARETTE ADVERTISING

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is for the Minister of National Health and Welfare who will know that the Canadian Cancer Society and other organizations today held a press conference revealing some new information about public knowledge, or indeed the lack of public knowledge, of the connection between lung cancer and tobacco smoking. Will the Minister accede to the very urgent demand of the Canadian Cancer Society and other organizations for a ban on cigarette advertising? Will he accede to the demand not just for self-regulation, not just for three-inch warnings instead of one-inch warnings, not just skaters instead of skiers, not just for bluewater canoeists rather than whitewater canoeists, but for a real ban?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am aware that the press conference was held. I think one correction should be made, not to the Hon. Member's question but to the press release which leaves the impression that I might have had a meeting with the organizations. That was not the case but I am aware of the press release. This is not a new position taken by these organizations. I have said to the Hon. Member a number of times, as I have also said in public, that the Government is looking actively at what response it should make. I have also told the Hon. Member and the organizations that held the press conference today that I will take one more look at what the tobacco manufacturers' council will say at the end of the month.

MINISTER'S POSITION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, since he has played the numbers game before on the grounds that this advertising ban would not be effective enough, I wonder if the Minister could tell us how many lives he would consider it worth saving. If 10 per cent of those 35,000 lives could be saved, would that be worth it? If only 1 per cent, or 350 lives, could be saved, would that be worth a ban on advertising? Indeed, if one life could be saved by a ban on advertising, would that be worth it?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, there are 30,000 deaths related to smoking each year. My job as Minister of National Health and Welfare is to try to prevent all of those deaths.

* * *

FOOD AND DRUGS

DEPARTMENT'S VIEW OF BEEF PRODUCTS

Mr. Blaine A. Thacker (Lethbridge—Foothills): Mr. Speaker, my question is also directed to the Minister of National Health and Welfare. The Minister is aware that the Canadian beef industry is suffering from a dramatic decline in demand and he will also be aware that his Department has, for over 15 years, published misinformation that has been used by home economists, health care professionals, and the media. Will the Minister inform the House what actions he is prepared to take to correct this misinformation?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I do not agree that the Department might have been publishing misinformation. There have been various studies done outside the Department as well relative to beef. I can tell the Hon. Member that with what has been happening in the beef industry, with the reduction in fat in cuts that are now being sold, from the point of view of the Department of Health beef is not only a safe product but it is a good product, and one that the Department and other health professionals are promoting for use by Canadians.

MEDICAL CARE

CANADIAN MEDICAL ASSOCIATION'S REQUEST FOR OHIP BOYCOTT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Is the Minister aware that the Canadian Medical Association has put out a memo to all doctors and hospitals outside Ontario asking them to support the Ontario medical strike and asking them also to bill patients directly and not through the provincial program, OHIP? If he is aware of that, what has he done to make sure that Canadians, and Ontarians in particular, have universal access to hospitals and medical care?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, in an earlier question I was asked what action I had taken and I said I had phoned the office of the Minister of Health in Ontario to—

Mr. Nunziata: It's the Canadian Medical Association.

Mr. Epp (Provencher): Would you let me answer, please? I said that I had phoned the Minister's office, because it is under provincial jurisdiction, to ensure that access and portability be maintained under the Canada Health Act. I have received a report from the Government of Ontario indicating that there is no evidence from the Minister's point of view that access or portability has been denied. I have also indicated that the Ontario Government, under OHIP, will recognize and accept OHIP payments for residents of Ontario outside Ontario since that is within the legal requirements of the Canada Health Act. I have been assured by the Province of Ontario that it will honour all those bills.

[*Translation*]

INQUIRY IF OTHER PROVINCES WILL RECOGNIZE ONTARIO'S HEALTH INSURANCE PLAN

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the Minister did not answer my question.

I should like to know whether the Minister can assure all Ontarians who will be travelling throughout Canada this summer, as tourists or otherwise, that they will be able to obtain medical care in hospitals and be attended by physicians in case of accident or serious illness, without prejudice to their ability to pay? Will all provinces other than Ontario recognize Ontario's health insurance plan?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I have every assurance that Ontario residents who are travelling are being given that service under the Canada Health Act, and specificially the portability clauses. I also want to indicate to the Hon. Member that doctors outside Ontario may sign or fill out the interprovincial benefits form which will allow them to get paid by OHIP. If that is not done and if there is a direct payment by an Ontario resident, OHIP will also cover that. I have every assurance today from the work I have done, and the assurances I have received from the Province of Ontario, that Ontario residents outside Ontario are being protected.

* * *

FIREARMS

CUSTOMS INSPECTION

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the Minister of National Revenue. The Minister is aware of my concern and the concern of various police and customs officers about the number of weapons being imported by wholesale gun dealers. The concern is that customs officers have no training to determine whether automatic weapons have been properly modified to make them legal in Canada. Can the Minister inform us what action the Government is taking to ensure that illegal automatic weapons are not entering the country?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, first let me thank my hon. colleague for the interest he has shown in this subject. I appreciated the observations he made at a meeting we had not long ago. He knows that our Department is very diligent in making sure that all regulatory requirements that govern the importation of prohibited weapons are followed, and when our Department lacks the necessary expertise to match the type of weapons with the consignment or to make sure that these weapons are permanently converted for semi-automatic use, we obtain the services of firearms experts, usually the local police, to help us in this regard. We go on to seize any prohibited weapons that are located and, if necessary, we are prepared to make arrests.

• (1500)

INSPECTION TRAINING PROGRAM REQUESTED

Mr. Simon de Jong (Regina East): Mr. Speaker, is the Minister prepared to endorse a program of training individuals to enable them to inspect firearms better, and to designate four or five major centres through which large commercial shipments of guns must be processed?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, that is an interesting suggestion. I certainly give my colleague the undertaking to consider it seriously.

* * *

POINT OF ORDER

STATEMENT BY SECRETARY OF STATE FOR EXTERNAL AFFAIRS

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, during Question Period I inadvertently

gave the wrong figure to the House regarding United States stations which used or expressed interest in using the satellite feed publicizing Canada. A full 600 United States television stations used that feed. That amounts to a fraction of the cost of one advertisement in any U.S. daily newspaper.

* * *

[*Translation*]

MOTION TO ADJOURN UNDER S. O. 29

RAILWAYS—POSSIBLE CLOSURE AT CN SHOPS AT MONCTON

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, pursuant to Standing Order 29, I informed you today of my intention to ask the House for an emergency debate on a situation that I consider to be extremely serious. The subject of debate would be the decision by the Crown Corporation, Canadian National, to sell its railway shops at Moncton.

[*English*]

This CN decision to close its main shops in Moncton was taken unilaterally and without any input from Members of the House. It means that over 600 jobs will be lost. During the past year more than 1,000 workers have lived in insecurity and uncertainty. In September, 1985, 225 workers were laid off. On Tuesday, another 450 were told that they would have to retire early, be transferred, or lose their jobs.

[*Translation*]

The CN shops at Moncton are one of the major employers in New Brunswick. Considering the fact that the province's unemployment rate is 14.6 per cent, the second highest in Canada, it would be irresponsible to approve such a decision.

[*English*]

Yesterday the Legislative Assembly of New Brunswick passed a unanimous motion expressing its opposition to the announced major reduction in employment at the CN shops in Moncton. The Legislative Assembly urged the Government of Canada to honour its duty with regard to regional development, in particular in the Moncton region.

Since this decision places in jeopardy the jobs of 1,022 workers of a Crown corporation in a region of extremely high unemployment, I feel it is of crucial importance that Members of Parliament be given the opportunity to debate this decision immediately.

Therefore, I respectfully request an adjournment of the House for an emergency debate on this important issue.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Chair received in proper form the application of the Hon. Member and of course has, as he would expect, examined carefully the application.

Without doubt the matter is a serious one, but the Chair must determine whether in fact the application conforms with the provisions of Standing Order 29. The Chair must advise the Member that the terms of Standing Order 29 have not been met and I must, therefore, decide not to accept the application.

Mr. Benjamin: Mr. Speaker, I rise on a point of order. I admit my ignorance, but are interventions allowed before Your Honour hands down a decision?

Mr. Speaker: No.

Mr. Benjamin: That is too bad.

Mr. Speaker: The Hon. Member will know what I mean when I say that they are not allowed, but sometimes people do around here intervene. In fact, the Hon. Member will know that the Chair must receive an application in writing at least an hour in advance. What happens is that the Member is obligated by the rules to read into the record only the application which has been presented to the Speaker in writing, and that is the basis upon which the Speaker makes his ruling.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 505.

[*Text*]

INMATES FOUND IN POSSESSION OF DRUGS

Question No. 505—**Mr. Nunziata:**

1. (*a*) In (*i*) 1984 (*ii*) 1985, how many inmates in federal penitentiaries were found to be in possession of illegal drugs (*b*) in how many case were the drugs discovered after a return from (*i*) escorted (*ii*) unescorted temporary absence?

2. In how many cases was the inmate charged (*a*) under the Criminal Code (*b*) with flagrant or serious misconduct under Section 39 of the Penitentiary Service Regulations (*c*) with an intermediary offense under Section 39 (*d*) with minor misconduct under Section 39?

3. In each case in part 2, how many inmates (*a*) were found guilty as charged (*b*) had the charges dropped (*c*) had a portion of their earned remission revoked?

Hon. Perrin Beatty (Solicitor General of Canada): In so far as the Correctional Service of Canada is concerned:

1. (a) 592 inmates, (ii) 379 inmates. (b) (i), (ii) The Correctional Service of Canada does not keep records in a manner which would permit the production of the requested information without considerable expenditure in personnel resources.

2. (a) (b) (c) (d) Please see answer to part 1 (b) (i) (ii).

3. (a) (b) (c) Please see answer to part 1 (b) (i) (ii).

[*Translation*]

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

Mr. Speaker: The question as enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT

MEASURE TO AMEND

The House resumed from Monday, June 16, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-96, an Act to amend the Federal-Provincial Fiscal Arranagements and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the third time and passed; and the amendment of Ms. Copps (p. 14483).

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is a pleasure to participate today at third reading stage of Bill C-96 which is entitled:

An Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977.

People might get the impression from that title that the Government of Canada plans to support post-secondary education and health care beyond the levels at which they are normally supported. Of course, that is quite contrary to the reality of the situation. The Bill should actually be entitled "The Government now makes drastic cuts to post-secondary education in Canada and incredibly drastic cuts to the health care system of Canada". That would be a more realistic name; it would actually describe the reality of Bill C-96.

I want to state very clearly that as far as the New Democratic Party is concerned, we oppose Bill C-96. We have opposed the Bill since the Government first thought of drafting it. We have opposed it at every step of the way. We have opposed it at second reading and in committee. One of the reasons we opposed the Bill in committee was that the legislative committee, in its wisdom, asked 18 different groups to appear before it. Those groups represented the post-secondary educational system across the country, the Canadian health care system, and consumer groups. They were people with considerable expertise in the fields of health care and post-secondary education. The position taken by each of these 18 witnesses was virtually the same, stop the Bill; do not proceed with the Bill to make cuts to post-secondary educational and health funding.

It is in that spirit that members of the New Democratic Party raised the issues at public meetings in their constituencies. We held a number of public meetings and attended public gatherings. For myself, I discussed Bill C-96 both formally and informally with representatives of the faculties of the three universities in British Columbia and with student organizations from the colleges, technical institutes, vocational schools, and universities in British Columbia. I heard representations from the faculties of the two colleges in my constituency, Cariboo College and Okanagan College which has a campus in Salmon Arm. I discussed the matter also with student groups which represented those two colleges.

Beyond that, the matter was raised on a number of occasions with people interested in proceeding to studies at the post-secondary level from secondary schools in British Columbia. I also discussed the matter with their parents. In many cases today parents must find about $6,000 per year to send a son or daughter from the interior of B.C. to one of its post-secondary institutions. In many cases to find $6,000 to send a member of one's family, or perhaps a number of members of one's family, to pursue studies at a university, college, technical institute, vocational school, or business school of one kind or another is not an easy task. In some cases it makes it impossible for people to pursue their interest at the post-secondary level.

I want to indicate my concern, being especially interested in the Bill as a Member from British Columbia. British Columbia has experienced the realities of a harsh, extreme conservative Government, the Social Credit Government, for many years. We have seen what that Government has done to the educational system both at the public school level as well as at the post-secondray school level. We have seen what that administration has done to health care in British Columbia. It has been devastating, Mr. Speaker. I have yet to hear an expert, someone who has recognized credentials in health care or post-secondary education that has not condemned what the Government of British Columbia has done in these two areas. I have listened to countless reports. I have read countless articles in professional and laymen's journals on health care and post-secondary education denouncing what the Government in British Columbia did to post-secondary institutions and health care throughout the province.

• (1510)

You will recall in 1977, Mr. Speaker, when the decision was made to change the funding formula for post-secondary education and health care. In 1977 there was funding on a 50-50 basis. For every dollar a province spent in health care or post-secondary education the federal Government essentially matched that dollar. If $500 million was spent in a certain province in those two areas, the federal Government granted $500 million to that particular province.

In 1977 the decision was made to change the formula. What we heard was: "all hon. gentleman and ladies, we no longer need to go through all of the bookkeeping of this matching dollar for dollar, and that based on population growth and on

growth in the economy, that is how payments to the provinces from the Government will be reflected." There was the assumption that with this kind of block funding, as it is termed, there would still be a matching of 50-50. If the federal Government increased its funds to the provinces, naturally the provinces would increase their contribution to assist and develop the health care system and post-secondary education system that Canadians needed and deserved. That has not happened.

If we just look at some recent statistics, for example 1982-83, the funding intended for universities in British Columbia from the federal Government was $206 million. In 1984 that amount was increased to $236 million, an increase of about $30 million over two years. That was money intended for universities only. The assumption was that the Government in British Columbia would match that increase and pass it along to the universities. I am sad to say that that was not the case. The total provided by the province to the three universities actually fell in that interval from $316 million to $299 million.

While federal grants to universities across the country were actually increasing year by year as a result of the formula determined in 1977, some provinces, including British Columbia, were reneging in their contributions. Today we find, as many many groups have now brought to our attention as parliamentarians, that the federal Government pays totally for all post-secondary education in B.C.. In other words, if you look at all of the money spent in the Province of British Columbia on post-secondary education, you will find that that is equal to the amount of money which the federal Government contributes alone. We can say that in spite of the fact that education and health care is a provincial responsibility by the Constitution of Canada, the federal Government finds itself in a situation where it is providing all of the funding to post-secondary education and most of the funding to health care in the Province of B.C. The same thing exists in other provinces, but not to the same degree. British Columbia is the worst offender.

This is not the only difficulty that we have in the Province of British Columbia. As far as young people participating in education beyond the secondary school level, going to colleges, universities, technical schools or institutes of one kind or another, are concerned, we have the lowest rate of anywhere in Canada. Fewer people per capita in the Province of B.C. go on to post-secondary studies than in any other area of Canada. Considering the complexity of the world as we know it, the rapidly changing world and workforce, the fact that British Columbians are not being trained and educated as are people in other provinces at the post-secondary level causes many of us much concern.

British Columbia also has the notoriety of being the only province that has an all debt student aid program in Canada. When you look at the various aid programs provinces have for students, B.C. is the worst of all in Canada. Not only do we have fewer students participating in post-secondary institutions, we have less support system to enable them to do so. For an average person it costs $6,000 on an annual basis to send an individual on to further education and training.

Bill C-96 reduces the amount of money that traditionally would go to our post-secondary education and health care systems by $5.6 billion over the next five years. That is a cut of $5,600 million over the next five years. British Columbia alone will have a cut of $650 million. What alternatives does that leave a province like British Columbia? It can increase its deficit by $650 million. That is one thing; simply pass this incredible debt burden along to the province and the people of British Columbia and put them further and further into debt. Another alternative is to increase taxes at the provincial level in British Columbia to make up the $650 million shortfall. Or we can cut services. Any of these options causes all kinds of problems. The last alternative is likely the one the Social Credit Government of B.C. will follow. The provincial Government is anti-education, anti-intellectual and in many cases anti-people. Consequently the first reaction of that Government will be to cut services. As a Member of Parliament from British Columbia, that alarms me considerably.

Over the last few years we have seen the public school education system destroyed in British Columbia. I could recount untold examples of the reduced levels of educational opportunities young people in B.C. are now experiencing. For example, science is a rapidly changing field, yet there are many classrooms where four and five students have to share a textbook published 15 or 20 years ago which does not reflect the realities of the scientific world today. There are considerable needs for young people with special learning problems, yet learning assistance teachers and various support groups and classes have all been cut from the budgets. At the other end of the spectrum where you have groups of gifted and talented students who should be nurtured and encouraged into new and creative areas to develop their talents to the maximum, programs of that kind have essentially disappeared. We could go on and on, Mr. Speaker. We have literally seen the life snuffed out of our educational system.

Similarly with health care. When you go into our emergency wards the first thing you see is a big sign on the door saying you have to pay a fee to have a broken arm or a racked up shoulder attended to. You have to come up and pay a user fee to get into a hospital in British Columbia. I cannot imagine the intolerable situation further cuts will create right across Canada but especially in the Province of B.C. where people have already been so hard pressed in the area of education.

• (1520)

With regard to operating grants for universities in my province, in 1972 the provincial government expenditure was about 6 per cent. The last figures we have are for 1980-84. At that time the expenditure was down to just over 3 per cent. Over that period of time we saw a decrease in support for our universities. At the same time student enrolments are skyrocketing. I have all sorts of graphs and charts which indicate that while enrolments are going up, while the number of patients in

hospitals are increasing due to our aging population and while costs are going up as a result of inflation year after year, the operating grants to hospitals, universities and colleges are decreasing. This is very serious.

I have raised this matter in public meetings in my constituency, as I am sure have other Parliamentarians. I can honestly say that the public is shocked when told that the Government of Canada believes it is now appropriate to reduce expenditures on post-secondary education and health care. People simply do not believe that. They believe I have my facts wrong, that I must not be telling the reality of the situation. I then produce a copy of Bill C-96 which shows that the traditional contributions to the provinces are being reduced by $5.6 billion over the next five years. In the Province of British Columbia people are shaking their heads in disbelief at the provincial government reducing opportunities for our human resources to be educated and trained to maximize talents and expertise. Now they find that the Government in Ottawa plans to do the same thing with grants for post-secondary education and health care. They find that unbelievable.

I would like to say in conclusion that this move by the Government is, in a sense, very biased against certain Canadians. It contains a geographic as well as an income bias. Those people who come from middle and low-income families will find it even more difficult to pursue post-secondary education and obtain appropriate health care. If you live in an area of Canada which does not have a post-secondary education institution nearby to enable you to commute from home, the additional cost will be prohibitive. It is now an impossibility for growing numbers, particularly those in the outlying regions of Canada, to pursue their studies. For that reason I encourage the Government at the eleventh hour to reconsider Bill C-96 and stop it in its tracks before it goes any further.

The Acting Speaker (Mr. Paproski): Are there any questions or comments? There being no questions or comments, I will recognize the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) on debate.

Mr. Nickerson: Mr. Speaker, I rise on a point of order. I was under the assumption that you would normally go from one side of the House to the other. There are several government speakers this afternoon and perhaps you would be kind enough to recognize—

Mr. Gauthier: That's not a point of order.

The Acting Speaker (Mr. Paproski): I do not consider that to be a point of order. I did not see the Hon. Member rising. He has to be pretty fast on his feet if he wants me to recognize him.

Mr. Nickerson: It's just that I am so far away.

The Acting Speaker (Mr. Paproski): Order, please. I would be delighted to listen to the Hon. Member for Western Arctic (Mr. Nickerson). I have recognized the Hon. Member for Winnipeg—Fort Garry. If the Hon. Member wants to speak after the Hon. Member for Winnipeg—Fort Garry has spoken, I would be glad to recognize him.

Mr. Guilbault (Saint-Jacques): And we will be pleased to listen to him.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, that just proves the assertion we have made all along, that members of the Government simply are not quick enough to keep up with the Opposition.

The debate we are engaged in is probably the most important debate that has been conductd in this House all year. It goes to very vital issues which affect the lives of everyone: the quality of our education and the quality of our health care. It is very important that in this debate everyone attempt to deal with the issues in a clear and cohesive way, and with the proper information.

I want to draw the attention of the House to comments made by a Conservative Member of Parliament from the Province of Manitoba, the Member for St. Boniface (Mr. Duguay). In committee hearings on Bill C-96, which took place on Monday, June 9, the Member for St. Boniface was accusing the Government of Manitoba, which appeared that day, of engaging in the worst and biggest piece of disinformation since the days of Tokyo Rose, a person who I presume was in operation before the Member for St. Boniface was within range of conscious hearing.

I make the case that if the Member for St. Boniface was a little more interested in serving the interests of the people of Manitoba and less in acting as a flack for the Minister of Finance (Mr. Wilson), he would not have engaged in a very serious and inexcusable development of information that was not accurate, thereby twisting and distorting the case which was being made.

The Member for St. Boniface was trying to make the case that the present provisions of Bill C-96 were more than generous, that they would be of great help and assistance to those people who want quality health care and education in the Province of Manitoba, and that it was one of the most fair and equitable measures which could be instituted. He cited some figures which indicated that during the period from 1979 to 1985 there was only a 7 per cent increase in funding under the Established Programs Financing and a 50 per cent increase in inflation. Those are not the facts. That is simply not the case. In fact, for that period of time the funding under the Established Programs Financing increased 106 per cent and the rate of inflation was only 80 per cent. There was a net 26 per cent increase in federal funding for education and health care. This totally and completely refutes the facts alleged by the Member for St. Boniface.

Why are members of the Government so intent on distorting? The reason is in part that they know that this Bill is a clear contradiction of a commitment which was made by the presesnt Prime Minister (Mr. Mulroney) in August of 1983 when he promised all the provinces a fair share of funding for

health and education. On August 24, 1983, the Prime Minister spoke in the Crocodile Room of the Peter Pan Motel. We see that the Prime Minister has substantially up-graded the places in which he stays. It is a big jump from the Peter Pan Motel in New Glasgow to the Pierre Hotel in New York.

In the Crocodile Room of the Peter Pan Motel the Prime Minister declared, with all the wonderful sincerity to which Canadians have become accustomed, that the Government would restore the federal share of health and education to a minimum of 50 per cent and that in some places such as New Brunswick and British Columbia it would be more than 50 per cent. Those brave words are now being camouflaged by the statements of the Members opposite as they realize that the real intent of this Bill is to substantially reduce the federal share in these programs.

Mr. Guilbault (Saint-Jacques): Crocodile tears.

Mr. Axworthy: My colleague reminds me that from the Crocodile Room to crocodile tears is now the basic formula for Conservative Members of Parliament. What a difference two years makes, and what a difference two years will make in the future.

I would like to speak about what this debate means to the individuals involved. The net result of EPF cut-backs for the Province of Manitoba by the year 1990-91 will be a loss of $89 million. You could take the figure even higher if the Government had committed itself to the principle of the Peter Pan Motel statement and the shortfall would be $300 million.

• (1530)

What that $89 million means for university students is a doubling of tuition fees from $989 to $2,000 a year. Put yourself in the place of a family who wants their child to go to university. Think of the difference it will make. What will it mean for a lot of modest income families who have already been hit by an excessive number of tax increases in the Government's Budgets? What it really means is a large number of students will not be able to attend university in Manitoba. That is all it means. They simply will not be able to go.

Let me give you another figure to put this thing in perspective. The proposed shortfall in funding amounts to the entire operating budget of Manitoba's community colleges. Once again the province is faced with either raising taxes substantially or cutting back on the opportunities for people to receive training in community colleges.

The Hon. Member for St. Boniface (Mr. Duguay) has been a prime spokesman for the Conservatives, telling us what awful things the Liberals did when in Government. I tell you that when it came to community colleges, the federal Government assisted the Province of Manitoba. We assisted in substantially expanding Red River Community College to the extent of 1,200 seats. We brought in a new business management program for the University of Manitoba. We helped build a brand new technical vocational high school which is available to students of all ages on a 24-hour basis, six days a week. We assisted in developing the Keewatin community college and developed a new program at the University of Brandon so they could reach out to native people around the province. We expanded opportunities for community college education. The present Government is reducing those opportunities. That is the difference between the two Governments. We believed in education as an investment. We believed in giving people the opportunity to develop new skills to meet new challenges in the workplace. We did not undertake programs which would cut back on those opportunities.

Let us talk for a moment about health care in the Province of Manitoba. The shortfall resulting from this new Act will equal the total of all doctors' fees paid in the province. We know what a difficult problem it is for the provinces to negotiate acceptable fees for doctors. We see this incredible tragedy occuring in Ontario. Yet here we can equate the cut-backs to the total of all doctors' fees. Another figure is even more dramatic. The shortfall under this legislation amounts to the full operating cost of 78 of 80 hospitals in the Province of Manitoba. However you calculate it, it amounts to complicity by 210 members of the Conservative caucus from one end of the country to another in an act of severe surgery on our health care system. There is simply no way we will be able to maintain the quality of service we require.

I must appeal to Conservative Members of Parliament who know better. They have been involved in education and in health care and know what the requirements are. I appeal to their best judgment. Why do they allow those sort of crazy characters in the Department of Finance to get away with this? We have heard so much from Conservatives about how the market dictates and we have seen the results. The fields of energy and trade are in total chaos. The economic structure of this country is dissolving. Why do they allow the public sector to withdraw from those areas which clearly have to be supported by public funds?

I think what they are gambling on is that somehow the provinces will be unable to withstand the political pressure in their own jurisdictions and will have to maintain the quality of service. Do you know what that means for an average Manitoba family by the year 1990-91, about four years away? It means an additional tax load of $1,200. This is not acceptable. The Government says we all have to share in the sacrifice involved in bringing the deficit down. We all have to share in the great national goal of getting our fiscal house in order. Yet how can they argue that the burden is being shared equally when the top 3 per cent or 4 per cent of income earners get a grab-bag of tax benefits such as the $500,000 capital gains exemption? That is sheer discrimination. That is not sharing the burden equally.

We go back to that famous phrase of the Minister of Finance. He said what we have to do is encourage people to get richer and that will help the economy grow. Look at the price we have to pay. Look at the anguish created.

The Government says that the most important economic initiative it has put forward is the free trade proposals. The Prime Minister says he is going to fight an election on making Canada more competitive and productive. We are going to do battle with those Americans under the free trade system. He is asking us to undertake a great leap of faith, but he then ties anchors to our feet.

How do you become more productive when you cut back on education? How do you get more researchers, better managers, more productive industries when you cut back on universities and community colleges? How can you tell Canadians to go out and take on the world and become smarter and brighter when you cut back on research programs? We heard today in the House that $60 million is being cut from small business research programs. How do you expect Canada to meet new competition if you bring the barriers down and force us to go out and compete with the U.S. or the Japanese or the Europeans who put far more money into their educational programs, not to mention research and development? Yet we are cutting back. What an incredible contradiction. It makes you wonder who formulates public policy.

We have the Department of Finance sort of shrinking our ability to educate and train people and do research. We have the Prime Minister on television on Monday night saying that this is Canada's chance to grow and prosper. We are talking about the charge of the light brigade in this House. We have a bunch of people who think that somehow it is romantic to run into a total and complete wall of fire, and destroy the country while we are doing it. There is nothing attractive about that. If that is the kind of risk the Prime Minister is putting on the table, then I suggest he read the history of British generals and see how many times they made mistakes, because that is what he is asking us to do.

• (1540)

I am here today to say that in Manitoba, a province of a million people, a productive, a useful province, look what the Government is going to do to it. It is going to squeeze it dry and force people to leave. It is going to force it to cut back on the very institutions that have given vitality to our province. We are not big and rich in resources. We do not have the kind of economic dynamics of southern Ontario, and we rely on our wits and the skills of our people to survive. We take great pride in our institutions.

In my constituency we have one of the best universities in the country, the University of Manitoba. It has supplied everything from the ambassador of Washington to half the scriptwriters in Hollywood. This will all come to an end soon, because this Government is going to turn off the tap.

In the Province of Manitoba we know we must move and change our economy. We must shift into a higher phase of high technology to allow our resource sectors and our agricultural sector to become more productive.

In the meantime the Government wiped out the National Research Centre that was going to Winnipeg.

Mr. Dick: You had too much.

Mr. Axworthy: They say we had too much. What a stupid statement to make. How can they say that a province can have too much research. How can they be so silly, as that Conservative Member, that somehow by getting even, by having some kind of political revenge movement you are going to cut back on the ability of a province to help its farmers and manufacturers become more productive? That shows the kind of peevish, small mindedness of this Government, when its whole attitude is that it would rather wreak some degree of momentary political satisfaction, and sacrifice an opportunity for an important region of this country to keep up with the modern demands of a new age.

It is no wonder this Government is falling into disfavour. It is no wonder that the Prime Minister in the Province of Manitoba has an approval rating of 22 per cent, the lowest record of any Prime Minister in this country in that province. It is no wonder when the Government is cutting back on the hospitals, the research centres, and the community colleges simply to show how tough they can be. I will tell you, it will not take long for the people of Manitoba and the people of Canada to show them just how wrong they are. The clock is ticking and the time is running out.

The point of the debate today is that in the meantime a lot of hurt can be done. A lot of students will not be able to go back to school. A lot of people will not get the kind of health care that they require, or the outreach programs in the inner City of Winnipeg and the northern communities of our province. The people will not have the kind of health care they require simply because a smug, self-righteous group is saying it wants to cut back on Government expenditures. It is going to share the burden. There is no sharing of a burden, the Government is simply shifting the burden to those least able to pay and those regions least able to support those programs. As long as we can we will oppose the intent of this legislation and make an appeal to the people of this country to give a clear message to the Conservative Members of Parliament, that they have gone too far.

[*Translation*]

Mr. Ricard: Mr. Speaker, I listened with great interest to what the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) had to say. In fact, last week, I had a chance to visit the beautiful city of Winnipeg. I noticed that in his speech, the Hon. Member said that we were hardly interested in education and were cutting back on education. I wish he would explain something for me. I visited the Canadian Research Institute, an impressive $35 million building that is completely empty and that was supposed to be used by the National Research Centre. I would like to know why the National Research Centre decided against occupying this building in July 1984, a month or two before the election.

Federal-Provincial Fiscal Arrangements Act

[*English*]

Mr. Axworthy: Mr. Speaker, I thank the Hon. Member for the question. The answer is very simple. In the first economic statement put forward by the present Minister of Finance the Government of Canada cut back its allocation to the NRC. It was as simple as that. The NRC had been given a grant to put up a building, to buy the equipment and put in the staff, to make that a major centre for industrial technology in Canada. We were going to become a world class centre.

Mr. Dick: Why didn't you people fill it? It was empty when you people were there?

Mr. Axworthy: Once again we have one of these stupid comments from a Conservative Member. The fact of the matter is that we made the decision to locate the NRC centre there, we provided the funding, the construction was started, the staff were moving, and at the very time the Government made its decision in the economic statement staff were on their way from around Canada to go to Winnipeg. Everything was planned. Everything was going into place. Everything was going to happen—

The Acting Speaker (Mr. Charest): Order, please. Does the Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick) have a question or a comment?

[*Translation*]

Mr. Ricard: I don't think the Hon. Member understood my question. I mentioned the National Research Centre's decision not to move into the building in July 1984. If I remember correctly, we were elected in September 1984. I wonder how the present Minister of Finance (Mr. Wilson) could have planned a Budget to prevent staff and equipment from entering the building, since the NRC's decision was made in June 1984. Your Government built the Institute. If that is how the Liberal Party was spending or spreading money around at the time, I wish the Hon. Member would explain why a building that cost $35 million is empty.

[*English*]

Mr. Axworthy: Mr. Speaker, let me explain something about the geography of Manitoba. It gets very cold in the winter and you do not move into a building that has not yet been built. The building had not been completed until 1985. The decision to build the NRC was made in 1984. The funding was allocated, planning was underway, the construction was started and the hole was dug. In June of 1984 all you had on that site was a big hole and some basic mouldings going in. The building was not completed until 1985.

When the present Government was elected in September of 1984, in its economic statement of, I believe it was in November, the Government eliminated the funding that would have allowed the building to be filled. Now they are racing around trying to find some replacement for it. You cannot fill a building that has not yet been completed. All the planning had been done and the NRC was ready to go, until such time as this Government withdrew, cut its budget and said it would not go ahead with the NRC in Winnipeg. That is why a lot of people in Winnipeg will never forgive this Government; it took away their future.

Mr. Ravis: Mr. Speaker, as a western Canadian I think that the pie should be shared equally across the country. When the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) was a Minister in the previous Government, it seems to me that there was something in the neighbourhood of $700 million to $800 million poured into his riding. As a westerner from Saskatoon, where we did not have any Liberal Members at the time, I wondered why all this extravagance was taking place in one particular constituency and one city and was not being shared throughout the country.

• (1550)

We now have empty coffers and are forced to pull back. I think that is the prudent step to take when one has overspent. The Hon. Member believes that it was realistic to overspend and cause an imbalance in those days. Why should he stand up now and be so self-righteous and criticize us for trying to be prudent with government spending?

Mr. Axworthy: Mr. Speaker, first, the Hon. Member has his figures wrong. The fact is that a number of important federal investments were made in the Province of Saskatchewan. For example, there was the major decision to move the Hydrology Institute to the City of Saskatoon to provide that city with a very important research facility. If the Hydrology Institute went to Saskatoon because of a Liberal decision, we equally felt that Winnipeg should be designated as a centre of industrial technology, as part of a national research plan. There was no attempt to concentrate on one region or the other. We were attempting to develop an industrial strategy for western Canada.

Mr. Ravis: What about the other $700 million?

Mr. Axworthy: The Member throws figures around, but the figures are not accurate. The fact is that we signed industrial agreements in every province. Furthermore, we left a lot in the regional industrial fund so that Members opposite could make the same kind of claims after they came to Government, as a result of a program that we put into place.

We were also building major highways in western Canada. We undertook the $640 million modernization of the railway system that has been a very important catalyst in giving western Canada not only a modern transportation system but in helping it to industrialize.

Members opposite keep coming back to the point that they are trying to be prudent. What is prudent about giving a special deal to 3 per cent or 4 per cent of the wealthiest Canadians on a capital gains tax write-off, while at the same time charging average families in Manitoba and every other province an extra $1,200? That is not being prudent, that is being unfair. That is the difference.

The Government says that it wants to trim its sails. We were doing the same thing and we had a deficit reduction plan that was on the same track.

Some Hon. Members: Oh, oh!

Mr. Axworthy: They laugh. The fact of the matter is that our formula was working as well as theirs.

Mr. Dick: You did not convince the Canadian people.

Mr. Axworthy: It was just as important because we set the ground work for ecomomic recovery in this country. We brought the inflation rate down to 4 per cent or 5 per cent. That began to happen under our Government because of our initiatives. The fact is that the Conservatives can take advantage of it, but they should be on their knees every day thanking God and the Liberals for helping to create economic recovery in this country.

Some Hon. Members: Oh, oh!

Mr. Dick: Do you think anyone believes you?

The Acting Speaker (Mr. Paproski): Questions or comments?

Mr. Dick: If the Liberal Party was doing such a magnificent job in lowering inflation and reducing the deficit, why did the Canadian people not believe the Liberals when they tried to sell their great plan in the summer of 1984? They kicked you out and elected the biggest majority in history.

Mr. Axworthy: If the Hon. Member is going to use that as an indicator, I would simply ask him, if he is doing such a wonderful job, why has the percentage of popular support for his Party fallen from 58 per cent to 37 per cent in two years? That has been the most precipitous drop in public opinion of any Government in the history of Canada. If the Member is typical of most Tories, who simply gauge the effectiveness of their policies by public opinion polls, I suggest he should be far more concerned about what his Government is doing and should vote against this legislation. It is legislation like this that has provided that major drop in support of his Government after only two years.

Mr. Kaplan: The Hon. Member referred to the construction of the National Reseach Council in Winnipeg. What were the Conservatives saying about that during the last election campaign, while construction was still going on? Did they indicate that they would shut it down if they were elected, or did they indicate that they would do something for science? We know what the Conservatives ultimately did for science.

Mr. Axworthy: Mr. Speaker, that is an interesting question which perhaps relates to the previous question. The Conservatives made many promises. However, the closing down of the NRC was never mentioned. In fact, several Conservative candidates with whom I debated, with some success at the time, were saying that they supported that initiative. They thought it was wonderful that a city in western Canada would be given the opportunity to move into a new high-technology age. They endorsed the concept that all the regions of Canada should share equally in the development of new high-technology.

When that decision was made in November, 1984 it came as a tremendous shock to the people of that province. They realized that our chance to move into a new age of high-technology was stopped suddenly and dramatically short by a short-sighted Government.

The Acting Speaker (Mr. Paproski): The period for questions and comments has terminated. Debate.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I am pleased that you were able to recognize me. I understand that it might cause considerable eye strain to see from one end of the room to the other, being so far away.

The subject of Bill C-96 is not only worthy of debate, it is worthy of prolonged debate. On the one hand it concerns the very heart of social expenditures in Canada, expenditures on health and education, while on the other hand it goes to the way Canada ought to arrange its national finances. Therefore, the subject matter has been worthy of prolonged debate, and the Government has seen to it that there has been adequate opportunity for that debate. The time comes when constructive criticism degenerates into mindless opposition. That is what we have seen happen over the last few days. For that reason, it was necessary, by means of time allocation, to put the Opposition out of its misery, so to speak.

We have witnessed peculiar spectacles in the House over the last couple of days. We have seen a contest between the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) and the Hon. Member for York South-Weston (Mr. Nunziata) as to who could use up the most parliamentary time and do a better job at preventing Parliament from doing the legitimate job for which it was elected. I believe that one Member spoke for two and a half hours while the other spoke for some three hours, saying absolutely nothing during the whole period. As parliamentarians, we cannot countenance that type of negative activity.

I am pleased to have the opportunity to speak on behalf of the Government this afternoon and to set the record straight. I will deal with the truth, which I know is a rather alien concept for some Members opposite. However, that is what I intend to do this afternoon, because we have heard much from the other side and not nearly enough from the Government side.

The intent of Bill C-96 is to preserve the integrity of the system of health and education funding in Canada. When one considers the financial mess left by the previous Government, it will become evident that it put the whole social system in jeopardy. Were we to continue along the same road as the previous Government, making expenditures that were much greater than revenues, building up a greater debt and having to devote a much greater proportion of revenues to interest

payments and amortization on that debt, thereby allowing even less to be spent in these important social areas, the long term effects would have been obvious.

• (1600)

The Government, when it came into office on September 17, 1974, had to put in place a system, a plan, over a series of years, because it has taken a long time, many years of Liberal Government, to get into this mess, and we cannot get out of it overnight. We know that it will take several years. We had to put into effect a plan that would preserve necessary social expenditures on the one hand, and put our financial house in order on the other. That was done. It was announced on three major occasions, with the economic statement in 1984 and with the Budgets in 1985 and then again in 1986. Most of the elements of the plan are now in place. If we look at the projections, we will see that by about 1990-1992, the trend will have been altered. We will then be back on a sound financial track.

What the Bill does is ensure enhanced payments to the provinces for health care and for higher education. It is not cutting back at all. This is a red herring that has been dragged into the debate by Hon. Members opposite. Nothing could be further from the truth, because what we do with the Bill is ensure that payments will continue to increase to the provinces. Payments will remain at the 50 per cent level, the magic figure that we have worked on for so long in this country. We will not, I repeat, be cutting back. In fact, transfer payments under EPF from the federal Government to the provincial Governments will increase at the rate of about $1 billion a year over the next five or six years. At present, the transfer of payments amounts to $16.7 billion a year. If we look forward to the 1990-91 fical year, by that time they will have increased to $20.7 billion a year. I defy anyone on the other side to explain how that might be a decrease. To my way of thinking, it is an increase of $4 billion a year in transfers to the provinces.

In the time period to which I have just referred, the total aggregate transfers from the federal Government to the provincial Governments will be some $90 billion, and that will be an increase of $25 billion over the amount of moneys transferred in the previous five-year period, a very significant increase in the amounts of money that will be made available to the provinces and territories of this nation.

Other Hon. Members have taken the opportunity to describe the real or imagined effects on the provinces from whence they hail. I, would like to do something similar with respect to the area of Canada which I have the honour to represent in the House.

The transfers under EPF to the Northwest Territories, in 1985-86, amount to $31.6 million. It is not as big as the amounts considered when one speaks of the Province of Ontario or the Province of Quebec, but it is a very significant amount of money. In the 1986-87 fiscal year, this amount will be increased to some $34 million. Here again, we have an increase of $2.5 million, a significant percentage increase. This is important; maybe relatively even more important to the area that I represent than it is to other parts of the country.

We have made great progress in the last 30 years or so in the field of health care. It was not that long ago that major killers in the area I represent were diseases like tuberculosis and pneumonia. Nowadays, very few people, if any, die of these diseases. The expectation of living to a ripe old age has been increased substantially. The infant mortality rates have decreased equally substantially. This has been due to the hard and diligent work of people in the employ of the Department of National Health and Welfare, the Health Department of the Territorial Government and, indeed, medical practitioners in the private sector. However, this has not been done without money. Anyone who has lived in that part of the country will know the importance of federal dollars that have gone into the area to help pay for these greatly appreciated increases in the level of health care in the territories. It is the same when we come to education.

In many areas, formal education is only a generation old; two generations at the most. We have a long way to go. Those moneys used for the purposes of higher education will be of inestimable benefit to the people of my area. We know it is something on which we must concentrate. The manner of life has significantly changed and will continue to change. Our young people must have the advantages of a full and proper education at the highest level if they are to be able to take advantage of the new opportunities as they occur.

Indeed, the financial provisions of the Bill go out of their way to assist those lower income areas of Canada. For the 1985-86 fiscal year, there is to be a supplementary equalization for those low-income provinces and territories, in the amount of some $285 million. That demonstrates that the Government of Canada remains generous, as generous as it possibly can be, with those areas of the country that are probably unable to afford all these benefits out of their own pockets. It is part and parcel of the Canadian home, where we help those who are least able to help themselves. However, the Government must bring expenditures more into line with revenues. This was the mandate given by the people of Canada to the new Government in 1984, because they realized, under the old system, that we were on the road to ruin.

If we look at the financial plan we find that by the year 1990-1991 the passage of this Bill will result in a saving of some $2 billion a year, and the aggregate saving between now and then, a five-year period, will be in the region of about $5.5 billion. I should note that projected expenditures of the Government of Canada in that year, 1990-91, by a combination of incentives, will be reduced by about $27 billion. The reduction of $2 billion in EPF transfers is, to my way of thinking, quite reasonable to expect. I think there will easily be compensation by increases in efficiency, greater efficiency in the provision of necessary services in the health and educational fields to Canadians. I do not think that it will bring about any unnecessary hardships on the citizenry of Canada.

• (1610)

In conclusion, I believe that this is realistic and necessary legislation. It combines fiscal responsibility on the one hand with a real commitment by the Government to ensure high quality and high quality education for all Canadians on the other.

The Acting Speaker (Mr. Paproski): Are there questions or comments? The Hon. Member for Outremont (Mrs. Pépin).

[*Translation*]

Mrs. Pépin: Mr. Speaker, after listening to my colleague bragging about the merits of Bill C-96 I would like to ask him how the provinces can be expected to administer health services after being deprived of millions of dollars? Can he explain to me how they will manage to make these budget cut-backs? By reducing the number of hospital beds? Or by closing down certain departments or clinics? Or emergency services? In addition, will they have to reduce services to the elderly? Or will they cut down on cancer research?

Earlier I was listening to my colleague who said that tuberculosis is on the decline, that we have fewer cases in Canada. I should simply point out to him that the number of tuberculosis cases in Canada has been increasing this past year.

Speaking of health, one of my colleagues who was a director of a major hospital in Montreal told me that, given the new AIDS cases, hospitals have limited accommodation because these cases cost a lot of money. When budgets are slashed, hospitals must limit the number of such patients.

I would like to know whether my colleague can answer these questions. Would he answer this: How does he think hospitals will be able to take in more patients and administer with that much less money—$8 million in this case?

[*English*]

Mr. Nickerson: Mr. Speaker, there we have it again. The Hon. Member continues to refer to budget cuts. In fact, that is not the case. For the province of the Hon. Member, the Province of Quebec, in 1985-86 the payment will be $4.09 billion. The following year, in 1986-87, the amount will be $4.33 billion. That is an increase of about one-quarter of one billion dollars. I would imagine that, especially with the Liberal Government in Quebec, which the hon. lady seems to favour so much, the province will be able to use that additional one-quarter of one billion dollars for many good and useful purposes. My suspicion is that it will not be forced to cut out hospital beds. Rather, with that amount of new money it could very well bring into being even more hospital beds than are in place now, if it does not choose to divert the money to some other purpose.

With respect to the question of medical research, it should be noted that in addition to EPF transfers the federal Government spends something in the order of $1.5 billion annually in other health-related fields. That is direct spending. Some of that money would go to medical research. There are also granting institutions funded by the Government that put money into that very good and valuable purpose. I think that the fears which the Hon. Member brings to the floor of the House of Commons are completely unfounded.

[*Translation*]

Mrs. Pépin: Mr. Speaker, my colleague mentioned the Government of Quebec, so I will refer him to the statement made by Mr. Gérard-D. Lévesque about the financial cut-backs advocated in Bill C-96. In my opinion, the Province of Quebec does not feel particularly pampered, nor is it particularly pleased with what is being proposed in Bill C-96. I think that Mr. Lévesque reacted publicly and said to the federal Government that before making such drastic cut-backs—he does not think you are doing them a favour—the federal Government might be well advised to clean up its own act, tend to its own garden as it were, and then cut down federal expenditures so as to be able to make more equitable equalization payments to the provinces. That is in response to what he said about the Government of Quebec.

This may surprise the Hon. Member, but once more, when we are speaking about education, I would really like to know how these cut-backs will be made. There are certainly departments in universities which will have to restrict the number of registrations and universities which will have to close.

As far as research is concerned, there is cancer research in the field of medicine, as well as architectural research and high technology, which is now very important in our universities. There have been major cut-backs in these areas which everyone has deplored.

Could you explain once again how the universities will apply these cut-backs in your opinion?

[*English*]

Mr. Nickerson: Mr. Speaker, the question is the same except with the word "education" substituted for "medical services". My reply is exactly the same with the interchange of those two concepts.

We are not cutting back expenditures; we are increasing them. I am not surprised that the provinces are saying that they would like more. One who has been part and parcel of a municipal Government knows that when the province comes along and says: "You will only receive a certain amount of assistance to fund a new sewer project", it is a natural reaction to say that more is needed. So of course the provinces are saying that they would like more. However, when they come to think about it, when they realize the financial situation of the provinces and of Canada as a whole, they must come to the realization—any sane and reasonable person would—that what the Government is doing in this Bill is the fairest and most honest for all concerned.

Mr. Kaplan: Mr. Speaker, I would like to ask a question of the Hon. Member. I listened with interest to his remarks.

Coming from the region of Canada from which he does, the most one would have expected from him in the way of support of this Bill is that he would have remained silent in his seat. However, for him to stand up and take the position that what is being proposed in this Bill is good for the people who sent him to speak for them here in this place is an amazing proposition.

When he was answering my colleague's question he took the position that there would be no cuts because, after all, every year the provinces would receive more under the new formula than they would have received before. He said that, naturally, they would like still more, but that is just human nature. I have some news for the Hon. Member. We are not talking about the simple fact of human nature; we are talking about the existing agreement which was cut back by the present Government. When we look at the "might have been" we are talking about what his part of Canada might have received if the present Government had allowed the old arrangement to continue into the future, instead of cutting back that arrangement established by the Liberal Government. When one looks at that and compares it to what has been imposed upon Yukon, the Northwest Territories and the other provinces by the new Government, then these are cuts. These are multi-billion dollar cuts when added up over a five-year period.

The people he represents are not as stupid as he hopes. The Governments are not asking to be given more than they would otherwise receive, on the basis of human nature. What they are saying is that they have done their planning on the basis of a federal Government which believed in medicare and which got the provinces to enter the medicare system by promising it generous support forever. That Government is now falling back on the Constitution and what it considers to be hard times, although when one looks at some of the other items on which this Government has money for it is hard to say that the Government is facing the realities of hard times.

Because his constituents know this, I want to ask the Hon. Member this question. Is the real situation not that there are small increases in the forecasts provided for medicare, and these increases are far less than the increases which would have prevailed if the existing agreement had been continued into the future? Is that not the real situation?

• (1620)

Mr. Nickerson: Mr. Speaker, by that question, the Hon. Member displays his ignorance of financing systems that have been put in place for the Northwest Territories. He should have known that the system there is much different than it is in most parts of Canada. In fact, most transfers of funds from the federal Government to the territorial Government take place, not by virtue of EPF or CAP but rather under a system of operating capital subventions from the Department of Indian Affairs and Northern Development. That is where it is carried in the federal Budget.

The new Government did what the territories wanted for many years but were never able to negotiate previously, and that is to put into effect the system of formula financing. This system ensures that the Territories receive on an escalating basis those moneys they need for the very important purposes of health and education. In fact, what is happening in the Territories is that each year an ever increasing amount of transfers is taking place, and that will happen until the Territories have their own form of revenue, presumably by way of royalties from natural resources.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Swift Current—Maple Creek (Mr. Wilson)—Finance—Transfer of family farms—Tax inquiry; the Hon. Member for Broadview—Greenwood (Ms.McDonald)—Trade—Imposition of tariff on imported books—Request for withdrawal. (b) Government policy; the Hon. Member for Argenteuil—Papineau (Mrs. Bourgault)—National Revenue—Control of charitable organizations.

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the third time and passed; and the amendment of Ms. Copps (p. 14483).

Mr. Frith: Mr. Speaker, I rise on a point of order. Have the 10 minutes of questions and comments expired?

The Acting Speaker (Mr. Paproski): There were more than 10 minutes.

Mr. Frith: My apologies.

[*Translation*]

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the Hon. Member will be able to make his comments after my speech.

[*English*]

It is remarkable to think how many people in Canada miss the marvellous goings-on that take place in the House of Commons on quiet afternoons like this one. It is an experience which few people want to miss to see the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) praying for the Conservative Party to get on its knees to thank the Liberal Party for the great prosperity which was left to it when it took office. Perhaps it is an even more shocking experience for Canadians to listen to the Hon. Member for Western Arctic (Mr. Nickerson) talk about the mandate given the Conservative Party when it reached power. Of course, the mandate with which it reached power was a mandate directly and completely contrary to what the Government is now planning to do with respect to this piece of legislation.

For those who have been trying to make sense of what is taking place here today, for the last 45 minutes or an hour there has been a debate between a very black pot and a very black kettle, each attempting to point out how dark and dingy the other is. We are talking about a reduction which has gradually taken place since 1977 in the level of support provided by the federal Government to the provincial Governments.

Looking at the percentages of support the federal Government provided to the provinces in 1977-78, the federal share of health and post-secondary education financing was 48.7 per cent, almost 50 per cent. At that time, the Liberal Party began to reduce systematically the amount of money which was to be made available for the provinces to provide these basic services to Canadians. By 1982-83 the figure had fallen to 42.6 per cent, reflecting the elimination of a revenue guarantee which provinces had enjoyed in the past. By 1985-86 the figure was much the same when the Conservative Party took power. Then the Conservative Party, with a mandate to return to the percentages of 1977, instead followed precisely in the footsteps of the Liberal Party before it by cutting back yet further the amount of direct financial assistance provided to the provinces for these basic services.

According to the stastistics, by 1988-89, 39 per cent of the cost of health and post-secondary education will be covered by federal expenditures. By 1990-91 only 36 per cent will be covered. In other words, we started off in 1977 with about half of these crucial expenditures covered by the federal Government and we will end up in 1990-91 with just over one-third of them being covered.

The Hon. Member for Western Arctic can make the case that this is not a cut and the Hon. Member for Winnipeg—Fort Garry can make the case that this is all the fault of the Conservatives, but the actual fact of which the people of Canada should be aware is that this has been a systematic attack, first by the Liberals and then by the Conservatives, on the capacity of the provinces to provide for health and post-secondary education services.

Perhaps money spent on health and post-secondary education is looked upon by some Hon. Members as wasted money, as money that goes down the drain. That seems in fact to be the philosophy that has been followed in the attempt to cut back support by the other two Parties in the House. In fact, such expenditures are anything but wasted. They are anything but an attempt to lose possibilities for Canada. Above all it is an investment just like any company makes; only in this case it is an investment by a country in the skills and abilities of its people. In the case of health, it is an investment in the workforce, students, and retired people who will be better off. As a consequence of this investment, they will be able to contribute better to the country. In the case of post-secondary education, it is even more clear-cut. We are talking about an investment in the institutions and agencies which provide people with the skill and ability to make a contribution to society and to be competitive in the future international economy.

• (1630)

These cut-backs have taken place systematically from 1977. They are in fact counter-productive to the future of Canada. They are ripping away at the very basis of our future. They are, to use an old English cliché, very much pound foolish and penny wise. They are attempting to cut back in areas where cut-backs will have devastating effects upon the future of our young people and upon the future of our workforce, indeed upon the future of our entire population.

At this point I should like to talk about mandates. The Conservative Party of Canada fought cut-backs when it was in opposition. It said that cut-backs would have a damaging effect upon the country. For instance, the PC campaign handbook for the 1984 election specifically indicated the PC position in respect of post-secondary education. In part it read:

> We would return to the 1977 funding formula though we cannot compensate the provinces for their six and five funding losses.

Perhaps it was nice of the Conservatives to admit that they would not compensate the provinces for past losses, but at least there should have been honesty. They should have said to Canadians that if they were given a mandate to do it, they intended to cut back even further than the Liberal cut-backs of the past.

Every Canadian has suffered and will suffer as a result of the cut-backs. I could take you, Mr. Speaker, through province by province to give examples of the kinds of cut-backs which have occurred in hospitals and universities. In fact, ordinary Canadians are bearing the burden for what has taken place. However, it is particularly striking to see the consequences of the effort of the Conservatives to accelerate cut-backs and to take cut-backs yet one step further. I should like to quote from a letter which one of our representatives received from Robert Bourassa, the Premier of Quebec.

[*Translation*]

> You probably know—

—Mr. Bourassa was saying—

Federal-Provincial Fiscal Arrangements Act

—that the Quebec Finance Minister, Mr. Gerard D. Lévesque, announced in his budget speech on May 1, 1986, that our Government has had to impose a surtax on business. This surtax will compensate for the shortfall in revenue of the Quebec Treasury caused, on the one hand, by the $66 million payment which Quebec did not receive under the equalization program, and on the other hand, by the $82 million reduction for 1986-87 in transfer payments for health care and post-secondary education. The Quebec Government has promised to reconsider this surtax imposed because of federal cut-backs if the federal Government keeps its commitment regarding equalization, withdraws its Bill C-96 and initiates negotiations with the provinces immediately.

Mr. Speaker, this Government told Canadians that there would have to be discussions and negotiations with all the provinces before such changes were made. However, the Government did not keep its promise. It decided to do the opposite. This Government decided to do exactly what the Liberal Government had done before. This Government decided to make cut-backs, and even though the Members opposite pretend that they are not cut-backs, it has been shown that they are indeed cut-backs and that will be very hard on all Canadians.

[*English*]

It is with sadness that we see this kind of back stabbing of the Canadian people, this elimination of investment which is so crucial to our future health care and post-secondary educational facilities.

Surely it is possible, somehow in this Parliament, to have us come to our senses. These expenditures must be made. We should see them as investments in the future of Canada and cease this bloodthirsty attack on the tremendous needs of people across the country in terms of their future and the future of the country in respect of post-secondary education and health.

Mr. Frith: Mr. Speaker, I have a very short question. Would the Hon. Member explain his idea of how the six and five program applied to the delivery of health care when it was instituted in 1982?

• (1640)

Mr. Langdon: Mr. Speaker, I was quoting from the Conservative campaign handbook at that stage. I assume that under the six and five program there were attempts to reduce government expenditure, and as part of that reduction in government expenditure there was damage done to the amount of funding which was supposed to be available for post-secondary education and for health care. I made that reference because the key part of the commitment in the PC campaign handbook was to provide full funding from the past, but that mandate has not been respected. Indeed, the Conservatives have gone in the opposite direction. The Conservative Government has followed the course of the previous Government rather than respecting the promises which were made to the Canadian people.

Mr. Frith: Mr. Speaker, would the Hon. Member admit to the House so it is a matter of record that when the six and five program was introduced it specifically precluded health care? Health care was not affected by the six and five programs. I want that clear for the record, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The Hon. Member for Champlain (Mr. Champagne). Excuse me, but did the Hon. Member for Essex—Windsor (Mr. Langdon) have any further comment?

Mr. Langdon: Yes, Mr. Speaker, I would like to make a comment. I would prefer anything that I say to be put on the record by me rather than by the Hon. Member for Sudbury (Mr. Frith), much as I respect him. I think, however, that the six and five program, while it may not have cut back health care funding, did have an impact with respect to post-secondary education. If the former Minister had been following my speech closely, he might have noted that I was quoting from the PC campaign handbook with respect to post-secondary education.

[*Translation*]

Mr. Champagne (Champlain): Mr. Speaker, I listened carefully to the Hon. Member's speech, and I was astonished when he informed the House that the Progressive Conservative Government had failed to consult the provinces before it decided to introduce this Bill. I wonder whether he realizes that in November 1984, January 1985, May 1985, September, November, December 1985, we had discussions with the provincial Ministers of Finance on this matter. When he says that we never consulted with the provinces, I wish he would explain why we met with the provincial Ministers of Finance, and perhaps he would care to withdraw what he said and say: Mr. Speaker, I made a mistake, it is true the Progressive Conservative Government consulted with the Ministers of Finance before bringing this Bill before Parliament.

Mr. Langdon: Mr. Speaker, we have here a typical case of Conservative consultation. It is consultation that consists in making announcements and decisions and letting the provinces know about them. If it is true there is sufficient consultation, why did the Quebec Premier, in his letter, and that is the letter I quoted in this debate, why did he indicate that it was necessary to negotiate with the provinces? Why would he make such a suggestion if there is so much consultation on a decision that is a very difficult one for Canadians to accept?

[*English*]

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I am pleased to again speak on Bill C-96. I would like to give a little background before getting into the specifics of the Bill, because it is misleading and unfair not to do that. You cannot take this one Bill out of context without looking at the Government's record and looking at the broad range of initiatives on which we are moving ahead.

Let me go back to November, 1984 when the Minister of Finance (Mr. Wilson) made a statement of financial direction, further confirmed by the May, 1985 budget, that financial transfers to the provinces would be included in deficit reduction measures so as to spread expenditure restraint as broadly

and as fairly as possible. That announcement was made over 20 months ago.

Bill C-96 moderates the growth of the Established Programs Financing transfers as part of the general effort to restore stability to federal finances. Transfer payments, as many Members have said, are not being cut. They are still growing at a faster rate than other government program expenditures at about 5 per cent a year, as opposed to 2.9 per cent for discretionary spending. Even with the reduced rate of growth, EPF transfers will rise faster than inflation and faster than other government program expenditures. Transfer payments this year are expected to total $27 billion, $20 billion in cash transfers and $7 billion in tax points. EPF is the largest component of transfer payments. This year EPF is a $15.3 billion program contributing to the cost of health care and post-secondary education. That is approximately $508 per capita plus $42 per capita to finance extended health care services such as nursing homes. In the next five year period, EPF transfers will total $90 billion. That compares to the previous five years when total expenditures were $65 billion. It is an increase of $25 billion. To put it in another perspective, it is an increase of almost 40 per cent over the period we are discussing. As a result of slowing the rate of growth of transfer payments by 2 percentage points, some $2 billion will be saved in the 1990-1991 fiscal year.

Members will recall that there was an extensive consultation process on this important topic. The provincial Premiers met with our Prime Minister (Mr. Mulroney) in Halifax. The final decision made by the Government was for a 5 per cent increase. That, as I have pointed out, is something in the order of 66 per cent over a 3 per cent level. It is a very general rate and is indicative of the Government's care and sensitivity to these two important topics of health care and post secondary education.

This change is part of the fiscal strategy to change transfer payments to reduce the deficit by some $20 billion in 1990-1991, and to cut $75 billion from the projected level of the national debt by the end of the decade.

Let us keep in mind that federal assistance for health care and post-secondary education has increased from $1.1 billion in 1967-68 to some $15.8 billion in the 1985-86 period, an average compound increase over that period of about 16 per cent. Growth of EPF cash and tax transfers will continue to be linked to the growth of the Canadian economy. The need for a firm and stable financial foundation to be maintained in order to ensure the high quality of health care and post-secondary institutions must be stressed. That is very central to the thinking of the Government. I will continue because we cannot pull out only one project and talk exclusively of it without knowing the background and without being honest about the realities of the fiscal situation in the country.

• (1650)

At the time of the November 8 statement by the Minister of Finance (Mr. Wilson), the national debt was rising much faster than the economy was growing. The net public debt increased from 16.6 per cent of GNP in 1974-75 to some 45 per cent in 1984-85. As was stated, a status quo policy would result in net public debt rising to 63 per cent of GNP by 1990-91 and debt charges would rise to account for three-quarters of the deficit. Mounting debt burden and service pose a serious threat to the long-run growth of the economy. Those are some highlights from the statement the Minister made only weeks after we became the Government.

In the May 1985 Budget the federal Government proposed limiting the growth of transfer payments to provinces to effect savings of $2 billion by 1990-91. By 1990-91, cash transfers in respect to equalization in health care and post-secondary education are expected to represent about the same share of total federal program expenditures as they do today, which is 18 to 19 per cent. The May 1985 Budget was to reduce this year's deficit by $4.4 billion. It took 100 years to accumulate a debt of $18 billion, but it took the previous Government only approximately 15 years to create a staggering, awesome debt in the country of approximately $200 billion.

I would like to mention some highlights of the February 1986, Budget. Spending on non-statutory programs was predicted to decline by $500 million. That was the first decline in 20 years in that sector of our spending. Over the next five years, non-statutory programs are expected to grow by 2.7 per cent a year. The February 1986 Budget would reduce the deficit to under $30 billion and by the end of the decade it is expected to be cut by $22 billion. By that time our national debt will no longer be growing faster than the economy. By 1990, the deficit will be $26 billion less than it would have been had the Government not taken this responsible action and reversed the wild and irresponsible spending of the previous Government. By 1990, the cumulative effect of the deficit reduction measures will be to cut the projected growth of the national debt by approximately $97.5 billion.

I would like to touch on another initiative which the Government has taken to stop the leaks and the irresponsible spending of taxpayers' dollars. I would like to talk about the scientific research tax credits. There was an article in *The Globe and Mail* yesterday about Bell Canada which took advantage of an $85 million tax credit on some partnership units in a papermill in a same-day tax flip. The treasurer of that organization readily admitted that they had no plans to keep that investment. They had it for only hours but enjoyed a $85 million tax break. As announced in the last Budget, the Minister of Finance has shut that program down.

When scientific research tax credits were announced by the previous Government, a budget of approximately $200 million was allocated to it. Since the controls which should have been on that program were poorly thought out, it will end up costing Canadian taxpayers well over $2 billion, 10 times its original budget. We will also be eliminating tax shelters in recreational vehicles and yachts. We halted income splitting through interest-free loans between family members. We stopped the so-called "carve out transactions" in the oil and gas sectors.

We prevented the use of trust to distribute investment income tax free. Those are only a few of the measures that the Government took in its most recent Budget to show the fiscal responsibility and integrity which Canadians expect of the Government.

I do not intend to go off on a tangent, but I would like to refer to a topic which I intend to address next week when my Private Members' Motion will be debated. I am going to be following through on the thrust of the Gramm-Rudman-Hollings Bill in the United States which President Reagan signed into law last December. It essentially compels that Government to achieve a balanced Budget over a five-year period, with some exceptions. My motion is rather open-ended. I want it to go to committee so that the members of the committee and, subsequently, the House can decide if legislative steps need to be taken to bring our House completely into order in terms of fiscal responsibility.

I am looking forward to some discussion on that Private Members' Motion next week because I think it is vitally important. It is a crucial subject for Canadians. There is a growing awareness of how critically important this is to the country. We are not only throwing numbers around. This relates to the fiscal health of the country and our ability to increase social programs as we want to do. Due to the bizarre spending and giving away of taxpayers' dollars for well over a decade, the Government's ability to manoeuvre and improve certain programs has been impaired.

The reality is that almost 40 cents of every tax dollar must go to service the debt which was left to the Government to tackle. We are tackling it in a responsible way. We are not turning our back on it. We have had to consider hundreds of programs which were started in past years.

I want to commend all those who were involved in the Nielsen task force which went on for approximately 18 months. It studied 989 different projects within the Government. Dozens of men and women from the private sector devoted their time to come to Ottawa week after week to take a fresh look at these programs to discover how we could eliminate waste, utilize better ideas, and use tax dollars in a more efficient and prudent way. Many of us were very pleased when the report was tabled in the House. We were pleased with the process.

The report has been allocated to the respective committees and I am very hopeful that hundreds of millions of taxpayers' dollars will be saved in the coming months and years. Never before in recent decades has any Government undertaken such a comprehensive look at how tax dollars are treated and how they should be treated. The approach taken was very comprehensive and I am expecting tremendous results from it.

Another illustration of how comprehensive our progress has been is what has happened on the job creation front. We had to create a strategy of how to control spending while creating economic growth. The record there stands for itself. With regard to job creation alone, almost 600,000 new jobs have been created and almost 300,000 of those were for women. Youth unemployment has dropped from 18.4 per cent to 15.4 per cent since the Government was elected. Almost 60,000 jobs were created for the youth of the country.

• (1700)

There are other very responsible steps being taken on different social programs. Our system of unemployment insurance has not had a serious study in years and years. Now, thanks to the Minister responsible, the Forget Commission has toured the country and listened to dozens and dozens of witnesses. I am sure we are going to see a caring and sensitive approach to making improvements there.

Contrary to what the Opposition would have Canadians believe, this is a caring Government. We care so much that we want to get our financial house in order so that we can provide programs for the needy, the elderly and our youth. We are doing that while not turning our back on our responsibility to restore fiscal integrity to the Government. You cannot go on for decade after decade ignoring your revenue while spending so much. We had a Government which realized that its revenue was $65 billion but still put in place plans to spend $100 billion.

Let me repeat that Bill C-96 does not cut funding. It reduces the rate of growth of that funding by some 2 per cent a year while still increasing transfer payments by some $25 billion over five years, an increase of almost 40 per cent. Let me repeat and underscore the fact that deficit reduction is vital to the health of our economy. When interest rates and inflation fall, as they both have, it is due to better economic conditions. That has a very important impact on our health care and post-secondary education systems. They both benefit tremendously. No one cares as much as we do about the need for health care and post-secondary education systems second to none in the world.

As well, let me remind everyone that the job outlook some two years ago was pretty bleak for the youth of this country. However, thanks to the restored confidence the people of Canada have in this Progressive Conservative Government, the outlook for our youth after they get a post-secondary education is extremely bright. Our record can be examined in minute detail. It will show our sensitivity, how much we really care about all the people of this great country, our youth, the elderly, and the taxpayers.

Let me just touch on that point as well. We are one of the most highly taxed countries in the world. One of the last things the Minister of Finance (Mr. Wilson) wanted to do in his Budgets was to impose further taxes. However, given what we inherited, there was very little choice. Canadians will examine the situation in total, not in isolation like the Opposition. They are going to be with us. Not without some reluctance, of course, but Canadians will respect our approach. It is for those reasons that I am very proud to be part of a Government which is turning this country around and restoring fiscal responsibility so that the outlook for Canadians in the future

will be a lot brighter than it would have been under the previous Government.

The Acting Speaker (Mr. Charest): Are there questions or comments?

Mr. Kaplan: Mr. Speaker, I am sure the Hon. Member will admit that during the last election campaign there was no suggestion that the federal Government would cut back its commitment to post-secondary education, research and medicare in the way it has. What the Government said it was going to do was to bring the Budget back into what the Conservatives considered a more proper balance and cut out the tremendous billions of dollars, as the Prime Minister (Mr. Mulroney) put it, of waste and extravagance in the Liberal Government. When I look at what the Government had to do to make savings in the Budget, the most important programs in the country being cut, I am reminded me of that promise. What happened to that promise? What has the Government done about that?

Mr. Attewell: Mr. Speaker, let us talk about what was promised in the last election. The key promise was change. Change from fiscal irresponsibility. We certainly delivered on that. I do not know where the Liberal Government thought the money would come from but it certainly burdened the future of this country for I do not know how many years.

Canadians wanted change, and let me speak primarily about fiscal change. They wanted to restore the confidence of foreign investors in Canada. They wanted to restore the confidence of Canadian investors. The Hon. Member will know, if he checks the record, how much capital left this country. Investors did not want to be bothered coming here after they looked at things like FIRA and that agency's red tape and negative attitude. We inherited that situation and I think we brought about a tremendous amount of change. The Minister of Finance's latest Budget predicts a deficit under $30 billion. Discretionary spending has seen a reduction for the first time in 20 years. Money does not grow on trees and the taxpayers know that. They have been burdened unnecessarily because of excessive spending for 15 to 20 years. They want change and we have a very responsible Government and extremely able Minister of Finance who are going to bring about change.

I think Canadians have a growing understanding of what really happened over the last 15 years. I touched on the Nielsen task force report concerning some 900 programs which had never been looked at by the previous Government other than in a patchwork way. I could go on and on about the changes this Government has instituted, including a number of social programs, such as the Young Offenders Act, which the Hon. Member had a lot to do with at one time, some changes to that, and pornography, on which I think some very effective legislation is coming down.

• (1710)

We were asked for changes for the good, changes for confidence building in this country, and now capital is starting to be returned. People are looking on the brighter side of what just might happen down the road for this country in job creation and a better outlook with the responsible action, words and deeds of this particular Government.

Mr. Kaplan: Mr. Speaker, I remember the last election campaign well, too, and I think the Canadian people were promised a change. I wanted to go beyond that because they were not promised the changes that have been delivered. They were promised that this Conservative Government had discovered billions of dollars of waste and extravagance and that the Government was going to be able to save the Canadian taxpayer's money by rooting all that out.

What I want to put to the Hon. Member is that Hon. Members in the Government did not find billions of dollars of waste and extravagance, but that to bring the budget down they have cut programs that impact on the provincial level of Government, and that they are using the same theory they used to get elected.

Members of the Conservative Government told the Canadian people that there was waste and extravagance in the spending of the former Government. I am going to speak in a few minutes on some of the waste and extravagance of the present Government which exceeds anything I have ever heard of in my career as a Member of Parliament. They did not find the waste and extravagance. What they have done is to say that there is waste and extravagance in the provincial programs. The Government is going to cut medicare and post-secondary education because the provinces are wasting money, the hospitals are wasting money, and post-secondary educational institutions are wasting money, so there will not be any reduction in quality, but there is going to be an elimination of waste and extravagance at the provincial level by the restraint that the federal Government is imposing on them.

I want to ask him whether he thinks that that kind of a line, which is the only possible interpretation of the events, has any credibility at all with the Canadian people. Is that not the reason this Government is taking such a pounding in public opinion?

Mr. Attewell: Mr. Speaker, I am very pleased to respond to a few of the points my hon. colleague has made. With all due respect, he has a very selective memory. Let me just start with two or three points. First of all, something that has been created over some 15 years is not about to be changed overnight if we are going to approach things in a balanced and caring way as we work out a way out of this. He has not brought up what this Government did in the privatization area. Thanks to the privatization program of the Minister, de Havilland now is more viable than it has been in decades thanks to Boeing's world-wide sales network. *Hansard* will show the kicking and screaming and wailing that went on about that. Now there will not be a drain on the federal Treasury that there had been before.

We are tackling other institutions as well under the Minister responsible for the Post Office. That is an organization that

has needed fiscal monitoring. The Minister in the last Budget has directed Canada Post to come up with operating plans that would show a break-even within two years or so. I could go on and on about other programs.

I want to stress again that after we inherited something like we did from the previous Government I am really quite impressed with the remarkable progress we have made in some 20 months or so, if one starts to enumerate all the achievements.

If you want to have a selective memory, if you want to turn a blind eye to what I think are tremendous achievements, you can do that, but you are not going to fool Canadians. They are going to be looking at our record in a total way. They will look at the promises on fiscal responsibility on which we had to deliver, and I can tell you they will be behind us 100 per cent because of the courage that we have had to tackle these issues, and not just in a cold, calculating way but in a balanced way that cares about the lives of average Canadians. We have done that, whether it is the sales tax credit in the last Budget, or looking at the child tax credit where some $300 per child will be paid in advance to help families so they will not have to go to loan discounters.

There is a host of things that are on the social and caring side as well. I think the Hon. Member for York Centre (Mr. Kaplan) is being a little too selective in the points he is tackling. He has some things in his own backyard. It does not happen in politics, but he might even just compliment the Government on ensuring the long and healthy life of de Havilland. I think it has some 5800 employees. I think I said several months ago that not only will those jobs be retained, I think you are going to see hundreds, if not thousands of new jobs created as the months and years unfold thanks to a privatization process where it is no longer bleeding this Government.

The Acting Speaker (Mr. Charest): Order, order.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I had intended to use almost all of my 20 minutes, but I have just had a discussion with my very good friend opposite, the Member from Mississauga, and I am quite content and have agreed to limit myself to a very few remarks to give him the opportunity to speak in this debate as well.

I cannot resist, in beginning my remarks, commenting for a moment on the situation at de Havilland. I want to assure Members of the House, as the Member for the area that houses the de Havilland plant, that I am very happy to see the increase in employment at de Havilland. I am very happy to see the increased sales of planes that are occurring. I have never doubted that Boeing was a good company and that it could provide to the company a discipline in management that was lacking or that could have been improved on, if I can put it that way. That is not my grievance about the deal that was made to give that company to the Boeing Corporation.

My grievance is twofold. First, an opportunity was lost to develop a truly Canadian company which, even if we had followed the promises that the Conservatives made during the election campaign, could have been offered as the model that the Government used in its election campaign. Its model was the British National Aerospace Corporation. A certain proportion of the shares would go to the Canadian people, a certain proportion to suppliers and employees, and a certain proportion to some Canadian corporations that are knowledgeable in that industry.

That was what the Government said it would do during the election campaign. I would have been content to have seen that done rather than to put it into the hands of an American company and to tie its fate to decision-making at the highest level in another country. That is one of my regrets about it.

The other regret I have about it comes precisely to the point made by the Member for Don Valley East (Mr. Attewell), and that is the terms of the agreement. Of course I am glad to see the jobs there, and I am glad to see the planes being made, but wait until the Government gets the bills that it agreed with Boeing it will pay. Wait until the insurance commitment cheques start being demanded. Wait until the financing arrangements are made that the Government agreed Boeing could have for foreign sales, financing arrangements which were more generous than the ones that were available to de Havilland when it was operating as a Crown Corporation trying to make sales abroad.

An Hon. Member: They were losing hundreds of millions of dollars a year.

Mr. Kaplan: No, for the last two years it had not been losing hundreds of millions of dollars. It did lose hundreds of millions. I cannot rewrite history, it did. But at the moment when it was moving into a period when the books were showing small losses and coming profits, that was when it was given to an American company and that was when agreements were made to subsidize and support the activities of the company to a very high degree. As I say, I am happy with what I see and am not complaining about that aspect of the Government's Budget.

• (1720)

We do not operate the way they do in the United States. We have a system of responsible Government in which the Government is entitled to get its Budget intact. With its majority, it is entitled to everything it puts in the Budget.

It is not like the United States where the President must propose his ideas to Congress, negotiate with them and convince them to support his idea. In our system, the Government—especially with its large majority—has the confidence of the House and gets its Budget. If the Government had stuck to its guns on deindexing the old age pensions for senior citizens, it would have been able to inflict that on the Canadian people. That is its right under our system of Government.

However, we on this side of the House also have some rights. We are exercising those rights today, one of which is to show the Canadian people that this Budget is opposite to what the Government promised it would do. The Conservatives did not say that they would reduce the Budget by cutting back on medicare, reducing medical research or cutting back the budget of the National Research Council, as my hon. colleague, the Member for Laurier (Mr. Berger) showed today.

The Government did not promise that it would balance the budget by cutting back on medicare, after encouraging the provinces to go into medicare a decade ago on the basis that the Government would support them.

The Government said it would balance the budget by finding the waste and extravagance of the Liberal Government. After two years of looking for waste and extravagance in the former Liberal Government, it seems the Conservatives are stuck with passing the buck to the provinces by cutting back programs which are among the most popular, necessary and just programs that we have in Canada. The Government had to resort to that action in its attempt to meet those budget promises.

As far as waste and extravagance is concerned, I would like to know—

[*Translation*]

How can a boy from Baie-Comeau pay $1,200 a night for hotel accommodation in New York? And how can he pay half a million dollars for a one-week stay in Paris? That is what I would like to know—

Mr. Côté (Lac-Saint-Jean): Stupid!

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

Mr. Kaplan: Not only that, but how can he do that after promising during the election campaign that he would run a thrifty Government?

[*English*]

He gave the Canadian people the impression that his background prepared him for restraint and that that was the colour he would put on the Government. We have seen the patronage appointments by the Government, we have seen its style of living, and the waste, extravagance and luxurious way in which it operates. If the Budget is going to be cut, it will be cut on the backs of someone else.

[*Translation*]

The Acting Speaker (Mr. Charest): Questions or comments. The Hon. Member for Lac-Saint-Jean (Mr. Côté).

Mr. Côté (Lac-Saint-Jean): Mr. Speaker, I would like to ask the Hon. Member—if all the documents pertaining to access to information on the previous Government had not disappeared— would have the nerve and courage to table the expenditures of the former Government, of the old gang of mandarins, right before our television viewers and the people in the galleries. Would the Hon. Member have the courage to do that?

Mr. Kaplan: Mr. Speaker—

Mr. Côté (Lac-Saint-Jean): Everybody knows about your expenses!

Mr. Kaplan: —if I may have the floor—

Mr. Côté (Lac-Saint-Jean): We know, and everybody knows!

Mr. Kaplan: Mr. Speaker, I am very pleased to try to answer. I do not know the figures myself, but the Conservative Government did promise to do away with such excessive expenses. I have no idea whether that was the case, I do not have the bills of the former Government.

But the one thing I do know is that this Government has them. It has those bills. And when it has them, it makes them public. Since Government Members have not tabled the comparable figures of the previous Government, the figures they must have because bills of this kind do not vanish, I say that since there are no such bills which the Government could make public, I come to the only possible conclusion that their expenses are much higher than those of the former Government, otherwise they would have made them public. That is my own conclusion.

Mr. Lanthier: Mr. Speaker, I would like to give a few figures about transport. Since the election of this Government in 1984, the use of airplanes has decreased by 22 per cent compared with the last year under the Liberal Government, which represent a savings of $2.5 million since 1984. If the Hon. Member wants figures, I can give him some.

I also have comparative figures on the hours of use. In 12 and a half months, the Liberals used an average of 2.65 hours in flying time a month, while the Progressive Conservative party has used 205 hours of flying time a month in 19 and a half months. If the former Minister and sad new Member wants figures, I can give them to him. The average number of flights each month for the previous Government was 54 and it is 42 for the new Government.

I therefore find it hard to understand how these people can say that there has been an increase in expenditures when it has been proven statistically and openly in the public accounts that the previous Liberal Government used Government airplanes shamefully and that, with our desire for change, we have reduced expenditures by 22 per cent since our election.

I would like the Hon. Member to comment these facts.

[*English*]

Mr. Kaplan: Mr. Speaker, I may have a different understanding of the subject than the Member opposite, but I never considered the use of government airplanes as an extravagance. I think that the government airplanes are there for

Ministers to use when there are good reasons for which they cannot use ordinary flights.

When we talk about the former Government, I can recall that every Minister had to be in the House for every vote because we would not have the majority to carry the votes. In circumstances like that, government airplanes were there to serve the Ministers and permit us to get back to the House in time to vote, yet be able to travel around the country as we were expected.

As I say, unless the airplane is given to the Minister to use—

An Hon. Member: You can say that without laughing.

Mr. Kaplan: I do say so and I am not laughing about it. I do not believe that using a Government airplane for proper purposes is an extravagance. I believe that the airplanes are for the use of Ministers when they cannot handle their public affairs properly with commercial airplanes.

I do not believe the figures used by the Member opposite prove anything that he wants to suggest. The cost of hotels and the amount of entertainment bills are the figures that have just come out about the Government. It is that kind of figure which should be given, not how much time the Minister spent flying in government airplanes.

[*Translation*]

Mr. Rossi: Mr. Speaker, I listened very carefully to the comments of the Hon. Member for LaSalle (Mr. Lanthier) and the Hon. Member for Lac-Saint-Jean (Mr. Côté) and I can tell you that the Hon. Member for Lac-Saint-Jean did not dare to quote figures because he does not have any.

As for the comments of the Hon. Member for LaSalle, I can tell that he has been absent for a long time because he does not have the latest figures, which include an amount of $800,000 for the Prime Minister. I challenge you to say that these $800,000 are included in your figures. You are quoting old statistics and you know it. The same figures have been quoted in this House for eight months. The Conservatives have fewer—

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

Mr. Rossi: You are leaving! Give us figures.

Mr. Côté (Lac-Saint-Jean): I am coming back!

Mr. Rossi: The $800,000 of Mulroney are not included.

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

Mr. Rossi: You have no figures. You are always speaking through your hat.

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

Mr. Rossi: Give us some figures! You do not have any! Why do you not speak?

The Acting Speaker (Mr. Charest): Order, please. The period for questions and comments has expired.

• (1730)

[*English*]

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, this Bill involves one of the fiscal arrangements between the federal Government and the provinces. There are extensive fiscal arrangements between the federal Government and the provinces. Indeed—

Mr. Rossi: *Lanthier, tu parles à travers ton chapeau!*

Mr. Blenkarn: Mr. Speaker, does Your Honour think I could possibly have order in this House? Do we have to put up with the kind of yelling and screaming that is going on here?

The Acting Speaker (Mr. Charest): Order, order. As all Hon. Members know—

Mr. Blenkarn: Mr. Speaker, it would be nice if we could have a little bit of decorum in this Chamber.

Mr. Speaker, there are several fiscal arrangements between the federal Government and the provinces. This Bill deals with one of those fiscal arrangements. However, before we go into the whole question of whether this is a terrible, bloodthirsty attack on the moneys that the provinces have to fulfil their constitutional requirements, let us go, for a moment, over the various fiscal arrangements, because they are very substantial.

First, there is equalization, a situation in which the federal Government uses the resources of the country and equalizes those resources among the provinces to ensure that all provinces have equal fiscal capacities, as far as is possible, to perform their constitutional requirements; and there is no change in equalization.

The second arrangement is called the Canada Assistance Plan, one in which the federal Government shares equally, dollar for dollar, with provincial Governments on social assistance programs.

Then there are the tax collection agreements whereby the federal Government acts as a fiscal agent for the provinces to collect taxes for them without any charge whatsoever to the provinces, no charge back at all. The Government collects the money for them and remits it to them without charge as part of the fiscal arrangements of the country.

Then there are tax sharing agreements, and tax agreements whereby the federal Government pays taxes to the provinces for provincial sales tax, for example, those various arrangements that make this country work when there are two taxing authorities. There are a number of other arrangements whereby the federal Government, for example, does things in provincial areas that are really transfers to the provinces for their responsibilities. For example, in post-secondary education, we run a Coast Guard college. We run universities under the Department of National Defence. We make grants to

universities for natural science and engineering, to research councils, to the Social Sciences and Humanities Research Council, and to the Medical Research Council. We make capital grants for a whole series of matters that are within the jurisdiction of the provinces, and those matters are all transfers. In the year 1980-81, which is really the last year for which I have figures, those grants amounted to well over $2 billion.

We are now told that the change in this Act is a bloodthirsty attack on the provinces, "a bloodthirsty attack". What kind of a bloodthirsty attack is it? It is a reduction in the total amount of a transfer by a portion of the anticipated increase in Gross National Product, by reducing any real increase of GNP by 2 per cent, provided that does not affect inflation. So, if there is inflation, and we do not have any growth at all, the provinces get all the inflation and all the growth in the economy, except for 2 per cent. Now, this is a "bloodthirsty attack", yet.

Well, Sir, I want to demonstrate today that, far from a bloodthirsty attack, it is a very sensible Bill, a very conservative Bill, one that would indicate that the Government really understands the needs, the requirements, of the provincial Governments.

In 1981, there was a full study by a special parliamentary committee which issued a report called *Fiscal Federalism in Canada*, and it was tabled in August of that year. The report analysed all of the fiscal arrangements between the provinces and the federal Government, and the federal Government's capacity to make payments and the provincial Governments' capacity to raise revenue at that time. The task force report concluded that there did not exist, at that time, any long-term structural mismatch between the federal Government and the provinces and that the current arrangements were appropriate. But that was before we had a Government that ran up, in a four-year period, the national debt of this country of over $120 billion, and that was before we had to use 27 per cent of the revenue collected in this country to pay interest, and that was before we had a massive recession, brought about in part by a national energy problem and in part by the Budget of November of 1981 that just tore the country apart, ripped apart its economy, and ripped apart the receipts of the Government. That was before we had a situation in which deficits, had we not turned the corner when we took over in 1984, would have exceeded well over $40 billion in that year. There is now a situation of financial mismatch.

I point out that the provincial Governments are all able, on a national accounts basis, to balance their books without going to outside markets to borrow money. They have all borrowed the money they need from provincial pension plans and from the Canada Pension Plan and they are not required to go out in the market, like the federal Government is, to beg and borrow and issue T bill accounts and do whatever is necessary to squeeze from the markets every last nickel and dime. Indeed, the deficit of the Province of Ontario are down. The deficit of the Province of Quebec is down. The deficit of every province in the country, in fact, is down this year, with the exception of the Province of Alberta. And I really cry for it! It does not even have a retail sales tax. It has the fiscal capacity to be without debt and it has a Heritage Fund. So it continues to put money into its Heritage Fund, that is why it shows a bookkeeping deficit. Well, is that not just terrible?

Mr. Rompkey: And they vote for you guys. God knows why, but they do.

Mr. Blenkarn: So what we have is a situation that started in 1981. Since then, the fiscal situation of the country has dramatically changed. We now have a fiscal mismatch that we did not have in 1981. In 1981, we were looking at the history prior to 1980, really, in terms of the financial activity and records that we could examine. We are now looking at the records and projections we must examine that result from an unconscionable burden of debt foisted on this country by the previous Government, and that the Liberals should filibuster the Bill without realizing the fiscal imbalance they created by their past activities indicates their lack of competence and the reason they are in opposition.

• (1740)

Let us get down to exactly what we are really talking about. This year, the reduction in the possible increase in EPF transfers to all provinces is $318 million. Next year, it will be $681 million. The total transfer this year is $16.729 billion. Next year it will be $17.7 billion. That amounts to an increase of $1 billion. And we hear members of the Opposition saying that this is ripping apart Confederation and destroying things.

Let us go back to look at their financial position. When we took power we had to do some things that we did not want to do. We did not want to increase taxes. But we had to be responsible because of the debts imposed on this country by past mismanagement. One of the things we had to do was to change the indexation on personal exemptions and on transfers for help for children. Those were tax increases which are progressive. In effect, if there is inflation, and there is, they increase revenue and reduce allowances from taxable income.

The provinces use the federal government tax base on which to raise their revenues. Almost all of the provinces collect 54 per cent of the federal government tax revenue collected. So if the federal Government collects one dollar of federal tax, then the average province collects 54 cents in provincial tax. The effect of the changes on personal income tax in the May 1985 Budget for the year 1985-86 was to increase provincial revenue by $80 million. For the year 1986-87, their revenues will be increased by $250 million as a result of that one fiscal measure alone.

I would like to go on. We have made some changes with respect to business taxes. We just eliminated the scientific research tax credit. That will increase provincial revenues drastically, since no longer will they be sharing in that tax credit type promotion. We have also changed the inventory allowance. No longer will corporations be entitled to automatic inventory allowances from taxable income. No longer will

corporations in most of the country, save for Atlantic Canada of course, be entitled to investment tax credits, which again change the corporate tax base and tax amount. This year we have changed the gross-up with respect to dividends. In effect, if one collects dividends one is likely to pay more income tax on those dividends than were paid previously.

Next year the effect of these tax changes will result in at least $200 million a year more going to provincial revenues. However, we are not finished. We have been called the gougers and we have been called a terrible Government because we expect to pay our bills. We have increased sales taxes. When we took over we allowed a 1 per cent sales tax increase to go through. We increased that again last year by 1 per cent and again this year by 1 per cent. That amounts to three full percentage points of federal sales tax on manufactured goods.

Mr. Riis: A regressive tax.

Mr. Blenkarn: What does that do? What will happen to provincial sales taxes? Sales taxes provincially are charged at the retail level. If the manufacturers tax goes up then the provincial tax goes up. It goes up not only by the increase in the federal tax but by the profits and overhead on the federal tax. Their sales tax increases have been literally phenomenal as a result of this federal change. I do not have the exact figures in that regard. However, I want to tell Hon. Members how it works.

In effect, the federal Government has taken all the heat from the Opposition for increasing taxes.

Mr. Riis: You did it!

Mr. Blenkarn: The result of those tax increases has been to increase dramatically the revenues of the provinces. The $318 million which the provinces will lose in EPF this year has been more than made up; and the $600 million they will lose next year will be more than made up. If we were to carry on with the EPF transfer the way it is set out without this Bill, we would have been looking after the provinces with two hands instead of one. Surely to goodness it is the obligation of this Government to understand where we are going financially. It is important that we use those tax increases which we impose on the people of the country to handle the financial problems that were incurred as a result of the past 15 years of mismanagement and misallocation of resources.

Mr. Riis: What about the bank bail-out?

Mr. Blenkarn: Yes, the bank bail-out. It was not a bank that was bailed out. Indeed, the chartered banks of this country bailed the Government of Canada out.

Mr. Riis: Tell that to the Bank of America, to Wells Fargo and to the Bank of Hong Kong.

Mr. Blenkarn: And what do we do? We handled the credit unions in the provinces and looked after their accounts, their pension plans and their farmers. Members of the New Democratic Party would not have us do that. I would like to see them handle it. The fact of the matter is that for the first time in a decade and a half—

Mr. Riis: You bailed out a bank.

Mr. Blenkarn: —a Minister of Finance came in and said he would have a certain deficit, a deficit of $34 billion, and he has a deficit that will be less than that. For the first time in the history of this country the President of the Treasury Board has given a set of Estimates in which every Estimate has come in less than he said it would.

Mr. Riis: And a special remission to Dome, and to Gulf.

Mr. Blenkarn: The increase in the cost of carrying the ordinary expenses of Departments was frozen last year. Until 1990 it will be increased by one two-tenths of 1 per cent every year.

We have fiscal responsibility on this side of the House. We will make this country grow again. We will be out of deficit. With a little bit of luck we will be out of deficit completely and be able to start paying back that horrendous legacy that Trudeau left us by 1990.

We have to demand some sense of responsibility from the Opposition.

Mr. Gurbin: Don't expect it.

Mr. Blenkarn: My friend says that I should not expect it. That is true. The opposition Parties together were responsible for spending, spending and spending that which the country could not create. We now have to pay the burden caused by that overspending. Part of the burden has to be shared around the country.

Mr. Riis: How about Blais-Grenier's trip to Europe? Europe on $5,000 a day. How do you explain that?

Mr. Blenkarn: Part of that burden will have to be shared by provincial Governments. We have compensated them for that cost by allowing for increases in their revenue. Those increases in revenue are more than satisfactory.

I would like to give Hon. Members a few illustrations in this regard. The Province of Manitoba was here crying before the Finance Committee. I noticed that no other province was foolish enough to come in to cry.

Mr. Riis: Name the provinces that support this Bill.

Mr. Blenkarn: The Province of Manitoba, this year, has a 10.3 per cent increase in revenue, and that is truly phenomenal. That province may lose $13 million in EPF transfers, but the transfers from the federal Government are up $39.4 million in total.

Mr. Rompkey: But it's not going into education.

Mr. Blenkarn: And this weeping and wailing and gnashing of teeth goes on. What money the provinces borrow, they borrow for 3.5 per cent less than what they paid when the former Government was in office. They have massive new employment and a booming economy. Here they were weeping, wailing and crying about a $13 million contribution to a massive problem that was created by an alliance between the New Democratic Party and the Liberal Party as evidenced by the opposition to this Bill and the lack of fiscal understanding.

[*Translation*]

Mrs. Pépin: Mr. Speaker, I have a comment and a question for my colleague. I heard him mention earlier that the provinces now had reason to complain about equalization, and that he knew of no province that was forced to levy taxes because of federal equalization payments. I suggest the answer to that was provided in the Budget speech made by the Quebec Finance Minsiter, in which he said that transfers to provinces were not the cause of the federal deficit; that the federal Government was transferring its deficit to provinces; that the federal Government had brushed aside any true negotiation with the provinces; that the federal Government is making inconsistent fiscal decisions when cutting down its funding of health care and post-secondary education while introducing progressive exemption of capital gains and phasing out the oil and gas revenue tax in the producing provinces.

Also, the Quebec Government was forced to introduce a surtax on corporate income tax, to raise employer contributions to health services and to increase capital gains tax in order to compensate for federal cuts in EPF funding and the revenue losses under the equalization program because of the federal Government's failure to ensure a minimum 95 per cent of entitlement flowing from the 1984-85 Budget.

Mr. Rossi: They will be losing $2.3 billion in the next five years.

Mrs. Pépin: They will therefore be losing $2 billion in the next five years. So, when I hear my honourable colleague say that the previous administration had also been very irresponsible in its financial management and that, thanks to this new Conservative wave, the Government will be able to save millions of dollars, I wonder if the purpose of this Conservative Government is not to create two classes of citizens, bailing out banks at the expense of low income citizens. I should like my honourable colleague to tell me if we are witnessing the creation of two classes of citizens by eliminating the rich; then we would be left only with poor people. Is that one of the purposes of this Conservative Government? I will add simply that he may think he is knowledgeable about this, but the Quebec Government is absolutely against Bill C-96, for it must overburden Quebecers with taxes because of unfair equalization payments.

• (1750)

[*English*]

Mr. Blenkarn: Mr. Speaker, let us talk about oil and gas taxes before we talk about anything else. I suppose my hon. friend would have us increase taxes through the PGRT, the IORT and others that nearly destroyed the oil industry in western Canada, and would destroy it even further now that oil prices are falling and there is a virtual mad depression out there. That is the kind of economic nonsense we hear from members of the Liberal Party.

Let us understand what happens to provincial finances. We increased taxes at the refinery gate at the federal level. Provincial sales taxes are calculated on the basis of the price after payment of federal taxes. Therefore, the provincial Governments have dramatically increased their revenues from all sources including oil and gas, and not because they have had to do anything wrong. All they did was charge a percentage tax and if the base is lower, they collect less but if the base is higher they will collect more. The effect of the federal taxing system has been to increase provincial revenues.

With respect to income tax in the Province of Quebec, I very much appreciate that the Province of Quebec is different from the other provinces in Canada in that Quebec looks after its own personal income tax and its own corporate income tax. The figures I gave this afternoon represent the situation that exists in the other nine provinces. The other provinces collect a percentage of the federal personal income taxes and the federal Government does the tax collection for them. In the Province of Quebec, there are separate tax rates contained in a separate tax Act and citizens of the Province of Quebec must file separate tax returns. The consequence is that instead of benefiting from federal tax increases, the Province of Quebec has had to impose the same kind of tax increases, the same increase in the federal tax system that was reflected in the automatic increase in provincial revenues for the other provinces.

As far as the debt situation of the Province of Quebec is concerned, I think the Hon. Member knows that the deficit of the Province of Quebec is down in excess of $350 million this year. That is a rather dramatic change in fiscal position which occurred even though this is the first year of a new Government since an election has just taken place.

If the Hon. Member analyses the matter very closely, she will know that the amount of change is rather inconsequential. If it had been larger, the provincial Treasurer, as I am sure she will appreciate, would have come before the legislative committee to make active presentations here in Ottawa. While I appreciate that provincial Treasurers like to make good solid speeches and blame Ottawa, which is the easiest thing to do, the facts are the following: the economy is a lot stronger today than it was, interest rates are down dramatically and provincial revenues are up dramatically.

Mr. Turner (Ottawa—Carleton): Mr. Speaker, I would like to address a question to the Hon. Member for Mississauga

South (Mr. Blenkarn). As usual, he tells the whole truth. This is something we have not seen for years from Members of the Opposition. He is tying in the need to reduce the deficit to our fiscal responsibilities.

What he has not mentioned and what I wish to ask him about is that the Canadian Federation of Independent Business led by Mr. Bulloch and the Business Council on National Issues led by Mr. D'Aquino have both been saying consistently and constantly for over a year now that the federal Government is not going far enough to reduce the deficit of Canada. How does the Hon. Member for Mississauga South react to those comments from those very distinguished businessmen who represent the interests of hundreds of thousands of companies and workers across Canada?

Mr. Blenkarn: Mr. Speaker, of course, this Bill does not deal with the federal responsibility to reduce the deficit faster or to increase taxes imposed. There is no question about it, though, that there is a heavy demand from many people in Canada for us to get after the deficit. Let it not be said that this Bill is an effort to pass the deficit on to the backs of the provinces because it is not.

What I had hoped to point out this afternoon was the effect of the federal tax changes which automatically enrich provincial revenues. That automatic enrichment of provincial revenues should mean that the provinces can well afford, because of the change in the fiscal arrangement of revenue collection, to handle these reductions in the increases of federal transfers. If we do not do what is proposed in this Bill, the fiscal position of the federal Government will be even worse. We would be collecting the taxes and passing them on to the provinces even though the effect of tax increases would be to increase provincial revenues in any event.

[*Translation*]

The Acting Speaker (Mr. Charest): Order, please! It being six o'clock p.m., pursuant to an order made Wednesday, June 18, 1986 the House will now proceed to consideration of Private Members' Business as listed on today's Order Paper.

● (1800)

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

ENVIRONMENTAL AFFAIRS

RESEARCH INTO TOXIC CHEMICALS

Hon. Chas. L. Caccia (Davenport) moved:

That, in the opinion of this House, the Government should consider the advisability of protecting the health of Canadians, present and future generations:

(1) by renewal of funds for research into toxic chemicals.

(2) by telling Canadians of progress made in the removal of toxic wastes from the American side of the Niagara River.

(3) by providing for the upgrading of waste water treatment facilities and generally raising the profile of toxic chemicals in all areas of health research and preventive policy making.

He said: Mr. Speaker, I am putting forward this motion because we in the Liberal Party have regretfully come to the conclusion that the Government is abandoning, and in some way has abandoned, its responsiblity to protect the health of Canadians in relation to toxic chemicals. The Government has been in a retreat since November, 1984. It has been inconclusive and inept in matters related to toxic chemicals in particular. It has shrouded itself in secrecy in not letting Canadians know what is the content of certain understandings. It has been repressive, and in particular I am referring to the Minister of the Environment (Mr. McMillan) and his relations with the scientists in his own Department and the scientific documents they may produce or make public.

I should like to back up these statements with some specific facts. Before doing so, and in the limited time available, I say to the House that if the Government is in retreat, it is because it has decided to trade the health of Canadians for the sake of reducing the deficit. It has reduced the investments which were planned to expand toxicology research across Canada.

The Government has been inconclusive and inept. On the eve of negotiations with environmental authorities in Washington, it gave away Canada's position by revealing that there was a disagreement between Ottawa and Queen's Park, Ontario. It has shrouded itself in secrecy in that it decided not to publish a document about an understanding or proposal which was brought to Ottawa last October by the Washington counterpart to our Minister of the Environment. It has been repressive in relation to the freedom of expression of opinion by scientists in Environment Canada.

Here are the facts in chronological sequence. In November, 1984, the Government shelved the Guelph Toxicology Centre, the $8.5 million which was meant to set up a centre for excellence in the study of toxicological matters. This would have provided an opportunity for scientists already trained for that purpose. Also it would have provided an opportunity for young scientists who are still to be trained and are looking forward to an opportunity to develop a career in that specific and very important field.

In November, 1984, the Government also eliminated the environmental secretariat and related research which was carried out by the National Research Council. It cut Canadian Wildlife Services by some $3.8 million and the capacity for assessment of and response to environmental threats in Environment Canada by $12.2 million and 25 person-years.

In March, 1985, the Government did not renew the annual $2.5 million for research on toxic chemicals in the Niagara River. In May of that year, the then Minister of the Environment met with Lee Thomas, the head of the United States Environmental Protection Agency in Washington. She returned to Canada, promising an American plan for full and speedy action on the Niagara River to clean up toxic dumps.

On May 31, 1985, the same Minister committed the federal Government to playing a lead role in the development of options for the destruction of PCBs at the national level. Since that time we have not heard a word about it.

In October, 1985, Lee Thomas came to Ottawa with some kind of plan for the clean-up of the Niagara River. There was no statement by the Minister at the time. The report itself was kept under wraps in Ottawa, while it was released for public consumption and debate south of the border.

In December, 1985, the Royal Society of Canada and its U.S. counterpart produced a substantial report on the pervasive presence of toxic chemicals in the Great Lakes. Again there was no government response nor action to follow up on this important work.

From November, 1985 to March, 1986 there was the St. Clair River saga, a monument to the Minister of the Environment and his grandstanding, indecisiveness, and fear of being contradicted by his own departmental officials. He belittled his departmental scientists. He distanced himself from them. When he could not cope with the real facts of life, he declared that the whole mess was a provincial matter.

In May, 1986, the Minister of the Environment went again to Washington, nearly a year from the day his predecessor promised a speedy and comprehensive plan to clean up the Niagara River. Not only did he return, pretending that he had made a great achievement, but he returned without any consideration having been given to excavation and destruction of toxic chemicals, to which the Minister claimed to be formally committed when it suited the occasion.

I should like to refer to the most serious part of the developments in May of this year. As a negotiator, the Minister gave away a disagreement between himself and the Ontario Minister of the Environment, thus letting Washington clearly understand that insofar as the U.S. position was concerned, it could drive a wedge between Ottawa and Toronto and settle for the lower of the two positions, namely, the position of the Government of Canada, unfortunately.

This sequence of activities confirms the sad conclusion that the Government is strong on promises and very shaky on delivery. Until now we have not seen any results which are worth speaking or writing home about. The Minister's actions last May actually resulted in a delay of another year. There was not a single ounce of reduction in toxic waste. However, he managed to describe the event as a step forward. The press release which he issued at that time listed accomplishments in the same manner as his predecessor listed them a year before, namely, a recognition of the problem as being serious and the need for a plan of action with timetables and targets.

The Minister has been treading water for a year on the Niagara River issue. Because of his eagerness to be friends with Washington, he will continue to tread water for another year. We still have not seen the agreement which was signed by the Minister of the Environment in Washington on May 14, 1986. Meanwhile, the health of some five million Canadians continues to be at risk. The Government has shown an inability to do anything about it.

Part of the motion before the House this evening deals with the lack of response of the Government to the pressing need for an upgrading of waste water treatment facilities, a matter which is of serious importance particularly in the Great Lakes and in the St. Clair River. We in the Opposition cannot understand why the Government is not introducing policies to deal with these particular problems. It should be assisting with the installation of updated and environmentally friendly technology, strong on the prevention side, at industrial plants. Such a program would help the companies do exactly that. It should assist also with the installation of sewers which would separate contaminated from clean water and would ensure that the water is only discharged after proper treatment. It should assist with the replacement of current mechanical monitoring techniques, which belong to ancient times, with computerized technology.

The more we look at the record of the Government over the past 21 months, the more we see a series of promises which are not backed up by substantial, tangible results. It is time for the Government to account for itself in environmental matters related to toxic chemicals.

I am anxious to hear what the Parliamentary Secretary has to say in defence of what looks like not just a shaky record but a real sham.

• (1810)

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the Hon. Member for Davenport (Mr. Caccia), the Liberal critic for the Environment, suffers most of all from inaccuracy. He has a great deal of selective reporting, selective amnesia and really a regrettable attitude in understanding what is really going on. The more he gets away from any real responsibility and any real information, the worse his speeches become.

Over $700 million in expenditures and over 10,000 people in Environment Canada are, for the first time since 1979, led by a Minister who is able to understand the problem and to deal with the real issues.

Mr. Caccia: He didn't begin in 1979.

Mr. Gurbin: I am going to give specifics—

Mr. Caccia: It is high time you did.

Mr. Gurbin: —that will identify the selective discrepancy in the comments made by the Liberal critic for the Environment. The Member talks about research into a number of areas relating to toxicology. One of the very first things this Government did was to make a long-term commitment, the kind of commitment necessary in research, to acid rain. Eighteen million dollars a year for five years is guaranteed. It is on the table, it is a commitment of the Government and it has been for over a year now. Second, we set up the wildlife

toxicology fund. We needed more funds in research. Last year we spent over $500,000—

Mr. Caccia: You cut $4 million and came back with $1.5 million.

Mr. Gurbin: Last year we set up $500,000, doubled because of the industry's component. This year it is over $700,000 already, doubled again by industry. There is $1.4 million in new money, new funds for new projects into wildlife toxicology research.

The Member across the way says something like "the world is falling apart. Funds have been cut here and there." In the two years, 1984-85 up to 1986-87 with moneys committed, if we look specifically at the research budget for Great Lakes programs, we have no diminution of scientists. There were 90 and there are still 90. The Member is inaccurate and wrong if he says otherwise. We have 253 person-years, increasing to 274 person-years. We have $15.95 million, increasing to $19.2 million, an increase of 20 per cent in two years, year over year.

Mr. Caccia: He does not know his facts.

Mr. Gurbin: I wish the Member could have done as well when he was the Minister.

Mr. Caccia: You lost $7.5 million over two years.

Mr. Gurbin: On the toxic programs to which we are committed as a federal Government, not the kinds of programs the Member for Davenport is talking about, those things that were fitted in or created to make it look good for somebody at a point in time, the budget has been nearly doubled. Our effort, our expenditures and our person years on toxic programs specifically have been doubled from 45 people to 75 people and from $2.7 million to $4.8 million. Those are specific figures and those are the facts, Mr. Speaker.

The other thing that slips by very quickly is the understanding of what is ongoing and what is being supported by the Government, particularly when we start talking about the toxicology research and the efforts initiated, made and being carried on—

Mr. Caccia: The Guelph Toxicology Centre, for instance.

Mr. Gurbin: As an example, there are programs in British Columbia at the University of Victoria in aquatic toxicology and at the cancer research centre in human toxicology. At Simon Fraser University they are dealing with environmental and industrial toxicology. The University of Western Ontario is involved in pharmacology and toxicology. Carleton University is involved with regulatory toxicology. The Institute for the Research on Asbestos is involved with programs, the University of Montreal is involved in drug and occupational toxicology and Memorial University is dealing with environmental toxicology. We have other centres, namely the University of Saskatchewan Toxicology Research Centre and the Centre de Recherches en Toxicologies du Québec which is dealing with human toxicology.

Mr. Caccia: What the Member—

Mr. Fretz: Why don't you listen?

Mr. Gurbin: I am going to stop, Mr. Speaker. I could go on with lists of things to which we are continuing and increasing our support. What about the Medical Research Council? It got $150 million. That medical research council did not know where its next dollar was coming from when the Member opposite and his Government were in charge. That Council did not know what was coming next year or the year after. It was seriously hampered in its efforts to make a valuable contribution on behalf of Canadians—

Mr. Caccia: You are skating on thin ice.

Mr. Gurbin: —in the areas of toxicology and research.

The Acting Speaker (Mr. Charest): Order.

Mr. Gurbin: Next we come to the Americans.

Mr. Caccia: Talk to us about the Niagara River, not the Americans.

Mr. Gurbin: This is where this Member is right out to lunch, Mr. Speaker.

Mr. Caccia: Talk about the Niagara River.

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

Mr. Gurbin: I will change my tone if the Member opposite—

Mr. Caccia: You are being ridiculous.

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

Mr. Caccia: Talk to us about the Niagara River and how you botched it up. That is what you should be talking about.

The Acting Speaker (Mr. Charest): Order, please. The Hon. Member for Davenport (Mr. Caccia) should know that Members from all sides of the House get equal time. If things keep going the way they are going now, the Parliamentary Secretary will have to speak longer because he keeps being interrupted. I do not think it would necessarily be the wish—

Mr. Caccia: If you are—

The Acting Speaker (Mr. Charest): Order, please. Please do not interrupt the Speaker. I am sure that would not necessarily be the wish of the Hon. Member for Davenport. If Members will bear with us, the period for speeches is approximately 10 minutes. After that we move on to other speakers.

Mr. Riis: Maximum 10 minutes.

The Acting Speaker (Mr. Charest): The Hon. Parliamentary Secretary.

Mr. Gurbin: Mr. Speaker, I sat and listened to the Hon. Member, which I often have to do. I would appreciate the same respect from him as I give him. He may not like what I am saying because it is the truth.

Mr. Caccia: You're on thin ice again.

Mr. Gurbin: I have not enjoyed many of his comments.

This gets to the nub of things. I would be interested to see the Hon. Member for Davenport put his credibility on the line by telling us how much toxin there is in the Niagara River. Nobody knows. The beloved Niagara River Toxic Committee Report, an excellent report does not indicate that. The estimates range between one million and nine million tonnes. This Member would have us as a Government commit ourselves to reducing one-half of one million tonnes a year loading, which is roughly what the report said, when there is probably more like nine million tonnes a year. It makes no sense to try to go forward on the basis of what has been suggested without knowing from where we start and what needs to be accomplished.

Mr. Caccia: Studies.

Mr. Gurbin: We need no more studies, Mr. Speaker. What we need to establish with credibility is the exact loadings in the river so we can determine what has to be done and specifically where the responsibilities are.

Mr. Riis: That is a study.

Mr. Gurbin: There are many examples. I am running out of time because of the interruptions, Mr. Speaker. I regret that because there are many other specifics.

Just let me finish off on the subject of the Niagara River. What has eluded Governments before and will continue to elude anyone who came at it from the point of view that we can sit here, dictate and try to fabricate some grand plan or scheme ourselves and not enter into constructive agreements necessary to do something—

Mr. Caccia: Why don't you come up with a proposal?

Mr. Gurbin: We have a proposal and an objective on which we have been able to reach agreement with the Americans. Within one year from today we will know how much toxic material is going into the Niagara River and how much is coming out. We can subtract and find out then—

Mr. Caccia: You have plenty of studies telling you that already.

Mr. Gurbin: —what needs to be done, in what specific areas and where the responsibilities lie. We can then set specific targets and goals for the individual components of the problem. We have established clearly that with the United States we will be able to achieve the real reductions which we need. We think that 50 per cent by 1995 is a reasonable objective. Quite likely we will be able to achieve even better. If the Hon. Member wants to get into a discussion with his friends in Ontario, he will have to do that with them. That is not our purpose here. We are here to co-operate with all governments and to try to get something done.

• (1820)

Mr. Caccia: Exactly.

Mr. Gurbin: We won't do that by putting headlines in the press. That is not the way to get the job done.

Mr. Caccia: You are putting the headlines in. Your Minister put the headlines in.

The Acting Speaker (Mr. Charest): Order.

Mr. Gurbin: The Hon. Member's final point was about waste water treatment and he raised the profile of toxic chemicals. I would like to put something on the record other than the rhetoric which preceded my comments. We have issued a State of the Environment report. It is as full an explanation and documentation of specific information as has ever been made available to Canadians at any time in history. This is the first time this has been accomplished. There is no restriction on any of the information available.

That is an example of our efforts to ensure that we put out accurate information to which people can refer with confidence because it is accurate and has scientific credibility. We have made available to the public all information available to us which we have confidence in. We are committed to doing that and we will continue to do that. We will not editorialize without confidence in the facts and figures. Whenever there is scientifically credible information available, it will be forthcoming.

The Member talked about separation of sewers, which is a long-term problem. For the first time leadership is being shown at the federal level in dealing with the whole range of water problems in Canada.

Mr. Caccia: Oh, come on.

Mr. Gurbin: This was never done before and it is high time it was done.

Mr. Caccia: It has been done for decades.

Mr. Gurbin: The Cabinet of Canada has given the Minister of the Environment (Mr. McMillan) responsibility for all matters dealing with water. We are in the process of developing a national water policy which has eluded former Governments. This has clearly placed the responsibility for looking after all matters related to water including purity, quality and a number of other issues. This is the first time this has been done and it is high time. It shows leadership—

Mr. Caccia: You can say that seriously, can you?

Mr. Gurbin: —which was sadly lacking in former Governments in which the Hon. Member participated.

I conclude, regrettably, by adding one more small comment. The only thing I can find that was accomplished during the period of time that the Hon. Member had responsibility for the environment was a regulation which came into effect three years after it was first gazetted. It, in fact, did precious little by way of real action to enhance and improve the environment of Canada. That is a regrettable record for anyone.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I would like to congratulate my colleague, the Member Hon. for Davenport (Mr. Caccia), for bringing this issue on to the floor of the House of Commons. I listened with interest to the report of the Parliamentary Secretary to the Minister of the Environment (Mr. Gurbin) on the action taken by the Government to deal with toxic chemicals and wastes.

I am one of many Parliamentarians who are very proud of Environment Canada, and particularly its officials with their expertise and outstanding talents and abilities. We are proud of the contributions they make and the way in which they call a spade a spade. Many of the scientists and other people in Environment Canada call it right on. I want to give them credit for that. A certain amount of confusion enters my mind due to the comments of the Parliamentary Secretary. He was expounding on all of the wonderful things the federal Government is doing to meet the concerns of the toxic chemical and toxic waste emergency which is developing.

I have in my hand Environment Canada's report card on what Canada is doing in terms of environmental programs. This report card was issued only a few days ago. It breaks down the various sections of the environment: acid rain, toxic waste, water quality, wildlife, forest conservation and so on. It rates each one of these areas in terms of government action. Just for clarification, this is Environment Canada's evaluation of the state of affairs of certain environmental areas of the country.

After having listened to the Parliamentary Secretary to the Minister of the Environment, I am perplexed when I look at this because Environment Canada gives Canada an "F" for failure on toxic waste. It says that there are poor disposal practices and that urgent action—not studies—is required to identify health risks, set standards, and implement control measures. This is now emerging as Canada's number one environmental problem. Environment Canada gives its Government an "F" for what it has done and what it is doing.

Mr. McDermid: That reflects on the previous Minister, too.

Mr. Riis: This is dated May, 1986. We are perhaps talking about past administrations, but we are certainly talking about the present administration which has been in place for nearly two years. It should be introducing all sorts of measures. People might ask what sorts of action we could take. I would like to suggest a few which my colleague, the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie), has articulated in this House on a number of occasions and in letters to the Minister of the Environment. He has suggested, for example, passage of the Canada Safe Drinking Water Act. We have a lot of drinking water. Why not have an Act which provides for the taking of safe measures? That includes support for the upgrading of waste water treatment facilities.

I was an alderman for many years in the City of Kamloops. I remember applying through CMHC for funds from the federal Government to help construct facilities to treat sewage to help improve the quality of drinking water. I can recall that literally hundreds and hundreds of millions of dollars were spent by the federal Government to assist municipalities to develop that type of infrastructure. There is no longer any money available to help the hard-pressed municipalities of Canada to upgrade the treatment of their water.

Mr. Caccia: Are you listening, Gurbin?

Mr. Riis: The Member for Winnipeg—Birds Hill suggested the passage of an environmental bill of rights. I believe that Canadians can expect certain rights with regard to the quality of the environment. There is a toxic nightmare beginning to occur in this country as a result of inaction by the Government as the build up of toxic chemicals and toxic waste takes on deadly proportions.

My friend from Winnipeg—Birds Hill suggested the implementation of the recommendations of the Law Reform Commission calling for stiffer penalties for polluters. He suggests the speedy introduction of tough amendments to the Environmental Contaminants Act. He suggests the establishment of a super fund for the complete removal and destruction of toxic wastes stored in Canadian dump sites. Note the words "complete removal" rather than, as this Minister is suggesting, a slow bleeding off over the years of a limited number of toxic chemicals.

The Member goes on to suggest increased Government funding for toxicology research, including the complete restoration of programs such as the Herring Gull Egg Program and the Guelph Toxicology Research Centre which were cancelled a year ago. He also suggests increased Government funding for upgrading municipal water treatment facilities and, of course, waste water treatment facilities as well.

These are positive suggestions from members of the Opposition. These are things that the Government could act on. What has the Government done? Adjacent to my own constituency in Lone Butte, British Columbia, Bradbury Industries plans to build a plant to produce Pentachlorophenol and Tetrachlorophenol, otherwise known as PCP and TTCP, both of which contain dioxins. The Bradbury plant poses a very serious health risk to the local population and those who will ultimately be using those chemicals.

• (1830)

I suggest that if the Government is as serious as it says it is, here is a good opportunity to take the initiative and provide leadership. It can say we are going to do what Sweden has done and the United States is about to do and ban the use of PCBs. Why wait? All the evidence I have ever seen indicates very clearly that these are not an appropriate chemical to use. There are simply too many hazards associated with them. Doing that would remove the concerns the people of Lone Butte have because this type of highly toxic chemical is being manufactured and produced in their vicinity.

The Parliamentary Secretary seems to have slipped a little bit in his recollection about what has been going on over the last little while, particularly concerning the Niagara River. I want to remind him that last fall the EPA administrator, Mr. Lee Thomas, presented an action plan to the Minister of the Environment (Mr. McMillan) concerning how the U.S. proposed to deal with the discharge of toxic chemicals into the Niagara River. That action plan was totally unacceptable because it did not envision the actual excavation of the most toxic dumpsites along the river, but merely proposed to somehow contain and extract them over a period of up to 50 years.

At that time the Minister expressed his disappointment with the original plan. I recall him saying it was like holding jello in a sieve, or something of that nature. However, he seems to have changed his tune. Although he continues to favour excavation over extraction, on May 14 he apparently endorsed a revised EPA plan which continues to advocate extraction over excavation for the most deadly of the dumpsites such as Love Canal, Hyde Park, 102nd Street, and the S site. Furthermore, the Minister has not managed to secure any timetable for this plan. Instead, Canadian and American experts will complete by July 1, 1987, a technical documentation of the pollution control measures needed to reduce the direct discharge into the river, including timetables and targets for clean-up.

The best the Minister could offer was a possible 50 per cent reduction of certain chemicals by 1995. That is unacceptable. It is an example of a country caving in to U.S. pressure. It is an example of a Minister of the Environment who simply does not have the courage of his convictions. If what he says is true, it is certainly not being presented in any kind of legislative or funding initiative.

We are very, very concerned about what appears to be going on or not going on. Therefore I want to say a special thank you to my friend from Davenport for enabling us to put on the record of the House of Commons the track record of this Government in dealing with toxic waste. The report card of Environment Canada itself gives the Government of Canada a nice big failure.

[*Translation*]

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the Hon. Member for Davenport (Mr. Caccia) moved a motion this evening, urging the Government to consider the advisability of protecting the health of Canadians, present and future generations, in three ways. Actually, our Government is in favour of increasing toxicological research on toxic chemicals. The need for intensifying toxicological research and the superior quality of training received by toxicologists in Canada have been recognized for years by the universities, governments and industry. As one of the biggest employers of toxicologists in this country, the Department of National Health and Welfare firmly supports this view, and I think it is encouraging that both the Government and the universities have responded to this need. In fact, over the last ten years, toxicological research and training in Canada has expanded considerably.

Today, we have a number of multidisciplinary research programs in toxicology at several universities and institutes in Canada.

As my hon. friend mentioned earlier, we have the University of Victoria (aquatic toxicology), the Cancer Research Centre of British Columbia (human toxicology), Simon Fraser University (environmental and industrial toxicology), the University of Western Ontario (pharmacology and toxicology), research on asbestos, the University of Montreal (drug and occupational toxicology), Memorial University (environmental toxicology). Three more centres are emerging, and I am referring to the Research Centre at the University of Saskatchewan for agricultural toxicology, the Guelph-Toronto Toxicology Centre, again, environmental toxicology, and the Quebec Toxicology Research Centre, for human toxicology.

Most programs in Canadian centres receive federal funds in the form of grants, contributions or service contracts. The Department of National Health and Welfare finances toxicological research under the national program for research and development on health matters. Last year, the Medical Research Council of Canada set aside more than $150 million for financing this type of research and medical training, especially in medical toxicology.

The Natural Sciences and Engineering Research Council of Canada is conducting a program of strategic funding for mesological toxicology. In 1981, the National Research Council set up a new associate committee on toxicology in order to help further development of this discipline in Canada.

Notwithstanding last year's budgetary restrictions, the Department of the Secretary of State, through its Minister and as part of its program for specialisation centres, made a start-up contribution of $2 million to the Saskatchewan Research Centre.

These details are given to put into perspective the financing problems caused by recent cutbacks. I hope Canadians are now convinced that toxicology is alive and well in Canada and that it is expanding. We realize more should be done, and the Department of National Health and Welfare will be seeking other ways to respond to this need. For instance, it will be

necessary to rely more often on the results of toxicological research conducted in other countries.

In this context, Canada supports the OECD's efforts to harmonize the various countries chemical regulatory programs. It supports also its objective of reciprocal acceptability of toxicological data between various trading partners.

We also refer more frequently to the criteria description emanating from international organizations such as the International Program for the Safety of Chemical Substances, a joint program of the World Health Organization, the United Nations Environmental Program, the International Labour Organization, and the International Cancer Research Centre.

As for the Hon. Member's second recommendation dealing with the toxic wastes in the Niagara River, the pollution of this river from individual, industrial and municipal discharge of pollutants and by from nearby the drainage into the river of toxic wastes dumpsites, is a source of major concern. The Hon. Tom McMillan, the Minister of Environment, could say a lot more to the House about this.

The Department of National Health and Welfare is mainly preoccupied with the possible contamination of drinking water as well as fish which could be eaten by the population.

There are 29 individual sources of industrial and municipal waste on the American side of the Niaraga River, and 61 major toxic waste dumpsites on that side of the river, within a three-mile wide stretch of land along the river. Individual sources identified in the United States are responsible for 89 per cent of the total pollution load, estimated at 1,400 kilograms per day.

An important responsibility for evaluating the quality of the water in the Great Lakes and to determine the impact of that water on human health lies with the Great Lakes regional office of the International Joint Commission and its committees responsible for scientific matters and water quality, as well as various standing committees and study groups. Under the Great Lakes Water Quality Agreement, officials from National Health and Welfare Canada sit on those committees and advise the International Joint Commission on the potential health hazard due to from chemicals in the Great Lakes basin.

The Government of Canada is attempting to reach agreements with other countries, including the United States, in order to reduce the discharge of potentially harmful chemicals or to clean up pollution sources. Most synthetic organic chemicals found in the Niagara River, and consequently in Lake Ontario and even the St. Lawrence River come from former dumps in the State of New York. We want to make sure that this federal Government, through meetings with the Governments of the United States and the State of New York, and through our embassy in Washington, the International Joint Commission and the joint Canada—U-S Committee on Toxic Chemicals in the Niagara River, will urge the United States and the State of New York to help Canada keep the Niagara River clean.

In a way, our concerns are shared by the American officials. In the State of New York, there is a licencing program for pollution control and waste disposal systems. That program is based either on U.S. national technological standards or on mandatory State standards on the quality of water, whichever are more stringent. In October 1984, American officials on the Committee on Toxic Chemicals in the Niagara River agreed on the need for binational management of toxic discharges into the Lake Ontario basin, but they also expressed the view that a first step would be to review the whole matter of the sources of toxic matters which are discharged in Lake Ontario.

The 1978 Great Lakes Water Quality Agreement assigns numerical values to selected contaminants which persist in the environment. The program of the State of New York to control limited sources on the American side of the border has now been implemented and licencing systems are now in effect or about to come into effect. Evaluation of this program shows that, when the authorized final limits are reached, dumpings of contaminants in the river will be reduced.

The action taken until now to clean up the Niagara River has resulted in a major and certified decrease of certain persistent chemicals which flow into Lake Ontario from the river, compared with the record high load of polluants reached between the mid-sixties and early seventies. Based on existing control programs, it is expected that the dumping of residual toxic products in the river will continue to decrese. The long-term monitoring program which has been recommended will enable us to determine whether this in fact happens, and it will be used as a starting point to consider possible changes to our monitoring strategies.

Major corrective action has already been taken, especially on the Love Canal location, to prevent the migration of dangerous waste material by infiltration. The Government is determined to sign agreements and to cooperate with the United States to reduce pollution in the Niagara River and Lake Ontario.

As for the improvement of sewage treatment facilities, the Hon. Tom McMillan, Minister of the Environment, plays a major role at the federal level. However, this activity comes mostly under the jurisdiction of the provinces.

And I can tell you that in Quebec the Government pays for 90 per cent of all municipal water purification projects and the municipalities pay only the remaining 10 per cent.

With respect to raising the profile of toxic chemicals in all areas of health research and of the preventive decision-making process, the Department of National Health and Welfare has established programs designed to keep the Canadian public informed about the nature and extent of hazards inherent in exposure to toxic chemicals. Allow me to give a few examples of the main activities under this ongoing program.

First, the staff of the Health Protection Branch closely monitors the programs of—

The Acting Speaker (Mr. Charest): Order, please. I am sorry, but the 10-minute period had expired. Debate. The Parliamentary Secretary to the Minister of State (Mines) (Mr. Fretz).

• (1840)

[*English*]

Mr. Girve Fretz (Parliamentary Secretary to Minister of State (Mines)): Mr. Speaker, I too am pleased to take part in the debate today and to respond to the motion of the Hon. Member for Davenport (Mr. Caccia). I am pleased to speak to this Member's motion and his request that the federal Government consider the advisability of protecting the health of Canadians, present and future generations, by providing for the upgrading of waste water treatment facilities. I heartily agree with him that is an important issue to bring before us today.

I want to address one of the comments made by the Hon. Member for Kamloops-Shuswap (Mr. Riis) who, in reference to the state of the environment report, stated that the report gave the Department of Environment an F on toxics. There was a full release of this information. Never did this Department, the Minister or the Parliamentary Secretary ever attempt to hide that report. We accept and we recognize the terrible record that is here before us. There has been no claim by this Department that we have been perfect, unlike the apparent hypocrisy of the former Minister of the Environment. Never have we made that statement. We did not hide the report. We did not attempt to keep it from the public, the caucus or Opposition Members.

I will tell you why in two words; we care. The Government, the caucus members on this side, care about the environment. We care about Canadians and we care about the future. We care about our children and our grandchildren. That is why we are willing to share that information. That is why we are willing to be right up front and let everyone see the record that is there that, indeed, is less than perfect.

As Hon. Members may be aware, on March 6, 1986 the Minister of the Environment (Mr. McMillan) signed an agreement with the Hon. Jim Bradley, Minister of the Environment for Ontario, which renewed the commitment of funds by both Governments for Great Lakes research and clean-up. This is a tremendous step forward. The $82.1 million agreement respecting Great Lakes water quality is a six-year pact which provides additional money for upgrading sewage treatment plants and for phosphorous control programs as well as for surveillance and monitoring.

Under this agreement, the federal Government has committed $9.7 million to Ontario alone and to area municipalities it will contribute an additional $50.4 million to upgrade existing sewage treatment facilities or build new ones. No one knows better than I how important that is.

My riding abuts the Niagara River, adjacent to Lake Erie. My constituents draw their water downstream from Lake Erie. The residents of Niagara Falls draw their water further on down Lake Ontario. No one, least of all the Hon. Member for Davenport has to tell me the importance of having clean water at our disposal.

• (1850)

Canada and Ontario have a long history of co-operative agreements to control water pollution, which dates back to 1971, when the federal and Ontario Governments signed the Great Lakes Water Quality Agreement. This most recent pact not only reaffirms but re-establishes the commitment of both Governments to continue to share the cost of pollution control on the Great Lakes.

Another aspect of the upgrading of waste water treatment facilities, and a very important one I might add, is the research into the development of improved technology for the treatment of waste water. Treatment plants, be they industrial or municipal, are facing even more complex problems. As the contaminants in our waste water are becoming more difficult and costly to remove, alternative, innovative and cost-effective solutions must be found.

I had the opportunity recently to visit Environment Canada's waste water technology centre in Burlington, Ontario. I was impressed with the equipment and the expertise there. Departmental scientists are developing and demonstrating innovative processes to deal with waste water produced by both industrial processes and municipalities. Let me cite an example, Mr. Speaker, because I can tell by the animated look on your face that you are interested in this subject. If the waste water from industrial processes can be cleaned up before it is sent to municipal sewers, the sewage treatment plant does not have to be as complex or as costly.

The major theme of the waste water technology centre's current municipal waste water program is that if municipal waste treatment processes can be modified, and wastes can be reused or treated more efficiently by using less energy, the end result will be cost reductions and a cleaner environment. I note that a difficult problem to solve in regional Niagara is finding places to put the sludge. We are working on that, along with Regional Niagara.

Work is under way at the centre on a number of projects to improve municipal waste water treatment technology. For example, on-line monitoring equipment and computer control are being evaluated at a full-scale sewage treatment plant. This technology may provide more reliable control over the discharge of pollutants, while at the same time reducing operating costs and making more efficient use of the treatment plant. We are most interested in doing whatever we can to reduce costs and bring today's high deficits under control.

In another project, the feasibility of converting sewage sludge to oil and a coal-like material is being demonstrated. In many urban areas, sludge disposal is a serious environmental and economic problem. In these and other projects, the

centre's staff not only work with industry, but with municipalities, provincial agencies, universities, consultants and other federal Government departments—along with the Parliamentary Secretary and the Hon. Minister of the Environment who are doing such a fine job throughout the country—to develop innovative solutions to waste water treatment problems.

Let me address another aspect of the upgrading of waste water treatment facilities, namely the larger issue of sewage infrastructure. It comes down to the two words that I used initially, and what were they? We care. It is because as Conservatives, we care. What is it?

Some Hon. Members: We care.

Mr. Fretz: That is right. The issue of sewage infrastructure includes the repair and replacement of aging sewage treatment systems and the separation of storm sewers from sanitary sewers. That is an important consideration in Fort Erie. Crystal Beach is part of that municipality because we have regional Government. The separation of storm sewers and sanitary sewers involved a tremendous cost factor and created many problems for us in Crystal Beach. When the storm water got into the sewage pipes, it created many problems as well as that extra cost. Other aspects to this sewage infrastructure include upgrading treatment processes, from primary to secondary treatment, for example, and building new sewage treatment plants so that more Canadians have access to sewage treatment.

I see that I only have four minutes left, Mr. Speaker. Environment Canada, in collaboration with the Quebec Department of the Environment, developed a co-operative arrangement for a technology exchange to deal with waste water. I will try to finish quickly, Mr. Speaker, but it will be difficult because I have much to say.

I want the House to remember these four points involved in the co-operative arrangement. First, it involves joint planning of technology development projects and technology transfer; second, co-ordination of effort and resources allocated to technology development and transfer; third, joint programs for technology development and transfer; and fourth, creation of a joint committee to implement the technology transfer.

In conclusion, I have presented for Hon. Members, particularly the Hon. Member for Davenport who has listened so attentively, the extent of the Government's activities related to this issue and have emphasized the fact that important and significant events have already occurred to ensure that health of Canadians will not be compromised by insufficient waste water treatment. Why? Because we care.

The Acting Speaker (Mr. Charest): Debate. The Hon. Member for Guelph (Mr. Winegard).

Mr. Caccia: Back up your words with facts. If you do that, we will take you seriously.

An Hon. Member: Come on over, Charlie.

Mr. William C. Winegard (Guelph): Mr. Speaker, if they keep this up, they will use all of my three minutes. I want to speak to this issue as well.

I believe that the Bill proposed by the Hon. Member for Davenport (Mr. Caccia) is one of the most important Private Members' Bills we have seen introduced this session.

Mr. Caccia: Do not kill it, then.

Mr. Winegard: They will not let me speak, Mr. Speaker. I do not think it matters which Government is in power in the next few years, although I hope it is us, because all governments will have to deal with major environmental problems.

In some cases these problems have been sprung upon us, while we have brought other problems upon ourselves. Let us consider PCBs for example. When oils containing PCBs began to be used many years ago, no one really knew the risk. These oils were poured on our roads without regard for the consequences which we know only too well now. I believe all Governments have been in a reactive mode for many years, which is clearly unacceptable. Governments must become more active in this area and I believe that has happened. I hope Members of the House appreciate the efforts of the Minister of the Environment (Mr. McMillan) and the Parliamentary Secretary to the Minister of the Environment (Mr. Gurbin) in coming to grips with this issue.

We believe that environmental protection requires a two-pronged approach. We must clean up existing problems, of which there are many, and we must prevent future problems. Since you are cutting me off, Mr. Speaker, let me conclude by sayng that you may be assured that we will look after the future.

• (1900)

[*Translation*]

The Acting Speaker (Mr. Charest): Order, please. The hour provided for consideration of Private Members' Business has expired. Pursuant to Standing Order 42(1), this item will be dropped from the Order Paper.

GOVERNMENT ORDERS

[*Translation*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1977

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements Act and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the third time and passed; and the amendment of Ms. Copps (Hamilton East) (p. 14483).

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I welcome this opportunity to take part in the debate on Bill C-96 concerning fiscal arrangements between the federal Government and the provinces and federal contribution for post-secondary education and health care.

First of all, I would like to point out that although the reductions in equalization payments provided under Bill C-96 were announced in the May 1985 Budget, the Conservative Government did not say when these reductions would be introduced nor what amounts were involved.

That is why I think we should take a closer look at what happened between the May 1985 Budget and the announcement that equalization payments would be reduced, made at the First Minister's Conference in Halifax, in November 1985.

The House will recall that last summer and last fall, there was talk of reducing the deficit, and many observers seriously wondered whether the Conservative Government would be able to do so.

At the time there were several bank failures, and there was the decision made by the Conservatives to pay compensation for unisured deposits, which means deposits over and above $600,000. We criticized that decision because it meant defending the assets of the rich at the expense of the average depositor. The Liberal Party's position on the subject has not changed.

Another measure announced in the May 1985 Budget was also pretty questionable, and I am referring to the capital gains tax exemption. This measure will cost the federal Tresury $1.25 billion between now and 1991. This measure reflects a social choice that is not the Liberal Pary's choice.

Mr. Speaker, my point is that the choices made by the Conservative Government are not always intelligent choices, And that is whay is the matter with Bill C-96.

This Bill will reduce payments to the provinces for post-secondary education and health services during the next six years. This means that the federal Government will save about $8 billion at the expense of students and patients. These reductions are also being made at the expense of our technological future and scientific progress, because ti si a well-known fact that to remain competitive with other western countries in technology, science and the human sciences, we must not cut back but continue to re-invest.

Also, when one considers the significant cuts that will be affecting the provinces, when one considers also certain services that we would like to establish, like child care for instance, one realizes that right now the first answer is: Sorry, the federal Government is not transferring the necessary funding, there is no way we can provide for those services.

However, if we look closer, we find that in Canada one child out of five is poor. We have 43 per cent of mothers with children below age 3 who work full-time. Also, 46 per cent of mothers with children below age six are working full-time, because of precarious economic circumstances. Only 29 per cent of families in Canada live on one salary. In 42 per cent of families, couples with children, both parents have to work for otherwise they would live below the poverty level.

At present there is a 15 per cent ratio of conventional families, while in 52 per cent of single parent families women are the breadwinners.

Now, if we consider introducing child care, which in my view should be a priority with the Government of Canada, and if we have that kind of budgetary cutbacks, the provinces will certainly refuse to get involved in that.

I do not believe child care is merely a women's concern. Child care is the concern of society, of the family, of the couple and at present the birth rate is 1.6 and will decline to 1.4 within a year or two. And when we look at the increase in the number of senior citizens, providing those essential services to our children would be simply a quid pro quo, because they will have to support us when we become seniors.

When we held hearings across Canada, we had presentations from numerous parent groups. They were not only women, fathers were there too telling us about the need for such services. There was a submission from someone in Vancouver who compared child care to automobile parking lots. Of course, at first we were all startled, because we did not see the connection. But they made the point that we have cars, which are very important to us. We take good care of our cars because they cost quite a lot of money. Also, if you have problems with your car, you bring it to a serviceman, there being no point in taking it to the service-station around the corner because we want our cars to be kept in good condition. When you go to work, it is understood that there are parkings for your car. If you rent an apartment or buy a condominium downtown, it is understood in the lease or purchase agreement that you will also have a parking space. If we compare parking spaces for cars and facilities for children, we find that our priorities are very different in these two cases. If you have a problem with your car, you just call the office and say: I am having car problems. You will be told: Fine, go to the garage, you can come in one hour late, there is no problem. When you get to the office, you will be told: Is your car fixed? Do not worry, I had the same problem last time. However, let a woman phone and say: I have a problem because my child is sick and the sitter has not arrived. She will be told very nicely that it had better be the last time because, otherwise, she will have to look for another job.

I think that this shows what our priorities are and what they should be.

If Bill C-96, which deals with equalization, is adopted, the federal Government will obviously lead the way, but it will be very difficult to apply this Bill in practice.

In addition, Mr. Speaker, if we think about the cut-backs provided by Bill C-96, we find that some Canadian universities will have to reduce their budgets drastically, which will check the progress of both students and teachers. In the province of Quebec, for instance, I know that there have been major

budgetary cutbacks, resulting in subscriptions to specialized magazines not being renewed, so that students are not even aware of new developments in their own areas of expertise. Some teaching positions have been eliminated, and then hiring was frozen. A whole generation of scholars do not find employment in the current university system, while the students enrollment continues to grow.

The new reductions imposed by Bill C-96 are, in my opinion, outright unacceptable, because they were supposed to take effect on April 1, 1987, and not on April 1, 1986.

The brief submitted by the Association of Canadian Community Colleges to the Senate Standing Committee on National Finance emphasized the importance of investing wisely to maintain or even improve Canada's competitiveness in the academic field.

I remind the House that there are currently over two million Canadian men and women who attend community colleges and who are certainly privileged, as far as postsecondary education in Canada is concerned.

Community colleges certainly do not agree with universities when the time comes to talk about financing, for they all seek the lion's share; however, if there is one point on which they all agree, it is about the need to continue investing in postsecondary education. It is urgent to invest in hi-tech industries to meet international competition head on.

Mr. Speaker, Bill C-96 runs in the face of the Conservatives' election promises. As a matter of fact, at a meeting of the Quebec Conservative caucus held on July 1984, the following proposal was adopted: To respect the federal obligation to finance health care in the provinces pursuant to established programs financing and, on an equal basis, provide the provinces with additional funds to establish or improve such programs as are recognized by a national conference of Ministers of Health and health care professionals as being the most likely to improve the general health of Canadians and reduce the costs of the system in the long term.

Throughout the election campaign the Progressive Conservative Party did not hesitate to criticize the 6-and-5 program, yet today not only does it reduce federal transfer payments but it does so one year ahead of time.

I would like to say how Quebec Finance Minister Gérard D. Lévesque reacted to the reduction in equalization payments. He stated that most provinces had acted with much discipline and moderation with respect to the control of expenditures, and he urged Ottawa to look in its own backyard and see to what extent it might cut down its own expenditures.

I would also like to tell the House how some pressure groups have reacted. Earlier I mentioned the Association of Canadian Community Colleges, I will now refer to the Canadian Association of University Teachers, the Canadian Medical Society, and the Canadian Chamber of Commerce.

• (1910)

[*English*]

Dr. Donald Savage, President of the Canadian Association of University Teachers, said that the consequence of Bill C-96 will be poorer quality education and a decline in laboratories and libraries. He said that Queens University library is rated eighty-fifth among North American universities and McGill is fifty-ninth. He thinks that the consequence is that good people are beginning to leave.

[*Translation*]

Furthermore, according to Dr. Savage, such a measure would mean cut backs 20 times the reductions imposed by the Liberals and opposed by the Conservatives at the time.

I heard one of my colleagues say that the present Government had created a number of jobs since September 1984. He even mentioned the figure of 600,000 jobs. I would like to elaborate on this figure. When they mention creating 600,000 jobs, I would like to point out that most of these jobs are part-time jobs that do not provide social benefits in proportion to the number of hours worked. The Hon. Member also pointed out that many jobs were created for women.

I agree some jobs were created for women, but today, the Minister of Employment and Immigration (Miss MacDonald) is in trouble because the programs set up specifically for women in non-traditional occupations were cut as of April 1986, without prior notice. As a result, all women who were hired several months before and were expecting to get training were sent home. There was also a special program for women working in the home who wanted to re-enter the labour market. All these programs were cut, and today, a women who has worked at home for years no longer has a chance to train for a new career.

I therefore think that those are two important problems which the Conservative Government has been unable to solve. When we look at Bill C-62 on equity employment, we realize that those are fine words, but it is quite difficult to implement such a bill,since there is no penalty for those who will ignore the legislation. I should like to be more specific since we are now talking about the number of jobs created by the Conservative Government, but the statistics should be more complete and more acurate.

[*English*]

According to the Canadian Medical Association, this federal funding change will result in an ever-increasing two-tiered health care system, one for those living in rich provinces and another one for those living in provinces with a lower fiscal capacity.

Furthermore, the President of the Canadian Chamber of Commerce, Mr. Roger Hamel, urged the federal Government to spend more on universities. He said that the business community is increasingly concerned that the squeeze on post-secondary education funding will make it impossible for

universities to meet the demand for research and development, or even to provide adequate basic instruction for students.

• (1920)

[*Translation*]

As we can see, Mr. Speaker, there were such protests against Bill C-96 that I sincerely believe that the Tory Government would be well advised to amend it.

I also heard a while ago one of my Conservative colleagues tell us how the Liberal Government had been inconsistent and had burdened Canada with a terrible financial problem. On the other hand, the Conservative Government is supposed to solve all the problems. Let it be so, but on the other hand they always compare with what is being done in the United States. I hope that we will not become the second United States and do everything they have done because now their poverty rate has really gone up.

It has also been stated that over 40 per cent of Americans cannot get medical care because they do not have the required funds. The same thing should not happen in Canada.

I would like to say once again that I am against this Bill. I think that it is an altogether unacceptable measure following which postsecondary institutions as well as health care institutions in Canada will lose $8 billion. In Quebec alone, $2 billion are wiped out. I am convinced that Canadians will remember this at the next election.

The Acting Speaker (Mr. Ricard): Questions or comments. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria).

Mr. Boudria: Mr. Speaker, I have a question for my honourable colleague. As she knows, over the past year, the Government has made several expenditures which some of us have very seriously and rightfully questioned, and I am sure you will agree with me, Mr. Speaker. For instance, Canadian taxpayers, through their taxes, had to sink approximately $2 billion in what is commonly referred to as the banking bail out fiasco. We have learned also these past few days that nearly $1 million has been spent in travelling expenses for three little trips made by our Prime Minister. We have even learned today that nearly $40,000 was spent on a few minute long television program, so that Americans can have the great privilege to see our Prime Minister's mug on their TV screen. Could she tell us if, in her opinion—

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

The Acting Speaker (Mr. Ricard): The Hon. Member for LaSalle (Mr. Lanthier) rises on a point of order.

Mr. Lanthier: Mr. Speaker, do you really feel that it is proper for a Member of the House to use such an expression when dealing with the Prime Minister of Canada. Whatever its political stripe I think the Prime Minister of Canada deserves to be shown a certain amount of respect. In this connection, I think that we should follow the example of the Americans who, whatever their party affiliation, always address their head of state as "Mr. President". I therefore rise on a point of order to ask the Hon. Member to show a little more respect to the Prime Minister of Canada.

The Acting Speaker (Mr. Ricard): The Hon. Member's point is well taken. I therefore ask the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) to mind his words when he refers to the Prime Minister. The Hon. Member has the floor.

Mr. Boudria: Thank you, Mr. Speaker. Following my honourable colleague's admonition, I will refer from now on to the Prime Minister (Mr. Mulroney), as he has just suggested, as the President of Canada. I have noted his parallel with the President of the United States.

We can therefore assume, from what we have just heard, that the Prime Minister of Canada is not only the head of the Government, but that he should be recognized from now on as a head of state.

The Hon. Member for LaSalle—Ville Emard seems to think that he is a head of state. In my book, Mr. Speaker, he is only the Government leader, and it is my Queen who is my head of state and nobody else.

However, I will drop this matter to ask my colleague the Hon. Member for Outremont (Mrs. Pépin), who has just made an excellent speech in the House, whether she feels these expenditures—wasted, in my opinion—which the Government can make are sensible and reasonable, considering that we no longer have any money, as evidenced by the bill we are dealing with tonight in the House, that we are lacking the necessary funds, because of these extravagant expenditures, to do the job. I should like her comments on this.

Mrs. Pépin: Mr. Speaker, looking back on the 1984 election campaign, I recall clearly well that the Prime Minister (Mr. Mulroney) who was the Leader of the Opposition at the time, railed against Liberal patronage throughout his campaign. The lesson must be twice as hard to swallow today as the Conservative Party appears to be twice as bad as we were. In fact, when they talk about budget cuts and they say that we should listen with very great care, when we know that women's programs . . . When we know that funds for the shelters for battered women have been cut, when we know that groups of women are still waiting to know if their program is going to be continued and we read in the papers about the rather shameful Government spendings, we are left with some serious questions.

If the Government wants to be believed and indeed trusted, I think it is time that they start putting their action where their mouth is, that they start doing what they say because people are now trusting this Government less and less. They tell us to do something while the Government act in a different way.

Therefore I think that there must be ways of increasing the Government's credibility.

We also heard promises respecting women. We were told that women would be a priority when the Conservatives came into power. But just as far as appointments, are concerned,the figure of 20 per cent is hardly reached. Recently, two press releases were issued by the Prime Minister's Office: one was about the appointment of a ten-member board of directors in the sports field, and each and everyone of those appointees were men. So, one woman. On the same day, another press release told of the appointments of 17 people on some other, board of directors, and that time we were lucky: there was one woman among those 17 people. At that rate, I am afraid it will be rather difficult to meet the objectives of the Conservative Government, and I believe that if it wants to increase its credibility, it is going to have to act differently, especially with respect to expenditures.

Mrs. Bertrand: Mr. Speaker, I want to protest against a statement made a few minutes ago by the Hon. Member for Outremont (Mrs. Pépin), who said that the program for women rejoining the labour market developed by the Minister of Employment and Immigration (Miss MacDonald) was a failure and a fiasco and that no money has been allocated under this program.

Mrs. Pépin: I said that the program was in difficulty.

Mrs. Bertrand: A few days ago, I announced in my constituency three programs for women rejoining the—

Mrs. Pépin: In your Conservative constituency.

Mrs. Bertrand: —labour market, for an amount of $412,000, and this was the fifth such project. This is a program for which the Hon. Member for Outremont has asked to help women rejoin the labour market, and there was no such program before this year. Under the previous Government, there was no opportunity for these women to join or rejoin the labour market.

This is what I wanted to say, Mr. Speaker.

Mrs. Pépin: Mr. Speaker, I said earlier that employment programs in the Department of Employment and Immigration were in jeopardy. I am willing to admit that I am glad the Hon. Member for Brome—Missisquoi allocated some money to training programs for women. However, if you look at the entire Montreal area, there are programs there which had been in existence for years and were working well, but are now in trouble for lack of funds.

I should ask the Hon. Member for Brome—Missisquoi to—I can give her the names of those groups, they are well known, but their programs were cut in April, without notice.

This is important. If she wants to look after women, she should check immediately and press for changes.

The Acting Speaker (Mr. Charest): The Hon. Member for LaSalle (Mr. Lanthier) for a question or a comment, but it should be brief, there are barely two minutes left.

Mr. Lanthier: Mr. Speaker, since it was alleged that few women had been appointed, I would like the Hon. Member for Outremont to compare, honestly and objectively, our record since we took office with a mission to introduce change, and the record of the previous Liberal Government. She can take whatever criteria she likes, whether it be the last year or the last five years. I would very much like to see an honest comparison between the appointments we made since our election in 1984 and the ones made before.

Mrs. Pépin: First of all, I would like to remind my colleague that the Liberal Government was responsible for appointing the first woman Speaker of the Senate, the first woman Speaker of the House, the first woman Governor General. The Conservative Governement—

Mr. Blais: The 200 billion deficit—

Mrs. Pépin: We are talking about appointments, sir. The Conservative Government dismissed Mrs. Betty Hewes, who chaired the Canadian National, not because she was not efficient, but because she was a Liberal.

Mr. Blais: She said so herself.

Mrs. Pépin: I told the Prime Minister then that he had replaced Mrs. Hewes by a man, that I was willing to admit that a Conservative government could appoint Conservatives but that it could not replace a woman by a man, as his Government had done.

I think it is an insult to all Conservative women who are told they are not capable enough to hold that position. And I hope the women who belong to the Progressive Conservative Party will let the Government know that no more such appointments should be made.

The Acting Speaker (Mr. Charest): Debate. The Hon. Member for Vancouver—Kingsway (Mr. Waddell).

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I am grateful to the Hon. Member for Champlain (Mr. Champagne) for allowing me to speak now. I appreciate that.

Since the Hon. Member has talked about women and positions for them, I want to say that I am waiting for the day a woman will become Prime Minister of Canada. I am waiting for Mila. Perhaps it is Mila I am waiting for.

[*English*]

As I said, I would like to thank the Hon. Member for Champlain (Mr. Champagne) for allowing me to make a few remarks on this Bill. I have to go to committee later tonight along with the Hon. Member who is from Calgary.

I want to make a few remarks because this Bill affects my home Province of British Columbia a great deal and it affects British Columbia at the worst possible time. I am told that there will be a cut-back of about $5.6 billion over the next five years in the distribution of money to provincial Governments throughout Canada. The Province of British Columbia will

lose $650 million over the next five years. This province has already suffered a lot from provincial cut-backs imposed by the Bennett Social Credit Government. British Columbia has already cut back education to quite a drastic degree. This will mean even more cut-backs for education. We must remember that this is at a time when the province is suffering, as are other provinces in western Canada, because of uneven economic growth in Canada and certain external forces which we find difficult to control.

• (1930)

Most economic institutes have predicted great growth in the next few years for central Canada. Informetrica and various other economic institutes have predicted a movement of people and money to central Canada, to Ontario and Quebec. I do not begrudge them that growth; I envy it, especially when it does not mean growth in the western and in the Atlantic provinces. We out West right now are getting a triple whammy.

In Saskatchewan the prices of wheat have reached historic lows. Farmers are in real difficulty. The Hon. Member for Regina West (Mr. Benjamin) and the Hon. Member for Yorkton—Melville (Mr. Nystrom) have pointed out the difficulties in Saskatchewan many times. As for the Province of Alberta, Your Honour knows that the bottom has fallen out of oil prices. They have dropped from about $28 U.S. per barrel three months or four months ago to $12 U.S. per barrel. That is a dramatic drop. I see Hon. Members from Alberta in the House. They could tell us, as they already have, that the Alberta economy is in trouble.

I should like to return to my Province of British Columbia. Those who have listened to Question Period will know that the Americans have placed a 35 per cent duty upon the shake and shingle industry. In fact, that has almost closed down the entire industry. It has put some 4,000 people directly involved in that industry out of work, some of whom are my constituents. It is even more difficult when the Government cuts back $650 million in payments to the Province of British Columbia. This is why I say it is a bad time to do so.

Why is the Government doing it? I suppose it is to save money because it has to deal with its deficit. Yes, it must deal with its deficit, but I cannot help but wonder if there are other ways to deal with its deficit. One way of dealing with a deficit is to collect more money in taxes and to give less money away in tax write-offs and so on. Today's newspaper contains a story about Dome Petroleum, a huge oil company which is in financial difficulty. There is talk of selling Dome Petroleum. One of its biggest assets, next to its producing properties which are all mortgaged to the hilt by the banks, is a $2.3 billion tax credit. In other words, it could be a tax deduction but Dome cannot take advantage of it because it is not making any money. What will Dome do with it? It will probably sell it along with the company to another company which would not have to pay $2.3 billion in taxes to the federal Government.

The Hon. Member for Kamloops—Shuswap (Mr. Riis) has headed a New Democratic Party tax probe. That group has travelled the country and has tried to consult with ordinary Canadians. I should like to refer to the message which that probe has been receiving, as I have attended some of its hearings. I know my friend has spoken on the matter in the House and will be reporting on it at greater length shortly. However, the message has been that the Canadian tax system is not a fair one. Most Canadians get their taxes taken right off the top of their cheques. Other Canadians, especially certain companies and so on, are not paying any taxes at all. Some rich people making a fortune are in fact not paying taxes at the same level as ordinary Canadians.

Mr. Riis: Or at all.

Mr. Waddell: Or at all. That is an area at which the federal Government could look to get more money rather than cut back on funds to the provinces which will result in cut-backs to education.

I have heard many Liberal Members quote the Chief Justice of Canada. I hesitate to quote him because I do not really think he should be brought into politics. However, he made an extraordinary speech. It came from the heart, as it comes the heart of almost every Canadian who thinks about things, that the last place we want a cut-back is in the area of education. We do not want to cut back education because if there is anything the modern world teaches us, it is that education is key to a real economic future, so that Canadians can cease to be hewers of wood and drawers of water. We have one of the best educated populations in the world, and we do not want a cut-back in that area.

Another area at which the Government could look to get money is that of the oil companies. I have sat on the Standing Committee on Energy, Mines and Resources for a number of years. From 1980—and it will be phased out at the end of next year—the Government has given the oil companies $7.3 billion in PIP grants. I know the Conservative Government has cut that out, but the oil companies were given $7.3 billion to drill a lot of holes. I ask Hon. Members to think what could have been done with that amount of money in terms of health care and education.

There are 70 foodbanks in Greater Vancouver. Can Your Honour believe that we have foodbanks in western Canadian cities? We do not have enough money to go around and some people cannot afford to buy food. Just the other day the Quebec Government announced that it was cutting back on payments to welfare recipients.

[*Translation*]

—how much money is it? I think it is $160 a month for those who are not married, who live alone, but now policemen are going after those poor people who may have a little bit more money.

[*English*]

In Quebec they are chasing after single welfare recipients who are receiving $160 per month. However, it seems strange that federally we hardly police the PIP grants which provided

$7.3 billion, with some of the most incredible rip-offs one could imagine.

Some of the priorities we have in Canada are strange to me. We have not learned. In the area of energy, we are returning to the old system. We are dying to develop Hibernia off Newfoundland at a time when the world price of oil is terribly low. We are preparing to make terrific deals—that is what the Minister of Energy, Mines and Resources (Miss Carney) will be doing over the next few days—with Mobil, a large American company from New York, so that it can develop Hibernia sometime in the future. In that event federal politicians can make good on their political promises in Atlantic Canada and can say: "We have an Atlantic Accord". We are prepared to give away the shop in terms of making deals.

We are back to the old system of tax credits in the offshore, where billions of dollars will not be paid in taxes to the federal Treasury. The oil companies are experts in that system; they were involved in it before. I call the new energy program "Back to the Future". We are going back to the old rip-off system, which is supposedly our future energy policy.

This debate is not about energy nor about the taxation system. However, these items are involved, especially if we ask ourselves where the Government will get the money.

I should like to look at what it means to British Columbia to lose $650 million over five years. The B.C. Government has a number of choices. First, it can increase taxes. Second, it can increase its deficit. Its deficit is already inflated because of borrowings for the northeast coal megaproject which has turned partly sour; because of Expo; and because of highway and other projects. It can increase its deficit, but it has very little room in which to work. Third, it can make further cuts in education and health. Those of us who are from British Columbia cannot figure out where further cuts can be made.

Professors are already leaving UBC and Simon Fraser and going to the United States and eastern Canada as a result of better job offers. Our colleges are already cutting back. Here is a province sitting on the edge of the Asia Pacific market which will be the fastest growing market in the latter half of the twentieth century. That is where the action is and yet we are stagnating, which is crazy. The only way that we can get into the Asia Pacific market is to use our heads. We have to have an educated young population to supply engineering services and forestry services when the forests are developed in Malaysia and Indonesia. Hydro technology will be needed. The geothermal and geophysical technology for oil and gas exploration in China will be needed. In my view, the 21st century will belong to China, and we are on the edge of that great market. The last thing we should be doing is cutting back on education. We should be adding funds instead. That is why there is a lot of flak and opposition to this Bill.

• (1940)

I would hope that the Government, even at this late stage could see the light and say, no, we are not going to stop transfering money like this to the provinces. We will find the money some other way in some fair taxes levied on the oil companies and the big companies that have the money. We can do it. We do not have to have this cut-back. With some renewed economic growth in central Canada, there should be more money flowing into the federal Treasury. It should be unnecessary to cut back grants to the provinces. Look at what is happening in western Canada. Look at the Alberta budget and its deficit from the other day. Look at what is happening with the shake and shingle industry in British Columbia. In a few weeks we could lose our entire forest industry or cripple it with countervailing duties on Canadian lumber, which will cost about $1 billion. Forestry is the biggest industry in British Columbia. Look at what is happening in Saskatchewan with low prices for farm goods causing farmers to go bankrupt. The Government is going to put an incredible squeeze on the provincial Governments. Some deserve it in many ways because they have spent money foolishly. Nevertheless you cannot punish people for foolish provincial Governments.

The Government of British Columbia brought in restraint at the worst possible time, at a time when there was a lack of demand and when the economy was falling. Suddenly the Bennett Government brought in restraint and it crippled the economy. British Columbia has not recovered. This is a double whammy. The Government is going to Bennettize us with the Bill. I thank my friend across the way for letting me make those few remarks from my point of view about the far west of Canada sitting on the Pacific Rim.

Mr. Thacker: Mr. Speaker, I have been following the debate. Would my friend opposite explain one aspect that I cannot seem to get my mind around? Members over there seem to think there have been cuts. Surely we should be analysing this matter from the perspective of costs. I can remember that with high inflation the costs of these institutions was going up by 17 per cent. The previous administration cut the grants to 6 per cent and then to 5 per cent. That seemed to me to be a real cut in actual cost increases each year. With inflation now at 4 per cent, while we are cutting a donation from 7 per cent, 8 per cent or 9 per cent to 5 per cent, we are still transferring more from the federal taxpayers' pocket to the provincial taxpayers than the actual increases in the costs of the institutions. It seems to me that there is not a cut-back. These provinces are getting 1 per cent more than their cost increases. Surely that is an increase in actual fact.

Mr. Waddell: Mr. Speaker, it is an arguable point on the figures. I will check the debate on it. I am informed that we are still going to lose money. The figure I got for British Columbia was $650 million over five years. We need that money. You can say what you like about inflation, and we are glad inflation has gone down, but nevertheless it seems that we will lose $650 million over five years. Any way you have it, I am told we lose that amount, and that will hurt.

Mr. Thacker: Mr. Speaker, it is only an increase because the rate of increase is based on a delayed factor which has all of

the high inflation part of it. Therefore, the actual transfer would be higher than the real cost of inflation because of past inflation. The province is going to get $650 million less than the formula would have generated, but actual costs are only going up by 4 per cent. We are going to give the provinces 5 per cent instead of 7 per cent, 8 per cent or 9 per cent which the formula would generate. This whole debate has been kind of off base, Mr. Speaker. Members have been talking about what might have been, whereas we should be looking at the actual costs that institutions are facing.

Mr. Waddell: Mr. Speaker, I am told that there has been agreement to get that money. There is a need for money and new investment. I would think the Government would want to have more money going into western Canada. I would think the Hon. Member from western Canada would want to push for that particularly. I was in Lethbridge not too long ago. I know that even that prosperous community of good people is going to suffer from the downturn in the oil economy. I would think that the Member might want to stand up and push for more money for western Canada rather than justify this Government cut-back.

[*Translation*]

The Acting Speaker (Mr. Charest): Questions and comments. The Hon. Member for Champlain (Mr. Champagne). Resuming debate?

Mr. Michel Champagne (Champlain): Yes, Mr. Speaker. First of all, I have some regrets about letting my hon. friend from British Columbia take the floor, because I thought that of course the Hon. Member was going to vote with us on this motion and would say: At last, this Government has acted responsibly and lived up to the desire for change expressed in the federal election in September 1984. But it wasn't so bad after all, Mr. Speaker, because the Hon. Member at least admitted that the deficit had to be reduced, and that it was high time, after the last 20 years, that a Government acted responsibly. In fact, I appreciate the frankness with which the Hon. Member from Vancouver expressed his views in the House. I think his performance deserves applause Mr. Speaker, I really do.

Mr. Speaker, this is the second time I am speaking to Bill C-96 which concerns transfer payments to the provinces. Mentioning the fact may be somewhat redundant, but I felt I had to because sitting in the House today, I realized that the Opposition parties, the New Democrats and the Liberals, were trying once again to twist the facts, so much so that I heard the Hon. Member for Essex—Windsor (Mr. Langdon) talking about $67 million in equalization payments for Quebec and that the Quebec Government would have to increase corporate taxes, and that from a New Democrat, Mr. Speaker! A New Democrat who says that the Quebec Government will have to tax corporations. I said to myself: Now I've heard everything! I would like to explain to the Hon. Member that equalization payments and transfer payments are two totally different things, two economic concepts that have nothing in common except for the fact that they are both paid to the provinces. Equalization, Mr. Speaker, is based on the ability to raise taxes, while transfer payments to the provinces are money the federal Government gives for specific sectors, in this case, health and education.

• (1950)

The Hon. Member for Essex—Windsor (Mr. Langdon) was talking about a sum of $67 million which the Government of Quebec has to get back, but he is not referring to the federal government, he is indeed referring to a provincial government. There again, Mr. Speaker, the Hon. Member for Essex-Windsor is mistaken. Because we are here in the House of Commons, we are dealing with the Government of Canada, and we have to discuss the national policies put forward.

The Hon. Member for Essex—Windsor talks about a sum of $67 million. But we are talking about equalization and transfer payments of $4.091 billion for the fiscal year 1985-1986.

I heard also the Liberal member for York Centre (Mr. Kaplan) talking about election promises and the extravagant expenses the Progressive Conservative Government is allegedly making since it came to power.

Surely, Mr. Speaker, the Hon. Member for York Centre could not say things like that with a straight face. I am sure he was not aware of what he was saying, and it was showing in his remarks that the session is drawing to a close. For if he had been the least consistent, Mr. Speaker, he would have had the decency to recognize that in their last 20 years the Liberals have got this country into a $200 billion debt, that on the economic level they have created disastrous situations. Just think of the inflation rate which was varying between 12 per cent and 15 per cent during recent years. Just think of the interest rates which had risen above 20 per cent. How many Canadian families, how many Canadian contractors, how many young Canadian students had to struggle with economic difficulties because of 20 per cent interest rates? The bankruptcies we have seen over the last years, Mr. Speaker, the slowing down of the Canadian economy—

The Hon. Member for Outremont (Mrs. Pépin) was saying a few minutes ago that we were comparing ourselves to the Americans. Mr. Speaker, you know that as far as net income is concerned, I prefer to compare my situation to that of the Americans rather than that of other countries like Zimbabwe. But that is the kind of comparisons the Liberals could make when we took over in September of 1984, because they were getting the Canadian people into debt, they were creating debt burden for the next generations to pay, without any consideration for their own election campaign commitments, Mr. Speaker. Because the Liberals had been showering us with electoral promises. For example, in 1981, they promised pensions for widows and widowers from 60 to 64 years of age but they didn't follow through. It's the same thing with the long term dairy policy, Mr. Speaker, and what about the interest rates they had promised to lower in the case of the

Farm Credit Corporation. They didn't do anything, Mr. Speaker.

In light of that, do you really believe that the Canadian people will trust what the Liberal Party and the NDP are telling us today?

Mr. Speaker, I think that they got to be kidding. Yet, they were in power for 20 years and they were so blatantly arrogant that they decided on everything unilaterally.

This is why they cannot understand that today we had at least six meetings with the provinces, with the Ministers of Finance of each province, precisely to discuss the economic situation, to talk about transfer payments, and to tell them: Considering the two very specific parameters which the Minister of Finance (Mr. Wilson) and the Minister of State (Finance) (Mrs. McDougall) simply had to keep in mind—deficit reduction and fair redistribution to the provinces—we had to explain to the ten Canadian provinces that we had to slow down the rate of increase. Mr. Speaker, the Opposition equates slowing down the rate of increase with cutting down, but to the Progressive Conservative Government it means continuing to give more.

On a proportional basis we can see that when the Liberals were in office the transfer payments to the provinces increased by 7 or 8 per cent each year when the inflation rate ranged from 12 to 15 per cent. In 1986 our transfer payments to the provinces go up 5 per cent, which is 2 per cent more that any other increase allowed, and the average rate of inflation is about 4.5 per cent.

Mr. Speaker, in terms of purchasing power, inflation rate and transfer payments, I think that Canadians will realize that the Progressive Conservative Government is more generous than the Liberals ever were.

And their arrogance, Mr. Speaker—to get back to what I was saying about the Hon. Member for York Centre (Mr. Kaplan)— was such that I can understand why, in an editorial in *Le Devoir*, Solange Chaput Rolland would talk about the Liberals, seething with anger. If I may, Mr. Speaker, I would like to quote one sentence which shows just how arrogant the Liberals could be.

> Hurt by the insults received and thrown across the floor of the National Assembly during the referendun debate which your ex-colleague Jean Chrétien proudly claims to have won almost single-handedly, I had referred to the "fraternal rent" between *Péquistes* and Quebec Liberals. But we Quebec nationalists enamoured of Canada did not forget that, since 1976, the worst foes were not the friends of Mr. Lévesques but those of Mr. Trudeau

Mr. Speaker, this is the opinion that Quebecers and Canadians in general have of the Liberals. They believe that the Liberals did not respect the provinces in recent years. The previous Government never tried to sit down with the provinces to negotiate, to look at economic facts and to discuss the future of our young people in relation with post-secondary education or to speak about health programs.

Mr. Speaker, I cannot understand how the Liberal Members who were part of the former Government could tell our Quebec Premier, Mr. Bourassa, that he is a hot dog eater. I cannot accept this. It is an insult for Quebec and it is certainly not the little meeting that was held last weekend in Saint-Hyacinthe that can make us forget their 20 disastrous years in Quebec. I can assure you, Mr. Speaker, that Quebecers will still remember at the next federal election. You can count on us to remind them.

We have to face the facts. I can see the Hon. Member for Outremont who has come to hear what I have to say about the Liberal Party. I would like to tell you, Mr. Speaker, that we have to face the facts and that this includes a deficit of $200 billion.

Yet, contrary to what the Liberals and New Democrats are saying, Bill C-96 is first of all a progressive bill which aims at preserving transfer payments to the provinces in the short, medium and long term. Mr. Speaker, this is important because we have to treat all the provinces fairly. However, we must not exert excessive pressure on the budget of the Minister of Finance (Mr. Wilson). It is no secret, Mr. Speaker, that the Progressive Conservative Government has been able to reduce the deficit in its first two budgets. This was an electoral promise. I do not understand why the Members opposite say that we do not keep our election promises. We said in 1984 that we would reduce the deficit left to us by the Liberals. We said that we would provide a healthy administration of the public Treasury. The Members opposite are shocked by an amount of about $820,000, or let us say $1 million. They are shocked about $1 million and try to make the Canadian public forget that they are responsible for $200 billion.

Mr. Speaker, I feel the Hon. Member for Sainte-Marie (Mr. Malépart) and the Hon. Member for Outremont (Mrs. Pépin) who has just dealt with Bill C-96, must be laughing at the Canadian people, at the taxpayers and the most needy when they say that this Government is not giving a break to women, that it is harsh on senior citizens and callous toward our young people. Mr. Speaker, when we examine the economic record of the previous Government, we realize that they do not know what they are talking about. If they were still in power, we would be faced this year with a $39 billion deficit. They would be responsible now for a global deficit of between $230 and $240 billion, and something is sure, Mr. Speaker: They would not have addressed the problems. When we came to power in 1984, we said that we would put the economy back on track, give back to Canadians a taste for life and respect each of the ten provinces, including their respective duly elected Governments. And that is what we have done since September 4, 1984, Mr. Speaker. We have had six Finance Minister conferences on the subject of transfer payments. We have held constitutional meetings. We have shown a certain open-mindedness concerning the patriation of the Constitution and Quebec's is joining the other Canadian provinces. We have had discussions with each province when the time came to make our transfer payments, because we wanted to see where we were going. We have discussed free trade with the provinces. Yet, Mr. Speaker, Liberal and NPD Members cannot

understand that. If they cannot understand that, it is because they have never bothered to seek the advice of the Canadian provinces, to respect the Canadian people who have elected them.

• (2000)

And today, because they are sitting in the Opposition and getting what they deserve, Mr. Speaker, they claim that Canadians will forget in five minutes or within four years all the economic prejudice they have caused them. No, Mr. Speaker. That is not possible, and we will be there to tell them so two or two and a half years down the road, and you may rest assured, Mr. Speaker, that we will be doing a clean and fair job and when Canadians are called upon to judge this Government's economic performance, the four years in Government during which we will have put the economy back on the tracks, sent hundreds of thousands of Canadians back to work, regained our rightful place on the international scene, lead this country recognized as an economically strong nation, a country that is open to the future, because we will have left our Canadian youth with something good for the years to come, because we will have looked after social programs, health programs, because we will have ensured fairness to the provinces, because we will have negotiated with each one of them what is the best for them, rather than what we think is the best for them.

Then, Mr. Speaker, Canadians will be in a position to judge us on our record rather than on promises as the Liberals used to be so good at; Canadians then will judge our sterling performance and, finally, Mr. Speaker, they will say how much they appreciate what this Progressive Conservative Government has done to build a strong Canada, a just Canada, a fair Canada.

This is why, Mr. Speaker, looking at the whole issue, looking at the reason why we must move forward on a legislation such as Bill C-96, it is in order to make the Canadian people understand, and as a matter of fact Canadians do understand quite well. The problem in this House is with the two Opposition parties, they are slow at understanding. They find it difficult to understand, Mr. Speaker, that we are not here to waste time as they used to do when they were in power. We are here, Mr. Speaker, to put Canada back to work, and this is why we must approve a piece of legislation like Bill C-96, this is why I have risen a second time on this legislation to support the Minister of State (Finance) (Mrs. McDougall), to support the Minister of Finance (Mr. Wilson), to tell the Canadian people that, contrary to what the Liberals and the New Democrates are suggesting, the federal Government is not reducing transfer payments, but is rather providing a sensible increase, an increase it can afford, and this is what differentiates a responsible Government such as this one from an irresponsible Government as the Liberal had.

The Acting Speaker (Mr. Charest): Questions or comments. The Hon. Member for Outremont (Mrs. Pépin).

Mrs. Pépin: Mr. Speaker, I heard my colleague mention that Canadians would acknowledge that the Tory Government is fair and has improved financial conditions. I should like to ask him a question. When we look at the last Budget, at the way taxes are distributed, I feel that as far as equity is concerned low-income people are taxed more than the rich. Taxes have increased by 23 per cent for people earning between $15,000 and $20,000 and by 1 per cent for people earning between $100,000 and $200,000. Is that the equity to which my Tory colleague was referring a while ago?

Will Canadians remember that fact? If we look at the Budget, the low wage earners have been taxed and the price of drugs has gone up. Now, if somebody says that senior citizens with low incomes will remember the equity of the Tory Government, I fail to see whether my colleague is reffering to that matter.

Mr. Champagne (Champlain): Mr. Speaker, the Hon. Member for Outremont (Mrs. Pépin) should have consulted with her other colleagues, especially the former Minister of Finance from Quebec. She would have realized that our Government is much fairer than hers ever was on the subject of income tax. Do you remember, Mr. Speaker, that under the Liberals, people in the highest income brackets were not paying income tax? They do now, with our minimum tax system. Is the Hon. Member for Outremont trying to tell us that in the good old days, when the Liberals were in power, it was perfectly normal to give the rich a free ride and to make the poor foot the bill, because that is exactly what they did, Mr. Speaker? And today, she tells us our Budget isn't fair because we are making the rich pay. Mr. Speaker, the Hon. Member for Outremont is not being very consistent, and I may remind her that this Budget is doing the most for low-income families. They get the most out of this Budget because we are going to make advance payments, something the Liberals did not do. The child tax credit has been increased. Did the Liberals ever do that? And increased over and above the annual inflation rate, which is a net gain for low-income families, Mr. Speaker! Is the Hon. Member for Outremont trying to tell us that her Government had any consideration for the needy? Mr. Speaker, in 1981, the Liberals promised an allowance for widows and widowers between the ages of 60 and 64, but it took a duly elected Progressive Conservative Government to implement this measure. The Hon. Member for Outremont should listen to what I'm saying, because it's the truth, it's a fact.

Mr. Speaker, when we consider all the measures that have been taken in the social sphere since the Conservatives came to power, and we look at the cost-benefit balance, we see an economic climate that has improved as a result of a strong and durable recovery. Thousands of workers have gone back to their jobs, unlike what the Hon. Member for Outremont was saying when she commented that most of these jobs are part-time jobs. I don't know where she got her information, but according to mine, 83 per cent of the jobs created were permanent jobs. Mr. Speaker, we got rid of programs that had

students painting fences all summer long. We are putting them in jobs to match the kind of training they have received and prepare them for a career. The Liberals didn't do that Mr. Speaker. Since the Hon. Member for Outremont seemed unhappy about what is being done for women, if we look at the former Liberal programs, it is hard to find a program aimed at getting women back into the labour market. Mr. Speaker, how do we know the Hon. Member for Outremont is someone who defends the status of women? When the Liberal Government was in power, I don't remember hearing the Hon. Member for Outremont expressing her indignation at having a Government that felt no responsibility towards women. Today, we are introducing programs that are adapted to the situation of women on the labour market. I don't see why the Hon. Member for Outremont is so upset. She should rise in the House and applaud a Government that is responsible and that is serious about its responsibilities, unlike the former Liberal Government.

The Acting Speaker (Mr. Charest): A supplementary question. The Hon. Member for Outremont (Mrs. Pépin).

Mrs. Pépin: I should like to set the record straight for the Hon. Member for Champlain. The Liberal Government was one of the few administrations which ever passed legislation concerning women. If Canada is so far ahead in the field of legislation concerning women, it is due to the then Liberal Government. With respect to programs designed to integrate women into the labour force, I am sorry but they do not date back only to 1984, those programs were established long before that. You may very well say that you never heard me protest loudly when the Liberals were in office, but I was not a Government Member to begin with. Read your papers and your newspaper clippings, you will see that I was then among the first to criticize the Liberal Government when it did not treat women properly. That is why today I feel quite justified to criticize you, for I did criticize the Liberal Government when it was not doing its job

I can also tell you that when you said that the Liberal Government had been a bad administrator, that the social programs were terrible—What was the first thing the Conservative Government wanted to do after the Prime Minister (Mr. Mulroney) was quoted in the press as having said that the old age pensions were a sacred trust? You wanted to slash them! You did reduce family allowances! And now, as a result of your last Budget, in 1990 a family with two children and earning $15,000 a year will pay 23 per cent more in taxes. Taxes will go up only 13 per cent for a family with an annual income of $35,000, 8 per cent for those earning $50,000 a year, and 1 per cent for those earning $100,000 a year. This is the result of your Budget. Do not try to tell me that we did not do our job with our social programs. The first thing that your Government did after the election was to take an axe to them. I am sorry.

Mr. Champagne (Champlain): I shall be very brief, Mr. Speaker. We now see that someone who, before joining a political party, might be able to make fair and well-founded assessments, after joining a political party such as the Liberal Party, like the Hon. Member for Outremont (Mrs. Pépin) has done, can forget completely what this person always fought for before.

However, I shall remind her, Mr. Speaker—

Mrs. Pépin: I shall criticize you. I shall still criticize you.

Mr. Champagne (Champlain): —if she will just listen to me, Mr. Speaker, I shall remind her—

Mrs. Pépin: I shall criticize the federal Government because you are not doing your job.

Mr. Champagne (Champlain): —that the federal Progressive Conservative Government wanted to reform old age pensions to help those who need it the most. Indeed, Mr. Speaker, we never thought that someone like Pierre Elliott Trudeau should receive the same pension as the neediest person in a senior citizens' home. However, Mr. Speaker, the Liberals have never understood or accepted this—

Mrs. Pépin: It is not the Liberals, but the senior citizens themselves.

Mr. Champagne (Champlain): —and the worst thing is, Mr. Speaker, that they have led the Canadian population to believe that we wanted to punish the neediest even though it was the Liberals who had done so.

Mrs. Pépin: You did not keep your promises.

Mr. Hamelin: Thank you, Mr. Speaker, for letting me make this brief comment and ask a question to the Hon. Member who has made a truly passionate speech.

However, I would like to come back to the language used by the Hon. Member. I could say that I lost $1 million last week. I lost $1 million and I therefore have a shortfall of $1 million. It is true, because I bought a lottery ticket and did not win. I have therefore lost $1 million.

When the Members opposite say that there have been cutbacks in provincial transfer payments, I would like to tell them that, if the provinces had hoped to receive several million dollars and if they will in fact receive less, this is not a cutback, as my colleague has said, but an increase which, while perhaps not being as substantial as the provinces had hoped, will still be an increase. It is not like a lottery, where I lost and my million dollars is forever gone.

I would like to return to an aspect referred to by my colleague concerning the inflation rate as it relates to those transfer payments to the provinces. I would like him to amplify on that. In the sense that those transfer payments are increased by 5 per cent when the inflation rate now is only 4 per cent, while under the Liberals we had interest rates around 24 per cent and inflation rates around 10 to 12 per cent.

Could he explain that to us and to the people of Canada in a concrete way, so that people may understand the language of the truth, the Conservative language?

The Acting Speaker (Mr. Charest): The Hon. Member for Champlain (Mr. Champagne) very briefly—

Mr. Champagne (Champlain): Very briefly, Mr. Speaker, you know that if we took the time needed to explain, and anyway it has been explained. I believe our Ministers did that very aptly for the benefit of the Canadian people. But what I would like to remind my colleague for Charlevoix (Mr. Hamelin) of is this: During the last five years of Liberal rule, transfer payments to the provinces added up to $65 billion.

Over the next five Conservative years, transfers will come up to $90 billion. When they talk about cuts, I ask whether they can figure out the difference between 90 and 65. That difference is an extra $25 billion. This is a Conservative reality. This is a reality that will prevail in each province. This is an increae, but a rational increase, a responsible increase granted by a Government that no longer wants to unduly burden the Canadian people with additional indebtedness.

• (2010)

[*English*]

Mr. Murray Dorin (Edmonton West): Mr. Speaker, I am pleased to have an opportunity tonight to join in when one is nearing the end of a long debate on Bill C-96, an Act to amend the Fiscal Arrangements and Federal Post-Secondary and Health Contributions Act, 1977.

The Bill itself is very short. Although it is typical bureaucratese, governmentese, legalese, five or six pages long, the concept it attempts to achieve is simple, but really quite important. This Bill seeks to reduce the rate of growth of transfer payments in the aforementioned areas consistent with the Government's broad fiscal objectives.

While the title of the Bill speaks of post-secondary education and health, the objective of the Bill is, in reality, to address something quite different. First of all, I should remind all Members of the House that the commitment to this Government to health and post-secondary education remains as strong as ever. The EPF transfers continue to represent close to half of the provincial government expenditures in these areas, and it is our commitment to the maintenance of such programs as health care and post-secondary education that has brought this Bill before us today.

I want to speak today on behalf of this Bill, present a case for it, and respond to some of the very irresponsible and, I believe, incorrect arguments that have been put forward by some Members in the Opposition. I said that this Bill is really a part of the Government's over-all fiscal plan and, I think, therefore, it is important to outline briefly how the Bill fits into that plan.

Let us consider our number one economic problem—the public debt, the root cause of high unemployment, high interest rates and lack of Government fiscal flexibility. Some Members of the Opposition do not accept this. They suggest that we can continue to run huge deficits, borrow more and more to finance our expenditures, without considering the impact that this has on us, both now and in the future. This simply is not responsible.

The Minister of Finance (Mr. Wilson) in his Economic Statement of November, 1984, outlined the problem quite clearly. He stated that many Canadians have taken on heavy debt loads in the form of a personal mortgage or a personal loan, but they have done so in the belief that their incomes would rise more rapidly than their debts and the cost of carrying that debt. However, if our debts and interest payments continue year after year to grow faster than our incomes, we know we have a problem. If they continue to grow and reach a point where we have to start borrowing money just to pay the interest on our debts, we know we have a serious problem. This is the situation that the Government finds itself in today after the years of economic mismanagement and lack of responsibility of previous Governments.

Huge Government borrowing crowds out private sector investment and puts upward pressure on interest rates. The higher the rates, the more borrowing the Government will be forced to do in the future. It is a vicious circle, a dangerous treadmill that is crushing the vitality of the economy.

In his speech before the Investment Dealers Association in Quebec following his May 1985 Budget, the Minister of Finance elaborated on the problem when he said that as a nation we must improve the health and performance of our economy if we are to be able to continue to afford the social and economic programs that we have grown to enjoy and expect. The Budget aims first and foremost at improving that economic performance. In future Budgets we can make adjustments to Government programs as the financial position of the economy and the Government permits.

• (2020)

Investment can be described as a decision to forgo some immediate expenditure today in the confidence that the investment will build a stronger and more productive life in the future. There are not many investment decisions that are taken solely as a result of cold calculation. Confidence in the future is, in many cases, the deciding factor. That is why our Government set out to rebuild the confidence that Canadians have in this country, their Government and themselves. Part of the rebuilding process is to demonstrate to ourselves that we can control our national debt. But this means that we must all participate in that effort.

Let us consider what alternatives we have in responding to this problem and why this Bill today must be one of them. The Government's current expenditures, as Members will know, are just over $100 billion per year. As I said, one quarter of this, some $27 billion this year, goes for interest alone on that debt. The only real tool we have in reducing this is to try to reduce interest rates which, in turn, means trying to control

expenditures. Of the remaining amount, approximately $69 billion is transfer payments made in accordance with existing legislation, and approximately $37.5 billion is expenditures on which Parliament is asked to vote.

It is these voted expenditures over which the Government has the most direct control. For the second year in a row, the rate of growth in these expenditures has been zero. That is the first time since the end of the Korean war that there has been such a low rate of growth for two years in a row.

Virtually all departments and agencies of Government have had budget reductions. For non-defence departments and agencies, total expenditures have been reduced by $400 million, to $14 billion. That is a 3 per cent reduction. Payments to Crown corporations have been reduced 8 per cent, which is some $366 million. Subsidies have been reduced by $1 billion, which is a 31 per cent reduction.

Let me give some examples of what this means. For instance, 15,000 positions are being eliminated from the Public Service by the end of the decade, including 5,000 in 1986-87. Diplomatic posts have been closed in foreign countries and programs, such as the Canadian Home Insulation Program, the Petroleum Incentives Program, the Petroleum Compensation Program, Katimavik and the Shipbuilding Industry Assistance Program have been eliminated. Subsidies to Via Rail, Canada Mortgage and Housing, CN Marine and CBC have been reduced. Crown corporations, including de Havilland, Northern Transportation and Canada Development Corporation, have been sold while Canagrex and others have been wound up. The salaries for senior public servants and equivalent political staff have been frozen until April, 1987.

The new President of Canada Post has been asked to submit a plan to make the Post Office self-sufficient by the end of 1986-87. The rate of growth of official development assistance spending wil be reduced by $83 million in 1986-87 and $205 million in 1987-88.

In other words, discretionary expenditures, those on which Parliament votes and the Government has direct control, excepting defence and foreign aid, are declining by an average of 4.2 per cent this year. This is a demonstration of the Government's commitment to increase efficiency and expenditure reduction.

However, this is not enough. We cannot make significant savings without examining transfer payments and social programs, which represent nearly one-half of total federal Government spending. Members of the House will recall the debate on Old Age Security benefits, which are currently almost $14 billion per year in total. Demonstrating its responsiveness to public input concerning senior citizens in this country, the Government has chosen to maintain these intact. Family allowances account for another $2.5 billion. Earlier this year, Parliament passed a Bill limiting the indexation of family allowances to inflation in excess of 3 per cent. As well, all Members of the House are aware of changes that have been made in the Unemployment Insurance Program and the fact that it is being currently reviewed by the Forget Commission.

This brings us to federal expenditures that we are discussing today in Bill C-96, which are transfer payments to other levels of Government. This year, those payments will amount to roughly $20 billion or 20 per cent of direct federal Government spending, and an additional $7 billion in tax transfers.

In his May, 1985 Budget speech, the Minister of Finance announced his intention in this area. He said, as reported at page 5020 of *Hansard* on May 23, 1985:

> To spread the burden of expenditure reduction fairly, the government will also be seeking to limit the rate of growth of transfers to provinces to yield annual savings of $2 billion by the end of the decade. There will be no absolute reduction in federal transfers.
>
> Even after this adjustment, federal transfers to provincial governments will grow signficantly over the balance of this decade. In 1990-91, they would represent about the same share of total program expenditures as they do today.

Following the Budget, the Minister consulted with provincial colleagues on how best to achieve this goal.

On December 13, 1985, at the First Ministers Conference in Halifax, the option selected was to amend the formula for the calculation of Established Programs Financing increments to a three year moving average of increases in nominal GNP less 2 per cent. This Bill implements that decision. Beginning April 1, 1986, EPF transfers will continue to grow as they do now, that is, according to the GNP and population, but at 2 percentage points less.

I should point out that Established Programs Financing is one of three major federal transfer programs to provinces and municipalities. Total transfers amount to approximately $27 billion, of which $20 billion will be in cash and an additional $7 billion in the form of tax transfers, whereby the federal Government reduces its tax rates so provincial governments may increase theirs by corresponding amounts. Of these transfers, EPF is the largest with $9 billion in cash and $6.3 billion in tax transfers, for a total of $15.3 billion. Equalization in the form of cash grants amounts to an additional $5 billion.

The fundamental goal of the equalization program is to ensure that provincial governments have the capacity to provide their residents with reasonably comparable levels of service at reasonably comparable levels of taxation. Furthermore, under the Canada Assistance Plan, the federal Government provides an additional $3.9 billion in cash and $400 million in tax transfers for a total of $4.3 billion. The Canada Assistance Plan is a cost-sharing program in which the federal Government shares 50 per cent of the cost incurred by provinces and municipalities to provide financial assistance and welfare service programs. There are a number of additional transfers amounting to some $2.3 billion in transfers, representing various other forms of cost-sharing arrangements.

Let me outline briefly the history of Established Programs Financing and what has happened over the past 10 years. The federal Government has been contributing to the financing of provincial hospital insurance programs since 1958. Federal transfers to provincial Governments for post-secondary

education were introduced in 1967. The jointly financed medical care insurance program was established in 1968. Until 1977, transfer payments for these programs were made under cost-sharing arrangements. Federal transfers were based on provincial Government expenditures, on medical care hospital insurance and on operating costs of post-secondary education institutions. The federal share was roughly 50 per cent overall, with variations from province to province, depending on the specific sharing form for each program.

In 1977, the financial arrangements for these estalished programs were changed so that the federal share was no longer determined by provincial expenditures, rather it was determined by federal per capita transfers for health and post-secondary education in a base year, escalated by the rate of growth of the Gross National Product per capita and each province's population. Thus, the current EPF arrangements involve a block fund which provinces allocate to their health and post-secondary education programs as they see fit.

The Bill providing for these payments was introduced by the Hon. Donald Macdonald, Minister of Finance at the time. During the negotiations, Mr. Macdonald stated that the federal Government believed it was essential that equalization payments grow at a rate within the ability of taxpayers to finance.

• (2030)

In a speech introducing the Bill in the House, he stated, "Much of the discussion and debate over the past year and a half stemmed from obvious differences in opinion. We at the federal level believe that the national Government must preserve enough fiscal resources to redistribute income to persons and regions, to stabilize the economy and to continue to help finance the services Canadians in all parts of the country need and deserve". I would suggest that those statements by Mr. Macdonald, a Liberal Minister of Finance 10 years ago, are even more true today.

I have some budgetary information comparing the fiscal positions of the provincial Governments with that of the federal Government. For the most recent year available, 1985, the provinces and territories, in total, had gross general revenue of $93.3 billion and gross general expenditure of $95.8 billion, for a net deficit of $2.5 billion. Total combined expenditures of the provinces then were almost exactly equal to those of the federal Government. If, however, we consider the $20 billion that is directly transferred to the provinces, we can see that in fact the provincial government expenditures are substantially larger than those of the federal Government.

We are often led to believe that the provinces are the poor cousins of the federal Government; but while, in fact, their numbers are individually less, their total fiscal impact and expenditures are substantially greater. In view of this, and in view of the tenacity with which the federal Government is not only controlling but also reducing the levels of government expenditure, it would seem only reasonable that all partners in Canadian society be asked to contribute.

Hon. Members of the House must understand that we are not talking about cuts here. As I pointed out, they will continue to grow at a substantial rate. Additionally, the provinces will derive significant revenue increases in future years due to the measures contained in the last two federal Budgets and as tax revenues rise along with a healthy and growing economy.

I know that even members of the Opposition are beginning to recognize the seriousness of the deficit. I note that the Hon. Member for Cochrane—Superior (Mr. Penner) is in the House. It was only a month or so ago that he, a member of the Liberal Party, spoke of the seriousness of the deficit and the serious financial situation of the federal Government. He suggested that the Liberal Party should consider redefining the principle of universality in order to save money on costly social programs. With the adoption of this new policy position by the Liberal Party, I am sure its members will be eager to support the Bill.

In conclusion, I would like to say that to date, we have had considerable success in reducing the deficit and slowing the rate of increase of the national debt. However, there is much work left to be done. The deficit remains the greatest threat to our economic recovery, to job creation and to investor and consumer confidence. The deficit remains a serious problem and one we must address with every means at our disposal. Bill C-96 is one more measure that the Government is taking to deal with the problem, and it deserves the support of all Hon. Members.

Some Hon. Members: Hear, hear!

[*Translation*]

The Acting Speaker (Mr. Charest): Questions or comments. The Hon. Member for Outremont (Mrs. Pépin).

Mrs. Pépin: Mr. Speaker, I would like to ask my Conservative colleague whether he agrees with what the Minsiter of Finance (Mr. Wilson) had to say on March 23, 1982, when he was finance critic: "The only sign it shows of cutting spending is shifting the burden of the established programs funding on to the provincial governments. The provinces are now moving into a deficity position, a position which will make it more difficult for them to finance this shift in spending. This is true particularly in Ontario and in the eastern provinces which do not have the substantial energy revenues of most of the western provinces. That is not co-operative federalism. That is predatory federalism, and it will not and cannot work in this country.

This is what the Minister of Finance stated in 1982. He went on:

"Taking the action of unilaterally cutting the financing, which the government is now proposing, and then having some discussions with the provinces, surely puts the cart before the horse. We should be reversing this procedure." Such were the remarks the Minister of Finance was directing at the Liberal Government at the time he was the Official Opposition's

Finance critic. Now, the Conservative Government is doing exactly the opposite of what he was saying in 1982. So I am asking my honourable colleague this: Does he agree with what the Minister of Finance said at the time?

[*English*]

Mr. Dorin: Mr. Speaker, I would simply like to point out a few things to the Hon. Member in response to her question. The first is that during the period since 1982, we have seen federal budget deficits in the neighbourhood of $30 billion, $35 billion, $37 billion a year. We have seen the budget deficit grow to such an extent that, quite frankly, I am not sure that looking back to what the situation was in 1982 will give us much help in deciding what to do today. Notwithstanding that, however, I want to remind the Hon. Member, as I pointed out in my speech, that the Minister of Finance indicated, at least beginning in his first Budget in May of 1985, his intention to consider that area. He went on to discuss with the provinces how best to achieve the goal, and a decision was reached with the provinces that if this must be one of the tools to meet the goal of deficit reduction, then the means that was the most fair to all concerned was the formula that was derived on December 13, 1985, in Halifax.

[*Translation*]

The Acting Speaker (Mr. Charest): Questions or comments. The Hon. Member for Outremont (Mrs. Pépin).

Mrs. Pépin: Mr. Speaker, I want to repeat my question, because I believe the Hon. Member has failed to answer it. At the time, the Federal Government had made a unilateral decision concerning equalization payments and had imposed it on the provinces; Mr. Wilson, then the Finance critic of the Official Opposition, had claimed that taking the action of unilaterally cutting the financing, as the Government was then proposing, and then having some discussions with the provinces, was putting the carts before the horse. He suggested that the government should have reversed this procedure. My question, therefore, is this: Do you agree with what the Minister of Finance (Mr. Wilson) said at the time? How could you justify that he was right saying what he was saying at the time when he is now doing the opposite of what he was saying then? To reduce the deficit, he is now cutting back in health care and education programs, while trying to bail out banks, for instance. How do you explain that?

[*English*]

Mr. Dorin: Mr. Speaker, perhaps I should try to explain it, in another way, one more time. The Minister of Finance, in advance of his first Budget in May of 1985, conducted extensive consultation with the provinces; in fact, not just with the provinces but also with representatives of business and labour, all sectors of the economy and all interested groups. He conducted those consultations in putting together what was his first Budget. In that Budget, he included some specific measures over which the federal Government had direct control, and he indicated his desire to make adjustments to some areas where there were influences of the provinces.

Between the two Budgets, the tax measures and the measures to improve the health of the economy in general will result in millions of dollars in net provincial gains to provincial Governments. I might just point out a couple of ways in which that will happen. First, any increase in personal taxes—because the provinces levy their share of tax as a percentage of the federal tax—will automatically increase provincial revenues. In addition, the sales taxes of the federal Government will cause the provincial sales tax to increase because, again, they are a percentage of the final selling price. Therefore, I believe that in examining the Bill, we must consider the total fiscal impact, the total contribution that will be made to the provinces by the federal Government, not just through the Bill, but through all other Bills and all other fiscal measures that the Minister has included in his two Budgets.

Mr. Foster: Mr. Speaker, I would just like to ask the Hon. Member for Edmonton West (Mr. Dorin) about the EPF funding Bill, Bill C-96, because it certainly is clear that this represents a tremendous cut-back in funding for hospitals. I have a presentation that was made by the Province of Manitoba, and I understand that New Brunswick made similar representations.

• (2040)

Clearly, all provincial Governments are being slammed by this Bill. The presentation to which I have referred points out that the federal Government has money for other things. For instance, it points out that the Government has been able to provide funding of $1 billion for bank bail-outs; $2 billion in capital gains and other tax breaks favouring the wealthy; more than $1.6 billion in corporation income tax tax reductions; and $3.5 billion to increase defence spending by 35 per cent to $12.6 billion by 1990-91.

In this presentation the impacts of Bill C-96 are looked into. It is pointed out in some detail that by 1990-91 the federal share of EPF will have dropped to 36 per cent from the current level of 43 per cent, which represents a reduction of 7 per cent. This is not a contribution to someone off in another land. It is funding for provincial Governments which have relatively smaller tax bases than does the federal Government.

I am interested to know if the Hon. Member feels that a cut-back of 7 per cent in the EPF is justified during that four-year period, especially for provinces such as Alberta which is facing cut-backs in terms of the amount of revenues it is receiving? The Province of Alberta would have had about 80 per cent of the exploration and development in the petroleum industry this year. Yet that exploration and development has been cut back from $11 billion to $6 billion, which represents a $5 billion reduction. Of that $6 billion amount, about half of it has been expended. Some $3 billion was expended in the first three months of the year. That leaves only $3 billion for oil and gas exploration in the last nine months of the year.

Provinces such as Alberta are facing tremendous cut-backs in terms of revenues. I believe it faces a deficit of $2 billion or $2.5 billion. If the yardstick of $1 billion worth of oil and gas

exploration generates some 30,000 jobs, then that province is probably looking at the loss of 100,000 jobs. People who are not working do not pay taxes. So provinces such as Alberta will face special hardships during the next couple of years.

I am interested to know if the Hon. Member who has spoken in favour of Bill C-96 feels that it is fair to provinces such as Alberta to suffer a 7 per cent reduction in the EPF from the federal Government during the next three or four years?

Mr. Dorin: Mr. Speaker, I know I have but a few minutes in which to respond to the Hon. Member's question. First, I take exception with the 7 per cent reduction figure which the Hon. Member has put forward. In fact, there is no reduction at all.

I am glad the Hon. Member has raised the issue of the very serious economic problems we face in the Province of Alberta, because they are serious. People are losing their jobs and their homes. I am glad to know that when we bring forward measures to try to deal with those problems, he will be supportive of our efforts.

The Hon. Member mentioned the question of banks and bank bail-outs. I would like to remind the Hon. Member that it was not the banks that were bailed out—they are long gone. It is the people who were reimbursed, the depositors of those banks who, for the most part, were municipalities, hospital boards, credit unions, people who if they had not been reimbursed would have had to go bankrupt themselves. That would have put more people out of work. Other sources of revenue would have had to be found to replace those revenues. Property taxes and other taxes would have had to be raised.

I know the Hon. Member will recognize that the federal Government took its responsibility seriously at a time when the economic recovery in Alberta was critical. It was felt that a blow of $1 billion to the economy simply could not have been withstood. That points out that in order to maintain any ability on the part of the federal Government to respond to fiscal situations, situations of economic disasters or crop failures, it must maintain an element of fiscal soundness in order to have the ability to respond. If we reach a point at which we no longer have the ability to use our revenue base, either to respond to serious economic problems or to serious social problems such as health care, education, research and development, then that would be a situation we would not want to leave to our followers.

I believe it is important for the Government to take these measures now to prevent that from happening. That is why this Bill has been brought forward. I believe I have made my case, and I do not have to repeat it.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, let me begin by saying to the Hon. Member for Edmonton West (Mr. Dorin) that if he thinks we are debating tonight some sort of anti-deficit measure, then he has failed to comprehend the nature of Bill C-96. In no way is this Bill an anti-deficit measure. That has been pointed out by spokespersons from the Hon. Member's own Party. What this measure does is take some of the federal deficit and transfer it to the provinces. From my point of view, that is no way to solve the problem. The Hon. Member has made his argument on a rather faulty premise.

My concerns with Bill C-96 are not some ideas which have been hatched over here in the Opposition. An overwhelming amount of evidence very clearly indicates that the passage and implementation of Bill C-96 is bound to have a deleterious effect on the financing, the availability and quality of health care for Canadians. That idea was not hatched on this side of the House. That is the testimony that has been received by Parliament. We on this side of the House would be irresponsible if we did not repeat that again and again. We must convince the Government that to take a Bill such as this, which undermines the health care system in Canada, is a measure that deserves every bit of opposition that can be mustered.

It is the poorest provinces in the country, those with less than the national average fiscal capacity, those provinces which are less capable of compensating for the reduced level of federal support from their own revenues, which will suffer the most. I think certain Members of Parliament from Atlantic Canada ought to be particularly concerned with Bill C-96. Much of the testimony on the negative side with respect to Bill C-96 came from that region of the country.

This proposed reduction, or this reduced level of increased financing—it is almost a *double entendre*—is an agreement to increase financing. That agreement has been broken. It has been broken unilaterally by the federal Government. This reduction comes at a time when demographics clearly show that we are facing an aging population and a concomitant increase in demand for health care services.

Is the Government seriously saying to the country that we cannot afford the costs of new medical technology? Is the Government really saying that we can continue to live with outdated hospital facilities and that they cannot be replaced? Is the Government saying to Canadians that new services made possible by medical research are beyond our means? That is the message I get from Bill C-96 and it is a message that I do not like.

• (2050)

Bill C-96 clearly contradicts what the Minister of National Health and Welfare (Mr. Epp) has been saying in other forums and in other parts of the country. For example, on June 17 of this year, the Minister of Health, speaking in Vancouver to the Canadian Public Health Association, said: "I took office with a commitment to health promotion". I suggest that without delay, the Minister of Health issue an erratum saying: "I wanted to work for the promotion of health when I accepted this portfolio". We would have difficulty disputing that. He is a man who is well meaning. His erratum could go on to say: "I wanted to but the Minister of Finance (Mr. Wilson) forced Bill C-96 upon me and I am no longer able to promote a better health care system in Canada".

When we pass Bill C-96, we had better realize that we are going to deliver to the health care system of Canada a severe body blow. When the Minister of Health spoke out in Vancouver, he knew full well what the effects of Bill C-96 would be. If he knew that he was undermining the health care system by refusing to transfer significant sums of money to be used in that system, what then did he say when he spoke to a group of people who are concerned about health care?

After Bill C-96 becomes law, we are going to have a poorer system of health care but the Minister of Health said that his number one goal is to strengthen self-care practices among Canadians. He said that the first and most frequent form of health care is the care that people provide for themselves. I suggest that that is the kind of health care we will have in a post-Bill C-96 world. Canadians had better learn self-care practices and had better learn how to become their own physicians. The Minister said in Vancouver that his policy is to strengthen the motivation, the skill and the confidence of people to care for themselves. That is the brave new world of health care after Bill C-96. Canadians have to look after themselves because there will be fewer people in the health care field, facilities will be poorer and technology will be out of date.

The Minister said that Canadians have to take care of themselves but he has another goal. The other goal is self-help or mutual support. That is the answer to the problems which will be created by Bill C-96. He is telling Canadians to get active in the self-help movement. I do not know exactly what this means. I suppose it means that if a Canadian is facing one of life's crises, if he is sick, dying or incapacitated in one way or another, he cannot look to the health care system for help so he will look around to see if there is someone who will hold his hand for a while. If he cannot find anyone like that, I suppose the only other choice is to hold his own hand.

No, Mr. Speaker, I am distressed that Parliament, in the name of fighting the deficit, would attack one of the best health care systems in the world. We can afford to have the best health care system in the world. Any measures taken by Parliament to undermine that health care system must, I think, be vigorously opposed.

For my second point, I would like to say that I am not for a moment suggesting that the Established Programs Financing agreement that now exists is perfect in every respect. When it opens up for renegotiation, I think there are some changes that could be introduced. However, we should not break into the program in the middle of it and unilaterally change it. We should wait until the agreement comes to an end and then make some changes at that time.

There is one area, for example, which I would like to re-examine at the time the agreement comes open. We know that the poorest quality of health care in Canada is delivered to the Indian people of Canada. Every time this is pointed out, the federal Government indicates that there is truth in that but it does not have enough money available to provide quality health care to Indian people who live in remote communities in the far-flung regions of Canada.

One of the problems with EPF is that the provinces receive money through that transfer program on behalf of native people. In other words, native people are included in the demographic calculations. The provinces receive money based on the number of Indian or native people who reside within those provinces and yet they deliver few if any at all health care services to native people.

If the Government were saying to me that since Bill C-96 provides for less money to flow to the provinces, those withheld funds would be used to build a first-class health care system for Indian people, that would mute much of my opposition. That would certainly pull the rug out from under me to a certain extent, would it not, Mr. Speaker? However, I have not heard a single Minister or Member of Parliament from the other side tell me that with the withheld EPF funds, the Government will build a better health care system for native people. That argument has never been used to justify Bill C-96.

For my third point, I would like to say a word about how the legislation that is now at third reading stage with the guillotine on and closure imposed will affect education. Hon. Members will note I did not say post-secondary education, I said education. I said that because we heard testimony with respect to Bill C-96, particularly from the Canadian Teachers' Federation, showing that by increasing the competition for resources at the provincial level, the proposed cut-backs will inevitably have adverse spill-over or domino effects on the funding of elementary and secondary education. While some of us may have thought that Bill C-96 would adversely affect our post-secondary institutions, we now know that it will go beyond that.

It is serious enough that the Bill affects post-secondary education. Our post-secondary educational system is beginning to crumble. Did you know, Mr. Speaker, that there is no longer a world-class university in Canada?

Mr. Oberle: When did we ever have one?

Mr. Penner: My hon. friend asked when we ever had one. Does he not believe that the University of Toronto or McGill were at one time world-class universities? Now they are not. Bill C-96 will add to that crumbling effect. Not only will Bill C-96 affect our universities and colleges, it will affect the entire educational system everywhere.

• (2100)

I should like to quote from the brief of the Canadian Teachers' Federation in respect of the direct effects on post-secondary education. They indicated the following to Parliament:

> The universities and other post-secondary institutions of this country are an important part of the educational pyramid of which elementary and secondary education forms the base. Adequately funded post-secondary institutions are absolutely vital to Canada's social, economic and cultural development.

To cut back on the national commitment to the funding of post-secondary education will short change future generations of young people whose education will suffer as a result. On a broader plane, Canada's ability to survive and prosper in more and more competitive world markets will be impaired. At a time when the universities and other post-secondary institutions have already been severely squeezed by provincial budgetary restraints and growth in enrolments, it seems socially regressive and economically short-sighted to cut back on the federal commitment to funding of post-secondary education.

I see Your Honour signalling that my time is up. In conclusion, Bill C-96 is a fatal error of the Government. It is attacking the health care system in which Canadians have taken such great pride. It is attacking the post-secondary educational system which has already been suffering and needs direct assistance and support as it has never needed them before.

We have no way of stopping Bill C-96. It is under the guillotine; it is under closure. I believe the effects of the Bill will be around for a long time, and I believe the effects of this piece of legislation will come back to haunt and to plague members of the Party opposite who supported it and in fact even went so far as to bring in a closure motion to get it passed.

The Acting Speaker (Mr. Ricard): Questions or comments. On debate, the Hon. Member for Guelph (Mr. Winegard).

Mr. William C. Winegard (Guelph): Mr. Speaker, the debate today has been an interesting one. It is not a debate which everyone in the House really wanted to see take place—

Mr. Benjamin: On a point of order, Mr. Speaker—

The Acting Speaker (Mr. Ricard): Does the Hon. Member want to raise a point of order?

Mr. Benjamin: I rise on a slight point of order. I think if Your Honour checks your list, you might have missed something.

The Acting Speaker (Mr. Ricard): I do not think that is a point of order. I do not have a list of the opposition speakers in front of me, so it is very difficult for me to recognize anyone who did not point out to the Chair that he wanted to speak.

Mr. Benjamin: Mr. Speaker, I am sorry, but I am talking about the list of the numbers used by the Chair, not a list sent by any Party. I invite the Chair to reconsider who it recognizes next. In fact, when you called for speakers on debate, I was standing up.

[*Translation*]

Mr. Prud'homme: I could move a motion calling for the Hon. Member for Regina-West (Mr. Benjamin) to be now heard, if you wish, but I will not do so officially.

[*English*]

The Acting Speaker (Mr. Ricard): Since the last speaker was a member of the Liberal Party, I think the next speaker may be somebody from the Government side.

Mr. Benjamin: You just had two from over there.

The Acting Speaker (Mr. Ricard): I will be in a position to recognize the Hon. Member right after the Hon. Member for Guelph (Mr. Winegard), if that is what you want.

Mr. Foster: No only do they want closure; they want to put up every speaker.

The Acting Speaker (Mr. Ricard): Order, please. The Hon. Member for Guelph has the floor.

Mr. Winegard: Mr. Speaker, this has been an interesting debate. As I said earlier, it is not a debate which anyone in the House really wanted to see take place, but sooner or later it had to come. The Government is committed to returning the country to fiscal reality, a fiscal reality which has evaded all Governments of Canada for over 20 years.

Let us look at the Bill before us. Does it cut transfers to the provinces? The answer to that question is a clear no. It slows the rate of growth, and that has been admitted many times on the floor of the House today. It slows it to 5 per cent per year in a period when the Consumer Price Index is increasing at about 4 per cent per year. Is that so terrible?

Is it so terrible to ask the provinces to hold the line as we are trying to hold the line? Is it so difficult or is it so heartless to say that the federal Government of Canada will continue to pay one-half of all insured health care costs? Is it so heartless to say that the federal Government will continue to pay one-half of all operating costs of post-secondary institutions?

Let us look at some of the figures for just a moment and challenge some of the things which have been said by my colleagues to my left, particularly in respect of post-secondary education. It is true now, and it will continue to be true, that the federal Government pays over 50 per cent of all operating costs of colleges and universities in the country. When we consider that students pay 15 per cent, the provinces have been paying 35 per cent. In some instances they have not even been paying that so the federal Government has been paying substantially more than 50 per cent.

We should tell the people the facts. Do they know the split in university and post-secondary spending? I do not think so. From what we heard today, one would think that changing the rate of the EPF would destroy the post-secondary system. What utter nonsense!

Do the people know what happened to funding in universities over the last few years? Do they know that most of the provinces have not put in the money which has been transferred ? Do they know the amount of money which has been transferred every year under EPF and the percentage increases?

Members of the House know that the provinces have not been using that money for post-secondary education. The figures are available. We can ask the Association of Universities and Colleges of Canada what have been the federal

transfers and what have been the percentages of increases to the universities. My riding is in the heart of southern Ontario.

Mr. Prud'homme: It is rich.

Mr. Winegard: Rich is right. It is rich in spirit, rich in morality, and rich because the people work hard. Let me look at Ontario because that is what interests me first. In 1985-86 federal transfers were $5.636 billion. In 1986-87 federal transfers will be $6 billion. That is an approximate $400 million increase in one year; $364 million to be precise. That is not too bad. I do not think that amount is too low, considering where the CPI is now. There is no doubt at all that it was not what they expected. I am not sure any of us will have our expectations fulfilled for the next several years. That is what is wrong. Alice must come out of the Wonderland sometime, Sir. It is time. What is the reality that all Canadians must face? They have to face an operating budget in Canada of over $100 billion, one-third of which each year we cannot pay.

• (2110)

There was no sign of change in sight when we came here two years ago. The answer to everything was: "Increase your spending and increase the deficit". A philosophy: "If it has to be done, let government do it." There was disdain for private enterprise; no plans to reduce interest rates; no plans to increase the number of jobs except, of course, through government action and government spending. There was no thought for the long-term future of Canada, only thought for short term political gain. There was no thought for the economic health of our country, for the future of our young and for the future of the aged. That is the legacy of the past. Someone had to say "enough" and thank goodness the Minister of Finance (Mr. Wilson) with the full backing of the Prime Minister (Mr. Mulroney) has had the courage to ignore short-term politics, to look ahead to see the horizon and to say Canada needs and wants a fiscal plan, a plan for all Canadians. We do not need to drift forever aimlessly in a sea of Liberal mortgages on our future. Every program must be examined. None are sacrosanct.

Statutory programs will grow at the rate of at the most 3.8 per cent a year for the remainder of this decade. Non-statutory programs will grow at the rate of 2.7 per cent a year, if that, all in a period of 4 per cent inflation. If we look at the EPF, it will increase 5 per cent a year. That is what the hullaballoo is about here today. Surely that indicates a desire to help the provinces.

We have heard from some of our opposition colleagues during this debate, a debate which I remind you, Sir, has had well over 130 speakers. That is hardly muzzling Parliament. They have said that unless one continues to spend at the same rate as in the past, that everything will collapse. They have joked about our attempt to find national consensus, a national purpose again. They have said the opportunity for the young will be lost, that students will stay out of post-secondary institutions and that health care will suffer. I understand these comments. I understand the well meaning but in my opinion it is a misguided mentality that promotes such concepts. I do not agree one bit because I have more faith in Canadians.

I have more faith in our post-secondary educational institutions than some of my colleagues apparently. The institutions will find new and better ways to do things. They are finding ways to do things differently even now. They will rationlize. They are saying to the provinces: "Give us our share of the funds that you are receiving from the federal Government. You have not been doing this for years. Do it now". They are saying to the provinces: "Tell us now what you will give us over the next five years. The federal Government has told you. You now tell us, please." If the provinces would do so, the institutions would know how to respond.

Managers can manage if they know what their income is going to be. They can be innovative, and the post-secondary institutions have proven that time and time again. The health care system can manage. It will find priorities if the system knows what the future is.

There are ways of delivering health care that are different from those we have now. There are many experiments going on in the world. Some of those experiments are proving that good health care can be provided at less cost than we have now. We have said that we can afford, and I agree with my hon. colleague who said that we can afford, the best health care system. I think we can. However, my concern is that that does not mean the existing health care system, nor does it mean the existing post-secondary educational system. You do not obtain the best by extrapolating the past. The old ways required enormous sums of money. Why, Mr. Speaker? Because this country, like many others, has relied on tertiary health care for years. In other words, you do not do anything until it is time to put people in the hospital.

It is the hospitals, the technology and the testing that is costing us so much. It is not the doctors—and I say that to my colleagues on the far left—who cost the system so much money, it is the other end of the health care spectrum. We all know that. We all know too that even the professionals know. They know that you cannot extrapolate the health care costs of this country. There have to be some changes. Those changes will be found. It is the financial pressure which they are going to feel. There is no question about that, but some of that financial pressure can be turned to useful and innovative purposes.

I am not one who believes that you follow slavelessly the past to find the future. I believe you look for something different, ways to challenge the system, ways to make it better. You do not make it better by building more. You make it better by change. I have no hesitation in telling my colleagues in the health care system, and I know some of them well, or my colleagues in the post-secondary institutions that I know they can do it. It will be their contribution in getting this country out of the morass that we are now in. I know they will respond to the challenge as they have always responded because they are Canadians.

Mr. Les Benjamin (Regina West): Mr. Speaker, I want to join in this debate, and I have to confess to the House in case some of my hon. colleagues did not have the privilege of hearing me before, that this is my fourth time. I attempted on the previous three occasions to try, at least with my limited capacity of humour, to humour them into doing the right thing, to try to live up to their own words and their own commitments.

There is a longstanding phrase going back many decades and centuries that says: "A man is as good as his word." Today we would say "A person is as good as their word." Of course, that expression implies that if you give your word, whether you are an individual, a corporation, a political party, or a government, you must be as good as your word. I refer to the words and the word of the Party of the Government in power and the word of the present Prime Minister (Mr. Mulroney) when he was Leader of the Official Opposition. They gave their word in the media and in their own literature that the Conservative Party would return to the 1977 funding formula for post-secondary education and health care. No one in the country of any political persuasion disagreed with that.

• (2120)

The outfit that started all this was the Liberal Party when it was in power. The Liberals were the ones who wrecked the 1977 formula. I am glad they are having death-bed repentances. I appreciate the remarks of my colleagues to my immediate right. They are nice enough to admit in a roundabout way that they were wrong then. They have repented.

The Conservatives and members of my Party fought tooth and nail in the Chamber to maintain the 1977 funding formula. The Conservative Official Opposition of that day screamed about it and the same Conservative Party is now compounding the felony. That proves what we have said for many years in this place, that there ain't no difference. They both take money from the rich and votes from the poor and then promise to protect them from each other. If you are not as good as your word, whether you are an individual or a government, you are not good. If a government is not prepared to stand by its word, it is not a good government.

The decreases in the increases in the amount of moneys the provinces can expect to receive to serve their citizens properly again makes it apparent that this Government, like the previous Government, knows the price of everything and the value of nothing.

I listened with horror to the pronouncements of the previous speaker, the Hon. Member for Edmonton West (Mr. Dorin). He presented himself well. From my perspective he looks like he is about 21, but he sounded like he is 91. These are the new R.B. Bennetts and Charlie Dunnings of this world out of the 1920s and dirty thirties.

I want to call as a witness one who is not a member or supporter of my Party or of the Official Opposition. He is a member and supporter of long standing of the governing Party. He is an honoured and respected citizen of this nation in many ways. I speak of the Hon. Mr. Justice Emmett Hall. He was speaking about funding for health care and secondary education and this drive for privatization, the move away from the responsibility of the nation and the citizenry as a whole. He said:

> With privatization will come drastically increased costs particularly in the hospital field.
>
> Canada now allocates 8.4 per cent of the GNP to all forms of health care. In the United States where privatization flourishes, it is 10.9 per cent for vastly inferior coverage.

That was not some raving socialist talking, that was Mr. Justice Emmett Hall. In this area the Government cries and pleads about the deficit. We have proposed several options that would result in no increase in the deficit. The nation would more equitably share in the funding required under the 50-50 formula for health care and education.

The Government is bringing in a minimum tax which the Prime Minister and my Leader agreed to during the last election campaign. If he and the Minister of Finance (Mr. Wilson) would add 1 per cent or even half of 1 per cent to that minimum tax, they will have all the funding they need to maintain and implement the 50-50 formula.

We have proposed another alternative which would not increase the deficit. The Government could charge only 3 per cent interest on deferred corporation taxes which now amount to approximately $35 billion on the books of the nation. It would collect $1 billion in interest, which would more than maintain the 50-50 formula. Once such a tax were imposed, you would be surprised at how fast corporations would pay their deferred corporation taxes. Otherwise none of it will be collected. My colleague, the Member for Kamloops—Shuswap (Mr. Riis) proposed three or four other options to maintain the level that the Conservtive Party, the Liberal Party, and my Party all agreed to—a 50-50 sharing.

I look upon my friend, the Member for Prince George—Bulkley Valley (Mr. McCuish) as a man of his word. I expect him to insist that the Government to which he belongs lives up to its word. If its word is no good, the Government is no good. You are only as good as your word.

Aside from the decreases in the increases, it is apparent that the Government concerns itself little with the quality of services offered to the public or with the capacity of the provinces to improve and enlarge the hospital, university and medicare programs they presently have. Goodness knows, there is a lot more still to be done. The Government wants more done with less and calls that productivity. When you hinder universities, hospitals and medical care plans in their attempts to increase, improve and enlarge upon the services they can provide, that is not an increase in productivity.

• (2130)

Two people came to my office today about social housing. I asked what that had to do with medicare and secondary education. They said we have a lot of people who need to have

some level of social housing so they can be around to take advantage of secondary education opportunities, whether it is universities, federated Indian colleges, or community colleges. They said we do not have enough places to put these people. They wanted to know what the federal government policy was. They met with an official from the Minister's office this afternoon who blamed it on the provinces. When they met with the provinces, the provinces blamed it on the federal Government. It is called the old runaround.

More seriously, one of the contributing factors to the abhorrent spectacle we see in this province right now of doctors on strike is partly attributable to niggardly treatment by the federal Government starting in 1977 and continued by the present Government, and partly due to niggardly treatment by the provinces. I was on the scene in 1962 in Saskatchewan, and there is nothing new about what is going on in Ontario now. They lost then and they are going to lose now. I understand their arguments and I do not agree with them. However, for any Government, provincial or federal, or for any association like the Ontario Medical Association, to resort to methods which put people's lives at stake has to be and is an obscenity in a civilized society.

The Minister of Finance can bring in a Bill tomorrow which will take up one of the options we have offered. We will agree to put it through all stages in one day. It will have no effect on the deficit. It will maintain the 50-50 formula and earmark the taxes specifically for health care and secondary education. They could not be used for anything else. Of course, there is either evidence or suspicion that some provinces have been less than straightforward and honest about how they spend the money they get now. That tells me there is something wrong with the federal Government's auditing process. The Government has no one to blame but itself if some provinces did something else with the money. To let them get away with that is the fault of the federal administration and no one else.

The social costs of decisions made by this Government and by both private and public corporations return upon the provinces and the federal Government in other ways. I have only to illustrate the situation in Moncton. After listening to the management and officers of CN for three hours, I can tell you that a few years down the road the social costs, whether they be welfare or health treatment or secondary education or anything else, are going to fall on the backs of the municipalities in and around Moncton, the Province of New Brunswick, and federal taxpayers. The regime now in place, started by the Liberals and enlarged upon by the Conservatives, is a betrayal of what this Parliament did in the middle 1960s.

At that point we established a program which set an example for the world of how a nation of people working together can treat one another fairly and equitably no matter where they live or what their station in life is. I will not try and humour my friends on the Government side any longer. I am damned sick and tired of this. I put it to them point blank: Be as good as your word. If you are not going to stand by your word as a Party, or the word of your Prime Minister, you are not deserving of any kind of charity or civilized treatment. You have lowered the standards of these programs because of your hysteria about a deficit. What you do not understand is that to keep people healthy and educated is not an expense, it is an investment. A healthy, well-educated and trained population will work, earn money and pay taxes. The Government will get more back in taxes at all levels than the original cost. That has been proven time and time again.

Retaining the 50-50 formula is not an expense or an increase in the deficit, it is an investment in our nation and its people. It is an investment that will pay off repeatedly. Surely to God this Parliament will be bigger than what this Bill says. Surely this Parliament and the Government will say we are men and women of our word. We are a Party of our word. We will live up to our word. If they do that, they will have the support of all sides of this House and of the people of Canada.

It is now time to tell Members opposite to get off their backsides and live up to their word. If they do not like a national compulsory health care plan, why not say so? Why not have the courage of your secret convictions and say so? Why do you say from one side of your mouth that we will return to the 1977 formula and from the other side say the opposite? Surely any self-respecting Progressive Conservative will say to himself: "I am not going to hold still for that." Fellows like Tommy Douglas, John Diefenbaker, Lester Pearson and Mr. Justice Emmett Hall, and scores of other people like them, brought about the 50-50 sharing among all the people of Canada. Surely we cannot let what they did go for nothing.

• (2140)

I hope this Government will reconsider, and if not today, in the last dying days of this session of Parliament. Other Governments have learned from their bitter experience. I want to be kind to my friends opposite. I hope they will change their minds or they are going to go through the same kind of bitter experience, and I plan on being here to see it happen.

Mr. Dingwall: Mr. Speaker, there are a number of comments one would want to make with regard to the remarks that have been made by my colleague from Regina West. Quite properly the Hon. Member has referred with great sincerity to the phrase integrity, in keeping one's word. We have seen in the First Ministers' Conference which was held in Halifax there was a clear consensus by the First Ministers of the day that there ought not to be reductions in the Established Programs Financing.

The premiers held that position because they believed the Prime Minister (Mr. Mulroney). They believed the Government would not at any time reduce the moneys for the fiscal year 1986-87. We have an example here of the Government breaking its word. It is equivalent to what the Government has done on on another matter with regard to workers in Moncton, New Brunswick in breaking an undertaking that they had given to the workers with regard to the CN shops; another example of breaking one's word. I find that to be totally

unacceptable for any party, any Government, to conduct the affairs of the nation when on one hand it says one thing and on the other it does something else.

My question to my colleague from Regina West, does he agree with me that it is high time for those who sit opposite to us to stand in their places and to represent their constituents in a forthright and honest way and change the legislation that is now before us to the way it ought to have been, the way they have promised it? Is there not an obligation upon the Government of the day to live up to the promises it has made to the people of Canada, and they ought to deliver forthwith in this chamber tonight?

Mr. Benjamin: In a short response to my hon. friend, I agree with the question he just put, and I respond also by saying to him that the very thing that is occurring in Moncton today was started under a Liberal Government when they ordered Canadian National Railways to start showing a profit or else. There would be no more capital investment. It was Conservatives who screamed bloody murder about Moncton. Who is carrying out what the Liberals started? The Conservatives.

[*Translation*]

The Acting Speaker (Mr. Charest): Order, please! It being 9.45 p.m., under an order adopted on Wednesday, June 18, 1986, pursuant to Standing Order 117, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the third reading stage of the Bill.

The Hon. Member for Charlevoix (Mr. Hamelin) rises on a point of order.

Mr. Hamelin: Mr. Speaker, I could hardly hear you. Could you repeat what you have just said?

The Acting Speaker (Mr. Charest): Order. The Hon. Member for Charlevoix is right. It is a common occurrence in the life of a Speaker that members have difficulty hearing him. However, I will stop short of repeating myself, something that is done quite often in this place.

Before putting the question, I shall simply tell Hon. Members that, contrary to the announcement that was made, there will be no proceedings on the adjournment motion. Tonight's vote was not taken into account. So, I want those concerned to know there will be no adjournment debate.

Therefore, the question is on the amendment of Ms. Copps:

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

"Bill C-96, An Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be not now read a third time but that it be read a third time this day six months hence."

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour of the amendment please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Call in the Members.

[*English*]

The House divided on the motion (Ms. Copps) which was negatived on the following division:

● (2150)

(Division No. 276)

YEAS

Members

Althouse
Axworthy
Benjamin
de Corneille
de Jong
Dingwall
Foster
Gauthier
Gray (Windsor West)
Heap
Hopkins
Hovdebo
MacLellan
Manly
McDonald (Broadview-Greenwood)
Nicholson (Trinity)
Penner
Pépin
Prud'homme
Riis
Robichaud
Waddell—22.

NAYS

Members

Bernier
Bertrand
Binns
Blackburn (Jonquière)
Blais
Bourgault
Bradley
Brightwell
Brisco
Caldwell
Champagne (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Clifford
Comeau
Côté (Lac-Saint-Jean)
Dantzer
Desjardins
Dorin
Duplessis
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Friesen
Gagnon
Gervais
Gormley
Graham
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Halliday
Hamelin
Hawkes
Hees
Hnatyshyn
Hudon
Jacques
Jardine
Johnson (Bonavista-Trinity-Conception)
Joncas
Kelleher
Kempling
Landry
Lanthier
Leblanc
Lesick
Lewis
MacDonald (Kingston and the Islands)
MacKay
Mayer
McCrossan
McDermid
McDougall (St. Paul's)
McLean
Minaker
Nickerson
Oberle
O'Neil
Oostrom
Pietz
Ravis
Ricard
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria-Haliburton)
Scowen
Sparrow
Stevens
Stewart

Federal-Provincial Fiscal Arrangements Act

Members

Suluk
Tardif
(Charlesbourg)
Thacker
Towers
Tupper
Valcourt
Vankoughnet
Warner
Weiner
Wilson
(Swift Current-
Maple Creek)
Winegard
Wise—89.

● (2210)

[*Translation*]

The Acting Speaker (Mr. Charest): I declare the amendment defeated.

[*English*]

Mr. Benjamin: Mr. Speaker, I rise on a point of order. On my one and only opportunity as leader—

Some Hon. Members: Hear, hear!

Mr. Benjamin: I get more applause from that side than I do from this side. I think, Mr. Speaker, you would find a propensity on behalf of all of us—

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: After Crosbie's Bill, that's against the law.

Mr. Benjamin: I think, Sir, if you were to ask the House, you would find that there is a propensity to agree that the vote presently cast will count on the main motion in reverse, and that is for the benefit of all the goof-offs who are not here tonight.

The Acting Speaker (Mr. Charest): Order. It being one of the Chair's only opportunities to be in the chair during a vote—

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Charest): Rising from your seats won't help any of you. I take it there is the unanimous consent of the House to apply the same vote in a reverse fashion on the main motion?

Some Hon. Members: Agreed.

Mr. Cooper: Mr. Speaker, could you just make sure that the Hon. Member for Peace River is included on the second vote?

The Acting Speaker (Mr. Charest): Therefore, I will put the question to the House. Shall I dispense with the ringing of the bells?

Some Hon. Members: Dispense.

The Acting Speaker (Mr. Charest): We will apply the vote in the reverse manner including the vote of the Hon. Member for Peace River (Mr. Cooper).

Some Hon. Members: Agreed.

The House divided on the motion of Mr. Wilson (Etobicoke Centre) which was agreed to on the following division:

(Division No. 277)

YEAS

Members

Bernier
Bertrand
Binns
Blackburn
(Jonquière)
Blais
Bourgault
Bradley
Brightwell
Brisco
Caldwell
Champagne
(Saint-Hyacinthe-Bagot)
Champagne
(Champlain)
Clifford
Comeau
Cooper
Côté
(Lac-Saint-Jean)
Dantzer
Desjardins
Dorin
Duplessis
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Friesen
Gagnon
Gervais
Gormley
Graham
Gray
(Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault
(Drummond)
Gurbin
Halliday
Hamelin
Hawkes
Hees
Hnatyshyn
Hudon
Jacques
Jardine
Johnson
(Bonavista-Trinity-Conception)
Joncas
Kelleher
Kempling
Landry
Lanthier
Leblanc
Lesick
Lewis
MacDonald
(Kingston and the Islands)
MacKay
Mayer
McCrossan
McDermid
McDougall
(St. Paul's)
McLean
Minaker
Nickerson
Oberle
O'Neil
Oostrom
Pietz
Ravis
Ricard
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Victoria-Haliburton)
Scowen
Sparrow
Stevens
Stewart
Suluk
Tardif
(Charlesbourg)
Thacker
Towers
Tupper
Valcourt
Vankoughnet
Warner
Weiner
Wilson
(Swift Current-
Maple Creek)
Winegard
Wise—90.

NAYS

Members

Althouse
Axworthy
Benjamin
de Corneille
de Jong
Dingwall
Foster
Gauthier
Gray
(Windsor West)
Heap
Hopkins
Hovdebo
MacLellan
Manly
McDonald
(Broadview-Greenwood)
Nicholson
(Trinity)
Penner
Pépin
Prud'homme
Riis
Robichaud
Waddell—22.

The Acting Speaker (Mr. Charest): I declare the motion carried.

Bill read the third time and passed.

The Acting Speaker (Mr. Charest): It being after 10 p.m., the House stands adjourned until tomorrow at 11 a.m. pursuant to Standing Order 3(1).

The House adjourned at 10.15 p.m.

HOUSE OF COMMONS

Friday, June 20, 1986

The House met at 11 a.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

SPORTS

FUNDING OF INTERCOLLEGIATE SPORTS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I want to bring to the attention of the House a matter that would have a devastating impact upon intercollegiate sports in both western Canada and the Atlantic region. The Minister of State for Fitness and Amateur Sport (Mr. Jelinek) has decided to reallocate substantially the travel subsidy that is used to support athletic teams in both western Canada and the Atlantic region to move from university to university. The Minister made that decision without any prior consultation at all with the CIAU or the universities involved. They have sent him numerous telegrams asking for a meeting. If they do not have a meeting by June 27 intercollegiate sports in the Atlantic region and western Canada could come to an end.

This morning I call on all the Members of this House to make every effort to have the Minister of State for Fitness and Amateur Sport meet with the CIU and come to grips with this very important issue before we find collegiate sports are destroyed in Canada; and that Minister will be held responsible.

* * *

REFUGEES

DELAY IN IMPLEMENTING NEW REGULATIONS

Mr. Dan Heap (Spadina): Mr. Speaker, one month ago the Minister for Immigration (Mr. McLean) announced a program for reducing the backlog of refugee claimants in Canada.

Unfortunately it seems that he did not follow through with action. According to immigration lawyers in Toronto the regulations that were to be gazetted this week so refugee claimants, their lawyers, and immigration officers could know what they are doing, have still not been gazetted and will not be gazetted until next month or later. There is dreadful confusion. No new staff has even been hired, as promised, so that the existing staff is hopelessly overloaded. No new office has been opened, as promised.

• (1105)

The Refugee Status Advisory Committee, having made space in its calendar, is receiving no fast-track cases.

Clearly, false refugee claimants are coming in literally by the plane load, at nearly 1,000 per month, and the Minister has done nothing to stop this. What is the Minister doing to carry out the program he promised?

* * *

AGRICULTURE

RESULTS OF SUBTERRANEAN AGRICULTURAL EXPERIMENTS IN SASKATCHEWAN

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, subterranean agriculture may well become a growth industry in western Canada. Experiments in worked-out areas of the Potash Corporation of Saskatchewan mines appear to be showing positive results.

The advantages of such underground culture include a steady 80 temperature, no snow, hail, tempest or other natural occurrence which could damage crops, and an environment which is free of insects and other pests.

Light, fertilizer, and a growing medium must, of course, be provided. Cucumbers are said to thrive, and good results are being obtained with other vegetables, seedlings, and flowers.

Such innovations which, if successful, could add significantly to Canada's range of agricultural products, are certainly to be applauded.

* * *

VETERANS AFFAIRS

CANADIAN UKRAINIAN VETERANS' REUNION

Mr. William G. Lesick (Edmonton East): Mr. Speaker, when the Canadian Ukrainian veterans of the wars held their reunion and meetings last week, it was the first of its kind in Canada. Delegates, men and women of Ukrainian origin from across the country and even the United States and England, arrived in Edmonton to discuss mutual concerns and assistance for those in need. Naturally, old acquaintances were renewed, many for the first time in over 40 years. Also present were two veterans of World War I.

S.O. 21

One of the highlights was the sod-turning ceremony at the Ukrainian Heritage Village, 35 miles east of Edmonton, where a statue of Michael Luchkowich, the first Member of Parliament of Ukrainian racial origin, will be erected. Another highlight was the official opening of the veterans' section in the Ukrainian Museum and Archives documenting the many contributions made by the Ukrainian veterans during the wars.

Ukrainian Canadians served with courage and pride, defending freedom for Canada. We pay tribute to them.

* * *

APARTHEID

SOUTH AFRICA—CRITICISM OF GOVERNMENT RESPONSE

Hon. Bob Kaplan (York Centre): Mr. Speaker, I rise to talk about the situation in South Africa. The Government has indicated in the last few days, through the Secretary of State for External Affairs (Mr. Clark), that its present position is that Canadians should be called on to react in the light of certain revelations about what certain Canadian companies are continuing to do or not do in South Africa.

On behalf of my Party I want to say that we consider that an inadequate response by the Government of Canada. This is a time for the Government to show leadership, not to fall back and call on Canadians generally to take action. I know that Canadians will take action and express their indignation about events in South Africa and the role of Canadian companies in South Africa that continue to have investments and employees there.

Nevertheless, there is a time for leadership in the deteriorating situation in South Africa today—

Mr. Speaker: Order, please. Sixty seconds.

* * *

[*Translation*]

AIRPORTS

BELL HELICOPTER CORPORATION—GOVERNMENT POSITION

Mrs. Lise Bourgault (Argenteuil—Papineau): Over the past fifteen years, Mr. Speaker, the constituency of Argenteuil—Papineau has had to endure every kind of insult from the previous Liberal Government.

First it was Mirabel and barbaric expropriations, now we read newspaper headlines concerning the Bell Helicopter problem which we inherited from our predecessors.

And yet, Mr. Speaker, those who today stand sanctimonious and insist that our Government settle this matter quickly did not hesitate to use Canadian taxpayers' money to launch an advertising and electoral campaign at Mirabel. This message was splashed across billboards—A $514-million investment, 3,000 permanent jobs.

Since 1984, Mr. Speaker, 30,000 Canadians have sent applications to Bell Helicopter in the hope of finding employment. The Liberals deceived the public with its own money.

In concluding I want to reassure Canadians, Quebecers and especially my constituents by telling them that the Minister responsible is discussing with the province to settle this matter in the near future. The outcome will be 600 real, conservative, safe, lasting, rational and promising jobs.

* * *

• (1110)

[*English*]

UNEMPLOYMENT INSURANCE

ELIGIBILITY REGULATION CHANGE—EFFECT ON SEASONAL WORKERS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, over 10,000 farmworkers in the Lower Mainland of British Columbia, as well as other seasonal workers such as loggers and fishers, have recently been dealt a very serious blow by the Conservative Government. The new rule requiring 16 weeks to establish eligibility for UI on a repeat claim will have a devastating impact on these workers many of whom are sponsored immigrants of East Indian origin and are thus ineligible for welfare. The new rule is based on totally unrealistic unemployment statistics. Farmworkers are already excluded from most basic legal protections.

I wish to join with members of the Canadian Farmworkers Union, and its President Sarwan Boal, in calling upon the Conservative Government to recognize the serious problems facing the unemployed in B.C. and take immediate steps to rescind this harsh and punitive new rule.

* * *

[*Translation*]

THE ECONOMY

GOVERNMENT PERFORMANCE

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, the latest economic indicators point to sustained economic growth in Quebec. Since the advent of this Government, 160,000 new jobs have been created in Quebec. The unemployment rate now stands at 10.6 per cent, the first time in five years when it is under 11 per cent.

The value of building permits in the first quarter of this year rose by 54 per cent. Additional investments in the building sector in 1985 topped $833 million. Building starts in May 1986 were 69 per cent higher that in the same month last year.

Farm bankruptcies in Quebec have gone down 50 per cent since 1984.

And 33.2 per cent of small businesses in Quebec had additional capital investment projects in the first six months of 1986.

These positive results flow from our economic renewal policy.

* * *

THE ECONOMY

MONTREAL ECONOMIC SUMMIT

Mr. Guy Ricard (Laval): Mr. Speaker, the 1986 Montreal Economic Summit came to a close yesterday. During this Summit, business participants expressed their views and reached a consensus on many issues.

The representatives of those involved proposed resolutions which were adopted unanimously on matters such as the establishment of business zones, recognition by the Federal Government of Montreal as the Canadian centre of the aerospace industry; the creation of a high technology education centre; and the use of incubators, to name but a few.

Mr. Speaker, if we recall the interventions of the federal Conservative Ministers, we find that they have also made commitments on these same matters. It follows that the Conservative Government is aware of the concerns of the people of Montreal, that it knows the aspirations of the business participants and that it takes action to help them.

* * *

[*English*]

EXTERNAL AFFAIRS

AUSTRIAN PRESIDENT-ELECT—CALL FOR INVESTIGATION OF WARTIME ACTIVITY ALLEGATIONS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, immediately after the election of Mr. Kurt Waldheim as President of Austria I made a statement in the House calling upon the Canadian Government to direct its United Nations Ambassador to press for a thorough, independent, international investigation of the serious wartime allegations which have been made about Mr. Waldheim.

The Secretary of State for External Affairs (Mr. Clark) expressed support in the House for the thrust of my statement. In view of the report released yesterday in Montreal by civil rights lawyer, Professor Irwin Cotler, calling for an international tribunal to investigate the accusations about Mr. Waldheim, there is further cause to convene such an inquiry. Even Mr. Waldheim and the world-respected Simon Wiesenthal have stated that it would be welcome.

In the interim, in order to ensure that we have all the facts, the Canadian Government should immediately join those other nations of the world which have already sought access to the Waldheim files of the UN War Crimes Commission. To do anything less would be a betrayal of what the victims of World War II died for, and for what this country and its soldiers bravely fought. Justice must be done.

* * *

[*Translation*]

TRADE

POSITION OF LIBERAL PARTY

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, "yesterday evening, before the Ottawa Carleton Board of Trade, the Liberal Leader remained silent about the position of his party on the development of trade between Canada and the United States." This is what Manon Cornellier said this morning in the newspaper *La Presse*.

Mr. Speaker, the Liberal Party must really be weakened if it is unable to take a position on negotiations with our major trading partner. We export for $95 billion a year to the United States, which accounts for 80 per cent of all our exports.

Mr. Speaker, when the Liberal Leader can only talk gibberish about the negotiations, it shows incompetence. When his associates go around in circles, it shows gross complacency. When the Liberals put their thirst for power before the development of trade, it is a betrayal. In this area as in all others, the Liberals are disciples of Janus.

• (1115)

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—U.S. TARIFF ON CANADIAN CEDAR SHAKES AND SHINGLES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we have the opportunity of asking a question of the Prime Minister. During this week, in general discussion about trade with the United States, the Government appears to have forgotten the particular plight of the shakes and shingles workers in British Columbia. I ask the Prime Minister, did he or his Minister instruct our chief negotiator, Mr. Reisman, to raise the issue, at the beginning of the talks in Washington this week, concerning the 35 per cent tariff which has put 4,000 men and women out of work in British Columbia? And did he raise the issue directly with the Vice-President of the United States, Mr. Bush, when he was in Ottawa?

Oral Questions

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, yes, indeed, I had a very direct and vigorous and, I hope, profitable exchange of views with Mr. Bush on this issue. I think he acknowledged his point of view in this regard at the press conference. I indicated to him that there had been an undertaking by the Government of the United States, in Quebec, that there would be no such action, and that this kind of action had an adverse effect upon workers in British Columbia, which we did not accept; and that, for whatever internal, political reasons motivated that, it remained unacceptable to the Government of Canada and we would continue to work in every way with them, through tribunals, working directly with the administration, (a) to bring correction to that situation on behalf of the workers in British Columbia, and (b), to ensure that it never took place again.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I hope we get some results from that, Mr. Speaker.

NEGOTIATOR'S INSTRUCTIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, on the issue of what is on the table and what is not on the table, there is growing confusion resulting from comments made on both sides of the border and by the chief negotiators for each country, and that confusion is provoking uncertainty in the business community of this country, as to where investments and if investments are to be made in our industries.

Would the Prime Minister be prepared to make a definitive statement on what his instructions are to Mr. Reisman as to the areas to be negotiated and not negotiated, so that some certainty can be returned to the business community?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think, in fairness, that if there is any confusion or dismay among the business leaders of the country, it was after watching the Leader of the Opposition on television on Monday night.

We have given a mandate to a very accomplished individual, Simon Reisman, who has served with distinction, with my right hon. friend in Finance, and elsewhere, who is deeply wedded to the national interests, the promotion of those objectives that we have set, talked about, in this House. I cannot prevent an American ambassador, an American functionary, from saying "we want to talk about" such and such a thing. It is a free country. It is a free world. They can do that.

Our instructions to our people are clear and were designed to create jobs and greater wealth in Canada, if possible, through a new, bilateral, comprehensive trade arrangement.

Mr. Turner (Vancouver Quadra): Just a final weekly example of the confusion.

An Hon. Member: Oh, knock it off.

FINANCIAL SERVICES INQUIRY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister for International Trade said yesterday, "As far as we are concerned, we intend to negotiate financial services". He admitted in the same breath that the Americans did not want to negotiate those services. Perhaps I could ask the Prime Minister, or the Minister, to explain how he squares that particular position.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, not even the serious enemies of this Government—and we have a few—would suggest that we have lacked the clarity or courage on this issue when compared with the Liberals, who have demonstrated absolutely nothing.

Some Hon. Members: Hear, hear!

Mr. Gray (Windsor West): You didn't answer the question.

* * *

APARTHEID

SOUTH AFRICA—CANADIAN POSITION ON IMPOSITION OF ECONOMIC SANCTIONS

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, my question is also directed to the Prime Minister. The situation in South Africa continues to deteriorate daily, and Canadians have now seen the House of Representatives unanimously support the imposition of severe economic sanctions. Canadians are wondering why it is necessary to delay further a leadership role for Canada and the imposition of effective economic sanctions at this time.

• (1120)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I regret to hear my hon. friend say that there is a denial of a leadership role for Canada. We tried to play the traditional Canadian role played by my predecessors in other circumstances when we were in Nassau.

In this case there are two important considerations. Of course the dismantling of apartheid in South Africa, a grave and growing evil, is the objective of all Hon. Members of the House. How we do it as members of the Commonwealth is also an important strategic consideration. We may be wrong, but it is our judgment that we can best accomplish this quite noble objective by making sure that the Commonwealth stays together and that there is unity of purpose and action. That requires the measured, reasonable course of action that we have been following and on which the Secretary of State for External Affairs has set out.

I will be meeting with Mrs. Thatcher on the 13th followed by a meeting of the seven Heads of Government of Commonwealth countries in London the first week of August. It is our hope that we can contribute substantially toward advancing in

real terms serious measures that will bring about an end to this corrupt and degrading system that exists in South Africa.

POSITION OF UNITED KINGDOM PRIME MINISTER

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, the concern is that that timetable does not reflect the sense of urgency people feel about the South African situation. I wonder if the Prime Minister could tell the House whether he has been in touch with Mrs. Thatcher and whether he has a strategy for bringing Mrs. Thatcher on board. Her public statements reflect a position which would seem to make it impossible to have the kind of unity of which the Prime Minister speaks. Could he share with us his views as to whether or not he can bring Mrs. Thatcher on board, and could he tell us whether or not he has spoken to her?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in Nassau I had the occasion to work quite closely with, among others, Prime Minister Hawkes of Australia, Prime Minister Gandhi of India, and Kenneth Kaunda. They played key roles. Prime Minister Hawkes, for example, was the person who advanced the concept of the Eminent Persons Group.

These people are, like all of us, deeply committed to progress. They are key players in the next step. I have been in close touch with them. I have spoken by telephone to Prime Minister Gandhi at length, with Prime Minister Hawkes, with President Kaunda and with others. As I say, we are working in a measured and, I hope, a productive way toward making a contribution to the next step which must be the visible resolution of an unacceptable situation that defiles human beings. There must be some significant light shed on this matter.

* * *

MEDICAL CARE

CANADA HEALTH ACT—ONTARIO DOCTORS' STRIKE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Right Hon. Prime Minister who will recall that in January, 1984, the Canada Health Act was passed unanimously by Parliament. It specifically states that extra billing is against the principles of universal access to health care, and provides for penalties to those provinces that allow extra billing. Will the Prime Minister use the authority of his office to urge the doctors to put down their placards, to end the lockout of the sick, and to get back to providing health care to the people of Ontario?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I feel that as the Minister responsible for health care I answered that question yesterday. The Province of Ontario and the doctors of Ontario are involved in an issue which they must resolve.

The Hon. Member has said that patients are being locked out, but that is not a correct statement. I can only repeat what I said yesterday. I checked yesterday with the office of the Minister of Health in Ontario and was informed that every emergency centre that is reported in the press as being closed has a medical doctor resident, and services are being provided under conditions which are now prevalent in Ontario.

ONTARIO HOSPITAL INSURANCE PLAN—SITUATION OF CONTRIBUTORS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my supplementary question is directed to the Minister of National Health and Welfare. The Minister will know that doctors in Ontario are shutting down emergency wards are asking doctors in other provinces not to accept Ontario health insurance cards and are now threatening to accelerate their actions.

• (1125)

What action is the Minister taking to ensure that the principles of the Canada Health Act are being respected and that people are not being locked out from receiving proper health care?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, again the Hon. Member uses the words "locked out", and again they are not the correct words to use in the circumstances. With regard to portability, I explained my responsibilities relative to portability, and that under the Canada Health Act there are two methods whereby Ontario residents outside Ontario can obtain medical help. I have been assured by Ontario that it will honour direct billings from doctors outside Ontario, and accept the bills which Ontario residents might have been required to pay. The portability conditions under the Canada Health Act are being met by the commitments of Ontario.

FEDERAL FUNDING

Mr. Nelson A. Riis (Kamloops-Shushwap): Perhaps the Minister should explain that nobody is being locked out to the woman who lost her child when she was unable to obtain access to the appropriate hospital earlier this week. My supplementary question is directed to the same Minister. Would he confirm that when the legislation banning extra billing is passed later today in the Legislature of Ontario the people of Ontario will be eligible for approximately $100 million, because of the funds which have been denied them as a result of extra billing, to enhance health care in the Province of Ontario?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I think all reasonable people who know the very tragic case which the Hon. Member cited, including members at Queen's Park and members of the Ontario Medical Assocation, have some question on whether the delay would have prevented the miscarriage.

I, as the Minister of Health, say to the Government of Ontario and to the doctors of Ontario that I would very seriously hope they would resolve their differences. I know the health care system is better served when men and women see their responsibilities, both public and professional, and sit down at the table, no matter how difficult the circumstances might be, to resolve those differences and get on with their responsibilities.

Some Hon. Members: Hear, hear!

* * *

GOVERNMENT EXPENDITURES

PRIME MINISTER'S TRAVEL EXPENSES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Prime Minister. On a daily basis the media are reporting the excessive abuse by the Prime Minister in spending taxpayers' money on hotels, airplanes, videos, limousine rentals, caviar, and champagne, as if he had won the 649 Lottery. Will the Prime Minister now put a stop to the spending orgy of taxpayers' money? He spends it as if it were his own money when it clearly is not. When will he do this?

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, for instance, as far as the *Sommet de la francophonie* is concerned, we first had to establish some important links with France, to pave the way for the first Sommet.

Mr. Ouellet: And caviar with everything!

Mr. Mulroney: It was very important for us to project Canada's image internationally, especially within the context of a summit where our francophone dimension would be highlighted. We had a delegation representing all political groups, Francophones outside Quebec—

Mr. Ouellet: They didn't run up those bills!

Mr. Mulroney: —and the Public Service. As far as I am concerned, Mr. Speaker, for me as a Quebecer and a representative from Quebec, this was a major event, where the emphasis lay on our relations with France, the *Francophonie* and the 40 member countries.

As far as I am concerned, I can say that we conducted ourselves with dignity and always bearing in mind the interests of this country.

REQUEST THAT PRIME MINISTER MAKE COMMITMENT

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, speaking on behalf of all Canadians who are out of work, all Canadians who are living on unemployment insurance and all those who have had enough of this wasteful spending, I urge the Prime Minister to rise in the House today and give Canadians the assurance that this kind of spending will not be repeated because Canadians have had enough. Is he prepared to commit himself now?

• (1130)

[*English*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, inasmuch as my hon. friend refers to personal expenditures, all I can do is tell my hon. friend to ask the media who were with us, or even my own worst enemy. They will give me one thing, I get up early and work all day non stop. My friend mentions spending. Let me say that we have conducted ourselves according to all of the norms. The spending is open to be analyzed and criticized.

With regard to my personal expenditures, I think my belief in that is best justified by action. I am the first Prime Minister of Canada who took a 15 per cent pay cut and who pays for his own food at 24 Sussex Drive.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

SOCIAL SECURITY

ALLEGED BUREAUCRATIC TERRORISM AGAINST DISADVANTAGED IN QUEBEC—GOVERNMENT POSITION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Right Hon. Prime Minister and concerns the Boubou Macoutes.

The Prime Minister is aware that women's, religious, labour and community organizations in Quebec have condemned this operation to check up on welfare recipients at their homes.

Considering the federal funds Quebec receives for social assistance, when is the Prime Minister going to condemn this bureaucratic terrorizing of the neediest in that province?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I apologize to the Hon. Member that I was not in my seat at the beginning of his question. The situation in Quebec— we have been informed and we have been checking it very closely— is that under the provisions of the Canada Assistance Plan Quebec is well within the regulations that form the basis of joint agreements between Quebec and Canada. While the situation needs monitoring on a day by day basis, what Quebec is doing is well within the Act.

[*Translation*]

FUNDING OF COMMON FRONT—GOVERNMENT POSITION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my supplementary is directed to the Right Hon. Prime Minister.

Since these humiliating investigations are probably illegal and unconstitutional, is the Prime Minister prepared to pay a contribution to the common front that intends to attack this practice by the Quebec Liberal Government before the courts?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I think in the area of where a province administers social benefits we have to recognize that, within reasonable limits, provinces have a responsibility both to the provincial taxpayer and to the federal taxpayer to see that those people who genuinely need help and need social assistance receive it. That is the bottom line for the federal Government.

What I think we have to keep in mind is that these systems are jeopardized by a very small number and percentage of people who try to rip off the system. If that is what Quebec is going after, I think it is right in that respect.

* * *

GOVERNMENT EXPENDITURES

AUTHORIZED TRAVEL EXPENDITURE REGULATIONS OF OFFICIALS

Hon. Bob Kaplan (York Centre): Mr. Speaker, I want to return to the Prime Minister on the question of this grotesque spending on travel which he indicated is justified on the basis of the hard work he did and the success that he achieved. I want to ask the Prime Minister about the guidelines of the Department of Supply and Services which limit other Canadian officials to a per diem of $55 Canadian in New York—these are current Supply and Services *per diems*—and $60 Canadian in Paris, for meals and incidentals. The guidelines recommend hotels of under $100. Although the Prime Minister has worked hard and been successful, other Canadian officials work hard and seek to be successful—

Mr. Speaker: Order, please. Has the Hon. Member a question, please?

Mr. Kaplan: What kind of an example does the grotesque luxurious lifestyles of the rich and famous that have been revealed show for his officials and for the officials of the Government of Canada, Mr. Speaker?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, while in New York for the fortieth anniversary of the founding of the United Nations, I stayed at the Pierre Hotel for two reasons. First, it is Canadian owned. Second, Mr. Trudeau used to stay there all the time.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

APPLICATION OF GUIDELINES TO OFFICIALS

Hon. Bob Kaplan (York Centre): Mr. Speaker, is the Prime Minister telling us that these guidelines set by his Government for Canadian officials no longer apply and that they are also eligible to live the lifestyles of the rich and famous?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the guidelines are there. They apply to whomever pursuant to objective facts set down by the Public Service. I can just tell my hon. friend that, for example, in Paris we were placed by the French Government in a given hotel for security reasons. I stayed in exactly the same hotel, I ate exactly the same food as the Liberal Member, the Hon. Member for Saint-Denis, who was part of our official delegation.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

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EXTERNAL AFFAIRS

CREDENTIALS PRESENTED BY FORMER AUSTRIAN AMBASSADOR, KURT WALDHEIM

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, my question is for the Prime Minister. In light of the report compiled by Professor Irwin Cotler and released yesterday it is becoming increasingly apparent that the Conservative Government in 1958, and Liberal Governments during the decade before that, knew about the war crimes allegations against Kurt Waldheim. Is the Prime Minister prepared to launch an immediate investigation into the question of Kurt Waldheim's credentials, first, as Minister and then as Ambassador to Canada? Why were those credentials accepted without question?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Secretary of State for External Affairs is en route to a memorial service in Ireland and is presently securing the information. I will be happy to be in touch with him as quickly as possible and provide what information I can to my hon. friend.

REQUEST FOR INVESTIGATION OF WARTIME ACTIVITY REGULATIONS

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, given the very serious nature of these allegations, would the Prime Minister consider having Canada encourage the establishment of an international tribunal, of which Canada should be a member, to investigate fully the war crimes charges against Mr. Waldheim?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think the commitment of the Government of Canada in this area or the sincerity of our commitment ought

to be judged against results. For 40 years there were allegations about war criminals residing in Canada, and very little, if anything, had been done. This Government was the first to appoint a royal commission to get at this issue right here in Canada.

Some Hon. Members: Hear, hear!

* * *

MEDICAL CARE

ONTARIO HOSPITAL INSURANCE PLAN—DOCTOR' THREAT TO BILL PATIENTS DIRECTLY

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is for the Minister of National Health and Welfare. It concerns the directive to all hospitals and doctors not to accept OHIP health cards but rather to bill the patients directly. Would the Minister use his influence and give the leadership that we expect of him, and tell all Canadian doctors that to use the health care system of Canada as a political arm or a political tool is both unethical and immoral?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I believe I have already indicated that I do not see the use of an OHIP card or any other card from a resident of another province as being an action whereby a patient, a person who needs medical assistance, should be put at risk. That is the public health care system that we have which has been endorsed by all Parties in this House and endorsed by the provinces of Canada. I have said very clearly—and that is why I had it checked to make sure—that the portability requirements of the Canada Health Act were being observed. They are being observed, from all the knowledge that I have and that I have received.

There is obviously a position that I take as Minister of Health. I expect Canadians to receive the medical care to which they are entitled whether they are inside their province or outside their province.

[*Translation*]

REQUEST THAT GOVERNMENT PERSUADE MR. GROSSMAN TO SUPPORT BILL 94

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, now that the issue extends beyond the Ontario border and involves Canada's national interest, does the Minister not feel, in view of his duties and responsibilities, that he should phone the President of the Canadian Medical Association to ask him to withdraw this directive, and perhaps also Mr. Grossman, the Tory Leader of Ontario, to ask him to get to it and support Bill 94?

• (1140)

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I do not think the last statement about my phoning the Leader of the Opposition in Queen's Park is any more valid than whether the Member has phoned the Premier of Ontario and asked him to be reasonable and try to come to some agreement between the doctors and the Ontario Government. That kind of statement is just not helpful. The point that must be made is, as I said to the Member earlier, that I expect the doctors of Canada—

Mr. Ouellet: The Minister of Health is for extra-billing.

Mr. Epp (Provencher): The Member for Papineau is as ridiculous today as is his reputation in this House and across the country.

Mr. Speaker: Order, please.

Mr. Ouellet: You're for extra-billing. That's what you are saying.

Mr. Speaker: Order, please.

Mr. Ouellet: Sit down.

Mr. Speaker: Order, please! The Hon. Minister knows that such a personal comment is out of order.

Mr. Epp (Provencher): If I am out of order, I will gladly withdraw and leave the Member to search his own conscience.

Some Hon. Members: Come on.

Mr. Penner: That's no good. It must be unequivocal.

Mr. Speaker: Order, please. Order! The Chair has not found that the Member said anything unparliamentary. Such comments, as the Hon. Member knows, are out of order.

* * *

AGRICULTURE

FAMILY FARMS—GOVERNMENT POLICY

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is for the Right Hon. Prime Minister. The Prime Minister recently appointed a new Deputy Minister of Agriculture. Was Mr. Noreau speaking for the Prime Minister and his Government when he recently indicated that the Government's priority is no longer the protection of the family farm, but rather to help farmers get out of production?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I welcome the opportunity to respond to that question and set the record straight. The statements of the new Deputy Minister of Agriculture were taken out of context. The Deputy

Minister was explaining another very important initiative taken by the Government. I refer to the Canadian Rural Transition Program.

FARM DEBT REVIEW PROGRAM

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my supplementary question is directed to the Minister of Agriculture. Could the Minister tell us if the need to identify the approximately 20 per cent of farmers that the Government has decided will have to leave farming is the reason that there is a lack of effective deterrence in the Farm Debt Review Program which he put before the House?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am amazed that we continue to hear questions of this kind. In the past the previous Government, aided by the New Democratic Party—

Mr. de Jong: But you guys were going to be better.

Mr. Wise: —did absolutely nothing for Canadian agriculture. As a result of mismanagement by that Government interest rates increased from about 10 per cent to 24 per cent. They added an input cost of well over $2 billion. They sat idly on their hands, with the support of the NDP, and did absolutely nothing.

Mr. Althouse: What support of the NDP? You guys supported the Bank Act. We were the only ones who opposed it.

* * *

CAPE BRETON DEVELOPMENT CORPORATION

END TO WORKERS' OCCUPATION OF BUILDING

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, my question is directed to the Acting Minister of Regional Industrial Expansion. Yesterday the Minister indicated that he was taking a course of action which he hoped would resolve the occupation of the mine building owned by the Cape Breton Development Corporation. Can the Minister tell the House whether those efforts have been successful?

Hon. Don Mazankowski (Acting Minister of Regional Industrial Expansion): Mr. Speaker, I am pleased to inform all Members of the House that the sit-in has been discontinued. Arrangements are now being made for representatives of the miners, management, and the board to meet with senior officials of my Department. I would like to thank the Hon. Member, Premier Buchanan of the Province of Nova Scotia, and other Members for the interest they have shown in this very important matter.

[*Translation*]

CANADIAN NATIONAL RAILWAYS

POSSIBLE LOSS OF JOBS AT MONCTON SHOPS

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, my question is directed to the Minister of Transport.

[*English*]

Yesterday the Minister accused me of distorting figures when I used the figure of 600 to represent the jobs lost at the Moncton shops. Does the Minister deny that 225 jobs were lost last fall and that a further 437 jobs will be lost on account of the sale? To what total do these figures amount? He may use a pencil.

Hon. Don Mazankowski (Acting Minister of Regional Industrial Expansion): Mr. Speaker, I am not sure what that has to do with the recent announcement made by CN. I stand by the statement in the CN press release. Mr. Lawless, the President of CNR, said that when the agreement is reached between CN and Canadian General Electric, all 1,022 shop employees should either retain jobs or be accommodated through existing benefit plans. I stand by that.

Mr. Gray (Windsor West): That means the jobs are going.

[*Translation*]

Mr. Robichaud: Mr. Speaker, the answer to my first question is 662.

[*English*]

MINISTER'S POSITION

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, when is the Minister going to stand up and act like a responsible Minister and protect the jobs of Atlantic Canadians? Is he saying that as the Minister responsible for regional development and transport he is going to wash his hands of the whole matter and let CN do whatever it wants?

Hon. Don Mazankowski (Acting Minister of Regional Industrial Expansion): Mr. Speaker, unlike the Hon. Member opposite who obviously does not want to have a locomotive manufacturing plant in Moncton—

Some Hon. Members: Oh, oh!

Mr. Mazankowski: —we are taking positive steps to ensure that there is a long, stable future for the workers of Moncton—

Mr. Dingwall: Oh, sit down.

Mr. Mazankowski: —and indeed for the Moncton area.

Some Hon. Members: Hear, hear!

PROTECTION OF EMPLOYEES' RIGHTS

Mr. Les Benjamin (Regina West): Mr. Speaker, I would like to direct a question to the Minister of Transport. We hope

that the development of a locomotive manufacturing plant in Moncton succeeds.

Miss MacDonald: Then you are different from the Liberals.

Mr. Benjamin: However, when questioning CNR officials yesterday they sounded like a fellow who is going to lose his house and is trying to find someone else to take the keys.

Would the Minister prevail upon the management and board of directors of Canadian National, in their negotiations with Canadian General Electric, to ensure that the employees and their unions will retain successor rights under their new employer and that there will be no employees of CGE brought in from the United States?

Hon. Don Mazankowski (Acting Minister of Regional Industrial Expansion): Mr. Speaker, I am pleased that the Hon. Member has adopted a positive attitude toward this because I think it is a positive development for the city of Moncton and its future industrial base.

As the Hon. Member knows, CN has indicated its intentions to enter into negotiations with Canadian General Electric within certain parameters which were approved by the board. All these things will be taken into consideration during the discussions. I am sure that CNR will be interested in the representations of the Hon. Member, and I will ensure that they are received.

Mr. Benjamin: Mr. Speaker, Canadian National said no yesterday to the question I just asked the Minister. I ask him to get them to change their minds.

CONTRACTUAL WORK INQUIRY

Mr. Les Benjamin (Regina West): Mr. Speaker, Canadian National also said that it was going to convert the Point Charles plant into a contractual plant. Would the Minister be good enough to try to get Canadian National to do the same thing for the remainder of the shop operations in Moncton in an attempt to have the best of both worlds, both locomotive manufacturing and contractual shop work with other railroads in North America?

Hon. Don Mazankowski (Acting Minister of Regional Industrial Expansion): Mr. Speaker, I am not sure whether the Hon. Member has been delegated to act as a bargaining agent for the unions or is just assuming that role. I will certainly convey his comments to the management of CN. I am sure they will be interested in them.

[*Translation*]

BANKS AND BANKING

PROPOSAL TO ESTABLISH INTERNATIONAL BANKING CENTRE IN MONTREAL—GOVERNMENT POSITION

Mr. Guy Ricard (Laval): Mr. Speaker, my question is directed to the Minister of State (Finance). In his last budget, the Minister of Finance had proposed to set up an International Banking Centre in the Montreal area. I should like to know wether such is still his intention. If so, when can we expect it?

Hon. Barbara McDougall (Minister of State (Finance)): Yes, Mr. Speaker, the Government has indeed decided to facilitate the establishment of international banking Centres. As a matter of fact, my colleague the Minister of Finance has made public Messrs. Rasminski and Lawson's report to be used as a working paper. Now, we want to seek the advice of all interested parties, and the consultation process has already started.

* * *

[*English*]

CANADIAN JOBS STRATEGY

REQUEST FOR RE-EXAMINATION

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is for the Minister of Employment and Immigration. Yesterday the Ontario Minister for Skill Development joined the long list of those harshly criticizing the Jobs Strategy Program, not only for the cut of $800 million over three years but also for the bungled administration of the program.

When will the Minister start taking these criticisms seriously and honestly re-examine the Jobs Strategy Program to meet the criticisms leveled at it?

• (1150)

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am very pleased to have the opportunity to quote the Ontario Minister of Skills Development. At the time we signed the National Training Act agreement he said: "It is good to see that the Minister of Employment and Immigration has indicated her Government's intention to increase the level of training provided in this province under the Canadian Jobs Strategy." He went on: "We are also pleased with the assurances we have received that Ontario's public training institutions will have a fair and realistic opportunity to compete for training purchases by the private sector under the Canadian Jobs Strategy."

MINISTER'S POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, the Minister should read what he said

yesterday. He was misled, like many Canadians in the last election.

Some Hon. Members: Oh, oh!

Mr. Allmand: How can the Minister say this is a good program when in a recent poll only 28 per cent of Canadians approved of it, when only three provinces have signed training agreements with her after one year, and organizations all over the country are criticizing the program? Who approves or supports the program besides the Tory caucus?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I know very well that the Hon. Member does not approve of the program. He would like to go back to the old programs which simply qualified people to go back on unemployment insurance. We have changed that. I realize he does not like that change or the fact we are contributing to the creation of more than 600,000 new jobs. I realize he does not like the fact that unemployment is coming down, and that the unemployment rate has dropped 3 per cent from what it was when he was in office.

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ABORIGINAL RIGHTS

POSSIBLE IMPACT OF GOOSE BAY AIRPORT USAGE PROPOSALS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, in the absence of the Minister of Indian Affairs my question is directed to the Prime Minister. He has committed himself to protecting the rights of aboriginal people. While the Government proceeds with proposals to have the Goose Bay Airport and military base become a major military training centre for NATO, the interests of the Innu or Montagnais, the aboriginal people in the area, have not yet been taken into account. The Government has known of long-standing Innu complaints about low level flying, its detrimental effects on their environment and economy, indeed their total way of life. Therefore, will the Prime Minister assure the Innu that they will have full participation in impact studies before any decision is made about the future of the base?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I will take note of that question on behalf of the Minister of Indian Affairs. However, I think the Member should be aware that a process involving FEARO has been announced to check some of the points he has made as well as those made by the native people.

CONSULTATIVE PROCESS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I would like to direct my supplementary question to the Prime Minister who is responsible for the over-all direction of the Government. I ask him if the consent of the Innu people will be secured before any decision is made concerning that base which will so vitally affect their total way of life?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I mentioned the FEARO process. As has been indicated, I should say that the people concerned are going to be very closely consulted. That is necessary so that we know the facts and we can make decisions based on facts. They will be very closely involved in the process, and that assurance I can give him on behalf of the Government.

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[*Translation*]

TOURISM

PROGRAM TO PROMOTE CANADA IN UNITED STATES—GOVERNMENT POSITION

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I have a question for the Minister of State (Tourism).

His Department has launched an advertising campaign directed to the United States to try and sell Canada's tourist potential. Is this investment beginning to yield positive results, and will they be felt in Canada and more particularly in the province of Quebec and, as a priority, in Quebec City which is the only North American city with outstanding fortifications?

[*English*]

Hon. Jack Murta (Minister of State (Tourism)): Mr. Speaker, last year tourism contributed some $3 billion to the Province of Quebec. In the first quarter of 1986 it is up by some 13 per cent, or an extra $100 million. When it comes to tourism, hospitality and marketing are the cornerstones of what we are doing. Canada is doing a marvellous job this year and Quebec is right at the forefront.

Mr. Mazankowski: So is the Minister.

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AUTOMOTIVE INDUSTRY

IMPORT LIMITATIONS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Acting Minister of Regional Industrial Expansion. The Canadian auto industry is very important to the health of the Canadian economy. In order to ensure that sector continues to grow, is the Minister prepared to extend the existing import limitations on foreign automobile makers, including Korea, until such time as they meet all the provisions of the Auto Pact?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I can advise the Hon. Member that we are presently having discussions with Korea and Japan with

respect to their auto exports to Canada. I hope that within the next several weeks we will be in a position to announce what has transpired.

AUTO PACT PROVISIONS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I thank the Minister for his answer but can he explain to the House the fairness of having two sets of rules, one for Canadian auto manufacturers and one for the offshore manufacturers? Is there not a great disparity there, and will he stand in his place and give us a commitment that the rules will be set for all auto makers as per the provisions of the Auto Pact?

Hon. Don Mazankowski (Acting Minister of Regional Industrial Expansion): Mr. Speaker, it is clearly in the interests of those who are investing in Canada to achieve Auto Pact status because in doing so they open up the U.S. market. We are working with the automobile manufacturers and encouraging them in the expectation that Auto Pact status will be reached. However, that takes time, and I think the Hon. Member recognizes that.

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GOVERNMENT EXPENDITURES

PRIME MINISTER'S VISIT TO FRANCE—REQUEST FOR EXPENDITURE GUIDELINES FOR OFFICIALS

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I would like to return to February in Paris and the Prime Minister's $3,400 hotel room.

Some Hon. Members: Oh, no!

Mr. Waddell: The Government has guidelines for civil servants, MPs, cabinet Ministers, companies doing business in South Africa, indeed for just about everything. Given that, would it not be reasonable for the Prime Minister to set guidelines on extravagance for his travelling entourage?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there were some, I think, regrettable constructions placed on some accounts submitted. The fact is, for example, that in the case of Mila and myself, we had for our use one bedroom and one bathroom. Everything else assigned to us by the Government of France was used for working purposes involving visiting Heads of Government, public servants, representatives of the French Government, and security considerations. The Mulroneys used one bedroom and one bathroom and that was it. I do not think Canadians want anything less.

Some Hon. Members: Hear, hear!

HOTEL ROOM BILL

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my supplementary question is to the President—rather, to the Prime Minister. Is he denying that the room cost $3,400, and can he tell us what you get for $3,400? Do you get chocolates on the pillow, for example? Why $3,400 for a hotel room?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, for that amount of money you get the NDP Member for Kenora—Rainy River down the hall.

Some Hon. Members: Oh, oh!

Mr. Mulroney: He was an official member of the delegation, in the same hotel, attending the same—

Some Hon. Members: On a *per diem.*

Mr. Mulroney: —as we did. We were assigned a suite of rooms by the Government of France. My wife and I occupied the two rooms I told you about. Everything else was used for other purposes, and I do not have the slightest intention of apologizing to you or anyone else because what we did was good effective work for Canada abroad, "we" being all members of the delegation.

Mr. Speaker: The Hon. Member for York South—Weston, one question.

* * *

DISASTERS

COMMEMORATIVE SERVICE ON ANNIVERSARY OF AIR-INDIA ACCIDENT

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is directed to the Prime Minister and concerns the Air-India tragedy. While we appreciate the fact that the Secretary of State for External Affairs is travelling to Cork Ireland to participate in the memorial service, we are disappointed that the Government has refused to charter a boat to allow the families of the victims to travel from Cork to the actual crash site.

• (1200)

Can the Prime Minister explain this apparent lack of sensitivity? Will he make immediate arrangements to ensure that a boat is available in Cork on Monday to transport the families of the victims to the actual crash site to accommodate their emotional and religious needs?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I can advise the Hon. Member that my colleague, the Minister of State for External Affairs, who is presently on his way to the memorial ceremony, discussed it with me last night. He advised me that Canada and India had examined that possibility very carefully. We did look into it.

We are completely aware of the sensitivities, the concerns, and feelings of the relatives.

Both countries, after a thorough examination, felt that it was not a practical thing to do. It was not workable under the circumstances, and the two countries together decided not to proceed with that plan, but to go ahead with the memorial service.

Mr. Speaker: Order, please. Twelve o'clock.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): The Prime Minister having left, Mr. Speaker, I will wait, preferring to raise my question of privilege when he is here.

[*English*]

The first opportunity is now to pose a question of privilege, but I like to practise civility and I would like to do it in the presence of the Prime Minister (Mr. Mulroney). I will be guided by you, Mr. Speaker.

Mr. Speaker: Order. The Hon. Member is claiming a question of privilege arising out of Question Period. He has the right to do it now, or he has the opportunity to send me a notice about it. If he is now saying that he knows it now his obligation is to raise it now.

Mr. Prud'homme: I will be very brief. I will reserve my right to elaborate at the appropriate time, except to say that as it is customary I was a delegate at the French Summit and everybody knows all the Members of Parliament in attendance there, ten of us, were on a *per diem*. I will reserve my right to say more in due time.

Mr. Speaker: There is no such right. That is the Member's question of privilege? I am trying to say to the Hon. Member that if he has a question of privilege arising out of Question Period he has to raise it now.

Mr. Prud'homme: Mr. Speaker, when I say I will elaborate later that does not mean here. As I was saying, I am not the type to get excited over these issues. However if I heard it properly, the Right Hon. Prime Minister is saying that the Hon. Member from Saint-Denis (Mr. Prud'homme) ate the same food and stayed at the same place. Well, it is not exactly according to the fact. I do not want to get over excited about it. I was, like any other Member of Parliament, ten of us, on a *per diem*, and I stand my case there for the moment.

Mr. Speaker: The Hon. Member knows that is not a question of privilege.

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table in both official languages the Government response to six petitions, Nos. 331-525, 331-540, 331-541, 331-542, 331-544 and 331-546.

* * *

[*English*]

STATEMENT BY MINISTER OF TRANSPORT

ANNIVERSARY OF CRASH OF AIR-INDIA FLIGHT 182

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I rise today to remind the House, and all Canadians, of a tragic yet important anniversary in the aviation world.

On Sunday, June 23, 1985, Air-India Flight 182, enroute to England from Toronto and Montreal crashed into the North Atlantic off Ireland killing all 329 persons onboard.

On this anniversary of the Air-India disaster all Members of this House, and indeed all Canadians, feel again the deep sorrow and sadness at such a tragic loss of life.

The observation of the anniversary involves three countries, Canada, India and Ireland. On June 23, 1986 Canada will be participating in the benediction of a special memorial erected on land donated to Canada and India in perpetuity by the Government of Ireland on the seaside of Dunmanus Bay 200 miles west of where Flight 182 plunged into the grey Atlantic a year ago. The memorial bears this simple inscription, "In honour of those who died in the Air India flight".

At this time I want to extend once more our thanks and appreciation to the Government and citizens of Ireland for their tireless efforts in assisting with the search and the compassion and concern which they showed to the relatives and friends of the deceased while at Cork.

The Air-India tragedy, the bombing of Canadian Pacific Air Flight 003 at Narita Airport in Japan, and subsequent international terrorist attacks against civil aviation have generated a need for improved airport and aviation security throughout the world. For our part we have responded to this new reality and have continued to upgrade and improve our security procedures and equipment. Our desire is sincere and our efforts are unceasing to ensure that Canadians do not suffer from international terrorism in the future.

As we once again turn our minds to Cork and the Atlantic where the victims of the Air-India disaster perished we think of the sadness and sense of loss endured by the relatives and the friends of those victims. We pledge to them, to this House, and to all Canadians our Government's continued commitment and

dedicated efforts to ensure the safety and security of our air transportation system.

Hon. André Ouellet (Papineau): Mr. Speaker, on behalf of the Official Opposition, the Liberal Party of Canada, and on behalf of all my Liberal colleagues in the House of Commons, I want to express again to the families of the victims our deep sorrow and sadness for the tragic loss of these 329 lives.

I must comment at this time on the regretful decision by the Government to reject a plea for help from 70 grieving Canadians who want to make an ocean ferry pilgrimage to the crash site of the Air-India Flight 182, and perform last rites for family victims in accordance with their religious beliefs. I think it is regrettable that the Government was not able to find the $60,000 necessary for such a trip. It has just been confirmed by the Government, but they still have the weekend to think it over.

I think the Government should indeed reflect during the weekend, and make this money available. After all, as the organizer of this pilgrimage said, it is not a very large amount very big thing considering the magnitude of the tragedy and the fact that they are Canadians from coast to coast who have this compelling and emotional need.

I appreciate the efforts of the Government to try to improve security at our airports. I will have other occasions to say that I am not too happy with what the Government is doing. I have long felt that security at airports should become the total responsibility of the Government instead of being the responsibility of private companies who are submitting bids and are trying to make money out of the performance of this duty. I think because of worldwide terrorism it would be justifiable now for the Department of Transport to take over this responsibility and pay for it.

In closing, I want to say that this tragic incident, which so terribly affected so many Canadian families, should not be repeated. Our sorrow and our thoughts on Monday will be with these families of the victims. Indeed, I hope that in the few hours that are left, the Government will come back with a favourable decision. It is tourist season and the cost for many of these families to go to Europe is heavy. The Government should make the appropriate accommodations for them in Ireland to respect their religious way of paying respect to their families.

• (1210)

Some Hon. Members: Hear, hear!

Mr. Les Benjamin (Regina West): Mr. Speaker, on behalf of my colleagues, I join with the Minister and the Official Opposition in renewing our heartfelt sympathies and regrets. We send our best wishes to the friends and families of those who died in the Air-India disaster one year ago.

I know all of us in the House and all Canadians well remember the day of the crash and how we shared in Canada and with people around the world, particularly in India, the horror and shock of the magnitude of the tragedy. Our memories about this will be long, as they should be. Hopefully we will learn and profit from our memories of those who died.

I want to add our gratitude to the Government and the people of Ireland for their great efforts and their gesture. It is something that should happen more often in the international scene.

The Minister knows that he will be supported by Members on this side of the House with any intiatives he undertakes to minimize the risk of air travel and the risk at airports. We also continue to push, as we have for a number of years, to have Transport Canada and the RCMP entirely responsible for airport security instead of the airlines themselves. However, the debate of how best to achieve those results will continue at another time.

I hope the Minister and Canada will provide even more leadership in the international scene, with international agencies in other countries, to strengthen airport and airline security in many more nations. There are still too many nations where that security is not very good.

Let us remember the incident and the great responsibility that has been thrust on all of us to do more in the hope that this will never happen again. As we do so, let us also remember that we hold the key to minimizing the grief of those who lost loved ones by ever being on guard against those few who would use this tragedy or any similar tragedy to broadly label cultural and religious groups. Many innocent people died in that Air-India flight. Let us also treat fairly in our hearts and minds the innocent who live among us here today. Again, our best wishes for a better future for the friends and families of the victims of the Air Indian disaster.

Some Hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

STRIKING—FOURTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour to present the fortieth report of the Striking Committee in both official languages.

JUSTICE AND SOLICITOR GENERAL—FIRST REPORT OF STANDING COMMITTEE

Mr. Blaine A. Thacker (Lethbridge—Foothills): Mr. Speaker, I have the honour of present the first report of the Standing Committee on Justice and Solicitor General, regarding subsection 24(2) of the Access to Information Act.

[*Editor's Note: For above reports, see today's Votes and Proceedings.*]

[*English*]

PETITION

REINSTATEMENT OF KATIMAVIK PROGRAM

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, we are still receiving petitions requesting the Government to restore the Katimavik program. I have the honour today to present a petition from a number of residents of New Westminster, Coquitlam, Port Coquitlam, Pitt Meadows, Maple Ridge, and other communities in the lower Fraser, humbly calling upon the House of Commons to request the Government to reinstate with full funding the Katimavik program for the young people of Canada.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if question No. 571 could be made an order for return, the return would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that question No. 571 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

CONTRIBUTIONS TO CULTURAL AND ARTS ORGANIZATIONS

Question No. 571—**Ms. McDonald:**

1. (*a*) Since September, 1984, has the Department of Communications made contributions to cultural and arts organizations and, if so, to which ones (*b*) what contributions went towards (*i*) their regular operations (*ii*) the holding of conferences and meetings?

2. Is it the policy of the Department to pay for dinner or other entertainment functions where the Minister or his representative speaks and, if so, since September, 1984, what functions did the Department financially support?

Return tabled.

[*English*]

Mr. Caccia: Mr. Speaker, I rise on a point of order. I want to ask the Parliamentary Secretary when he might answer my question P-26 for the production of papers dealing with the Environment Canada study carried out under the auspices of the Deputy Prime Minister (Mr. Nielsen) who, two weeks ago in the House, indicated that he would have no objection to the tabling of that report.

Mr. Lewis: Mr. Speaker, I have caused inquiries to be made as to when we might be able to table that document. I am not exactly sure what form it is in at the present time and it may be that it has to be translated into both official languages. I have set this inquiry in motion to see exactly when we can table it.

[*Translation*]

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

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

[*English*]

POINT OF ORDER

LACK OF SIMULTANEOUS TRANSLATION AT COMMITTEE MEETING

Mr. Lorne Greenaway (Cariboo—Chilcotin): Mr. Speaker, I want to point out to the House that on June 17 a meeting of the Standing Committee on Environment and Forestry had to be postponed because there were no interpreters.

Mr. Speaker: The Chair and the House are aware of that matter. I indicated earlier, in response to a similar comment about another committee by the Hon. Member for Trinity (Miss Nicholson), that part of the problem is that we now have so many committees that there are more committees than the Secretary of State can provide translation for. Translation is provided to the committees and the House, not by the House itself, but by the Secretary of State.

That matter is currently under discussion with the Department in order to try to resolve these matters.

Mr. Althouse: Mr. Speaker, I believe that when we began the legislative committee process there was an understanding among Members of the House that we would attempt to have the legislative committees meet when the House was sitting, while the standing committees and other committees would meet when the House was not sitting. I note that many standing committees are not doing that and I think this is putting some pressure on the Translation and contributing to the problem. I wanted to make certain that we all understood that that may be contributing to the problem.

Mr. Speaker: I thank the Hon. Member.

Before proceeding to Government Orders, because of the ministerial statement, this day's sitting will be extended by nine minutes.

GOVERNMENT ORDERS

[*English*]

BELL CANADA ACT

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-19, An Act respecting the reorganization of Bell Canada, as reported (with amendments) from the Standing Committee on Communications and Culture.

Mr. Speaker: There are 15 report stage motions set down on today's Notice Paper in amendment to Bill C-19, An Act respecting the reorganization of Bell Canada.

Motions Nos. 1, 2, 5 and 8 in the name of the Hon. Member for Winnipeg North (Mr. Orlikow), and Motions Nos. 3, 4 and 10 in the name of the Hon. Member for Mount Royal (Mrs. Finestone), were moved and negatived in committee.

After consultation with the Hon. Members concerned, Motions Nos. 1, 5 and 10 will be selected. Accordingly, Motions Nos. 2, 3, 4 and 8 will not be selected and, therefore, will be dropped from the Notice Paper.

● (1220)

Motions Nos. 7 and 11 present to the Chair some procedural difficulties. The effect of Motion No. 7 would be to make Bell Canada responsible for the content, meaning and purpose of messages transmitted, emitted or received through the services or facilities of the company. Since Clause 8 of the Bill stipulates that Bell Canada shall not in any way exercise control over the contents, or influence the meaning or purpose of such messages, such a change is clearly beyond the scope of the clause it purports to amend.

Motion No. 11 seeks to bring Bell Canada Enterprises under the terms of the Bill. This also was not the intention of the House when the principle of the Bill was agreed to at the second reading stage.

For these reasons, it would be my intention to rule Motions Nos. 7 and 11 out of order.

For the benefit of Hon. Members and for the purposes of clarification, let me now indicate how all of the motions listed are to be dealt with.

As Motions Nos. 1, 3A and 5 share the common theme of universal access to telephone service at a reasonable cost, they will be grouped for debate and will be voted on separately. Motions Nos. 2, 3 and 4 are not selected. Motion No. 6 will be debated and voted on separately. Motion No. 7 the Chair believes, is out of order. Motion No. 8 is not selected. Motion No. 8A will be debated and voted on separately. Motion No. 9 will be debated and voted on separately. Motion No. 10 will be debated and voted on separately. The Chair views Motion No. 11 as being out of order. Motions Nos. 12 and 13 will be combined for debate. An affirmative vote on Motion No. 12 obviates the question being put on Motion No. 13. A negative vote on Motion No. 12 will require the question to be put on Motion No. 13.

If there are procedural arguments that Hon. Members wish to make with regard to Motions Nos. 7 and 11, it would be my intention to hear such argument when those motions would be otherwise be called, assuming Hon. Members are not ready to do that now.

For the time being, motions to be called would be grouped, Motions Nos. 1, 3A and 5.

Mr. Vic Althouse (for Mr. Orlikow) moved:

Motion No. 1

That Bill C-19, be amended in Clause 6 by striking out line 27 at page 2 and substituting the following therefor:

"(a) Furnish the service at the lowest possible price with universal access by subscribers; and".

Hon. Ray Hnatyshyn (for the Minister of Communications) moves:

Motion No. 3A

That Bill C-19, be amended in Clause 6 by striking out line 3 at page 3 and substituting the following therefor:

"(c) if the Commission has not otherwise specified, the Company has not received therefor".

Mr. Vic Althouse (for Mr. Orlikow) moves:

Motion No. 5

That Bill C-19, be amended in Clause 6 by striking out lines 3 to 5 at page 3 and substituting the following therefor:

"(c) a financial guarantee of payment by the customer or a third party or such provisions in respect to advance payments that may be established by the CRTC both of which shall not amount to more than one month's advance payment of the subscriber's normal monthly charge."

He said: Mr. Speaker, I want to support the motion that I have just moved on behalf of my colleague, the Hon. member for Winnipeg North (Mr. Orlikow). Two motions, Nos. 1 and 5, were intended to be grouped for debate. I want to make it fairly clear to the House as to what is intended here.

In the first amendment we are proposing to add in the words that Your Honour has read, the idea being to provide universal access to subscribers. Motion No. 5 would clarify that, and make universal access more clear in that it would not require such a large downpayment to have service in effect. We read the current Bill as providing the possibility for the phone companies, for Bell Canada, to charge as much as an advance of six months in regular service for the provision of the service, and we think this is flying in the face of universal access. It flies in the face of the tendency of law in this country to move toward smaller downpayments for service. When one goes to rent an apartment now the landlord is limited to much less than six months. In most provinces, it is only a one-month advance payment. We think that this kind of universal access should be consistent in our policies and procedure and that providing the possibility of charging for six months' service in advance, without pointing out what will be required or how that will be paid back, or if in fact the customer will get it back, is not the way to write good law, and it is not consistent

with the direction in which the laws of this country have been going in the last number of years.

The question of universality, universal access, is the main point of these amendments. There is a widely dispersed population in Canada. We, as most Hon. Members in the House know, tend to concentrate in a number of large cities, but for those of us in the rural parts of the country, access to that other population is extremely important in keeping the country together, in making commerce work, in keeping the political system working, tied together. We find it very difficult to imagine changing the system of universal access, to which we have grown accustomed, to one where the telephone company would have the right to increase charges for owning or using a telephone beyond the level that is currently in place.

The telephone companies have been arguing, as Your Honour is aware, that they make most of their profits on long distance charges and only a limited profit on local calls. They are therefore attempting to make a division in their incomes. That is one of the choices they propose. They have attempted several methods, all of which achieve the same result, that is, higher charges for the use of a telephone, higher charges for local use, to be tied into the telephone system. It is part of a deregulation move that is sweeping the country under this particular administration, and one that we think is fraught with many dangers, many hazards, given the nature of this country of ours, Canada.

Although the people who live in small rural and remote areas and small villages might only amount to 5 per cent to 10 per cent of the nation's population, they are an important part of this country. The original founding fathers recognized the important role that those in rural areas played in settling the country and keeping it from outsiders and intruders. That is still an important role for those in rural areas to be playing in terms of defence and political entities, and to discriminate against them by charging higher fees just for the use of telephones does not make much sense.

There are not many phone calls made from some of these rural telephones, but they are the only means of quick communication available to those people. They are important for the political unity of the country and for those people to be able to tie into the commerce of the country, to order repairs, goods and services.

Because of other policies that have been adopted by the previous Government and ones which seem to be carried on by the present Government, transportation rates to those remote areas are rising. It has become a user-pay situation and each charge has to pay its own way or the goods do not move. Therefore, goods and services are extremely expensive to the remote areas of the country as a result of this policy move away from trying to share transportation costs more or less equitably among all of the users of the country.

• (1230)

We see this as an attempt to do the same thing for communications that has been begun with transportation. We do not like it. We think that this particular amendment would take away that right from Bell Canada and leave the access to telephone sets in homes in the suburbs, in homes in rural areas and in small villages. This is something that is viewed by most of these users as a universal right that should not be priced beyond their ability to pay.

Therefore we think that there should be a clear statement within this particular reorganization of Bell Canada to the effect that the company would be required, to a small extent, to provide some cross subsidization for the very profitable long distance telephone market in order to allow as many customers as possible access to telephone sets.

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I wish to speak to the proposed amendment to Clause 6(2) which would, as has been indicated, strike out line 3 at page 3 and make a substitution. The purpose of this amendment is to allow the Canadian Radio-television and Telecommunications Commission to specify a maximum payment other than the advance payment that Bell can currently charge. This amendment will retain the six-month provision for extreme cases, while at the same time preventing Bell from demanding such advance payments arbitrarily.

In substance, this is a continuation of an existing provision in the special Act, with the exception that the Commission would be empowered to substitute its own maximum advance payment requirement in lieu of the historic maximum six-month period. The amendment retains the historical maximum of six months for dealing with extreme cases of non-payment.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I was pleased to hear the response of the Parliamentary Secretary with respect to the motion to amend Clause 6(2)(c), which in essence is identical to what I had recommended for revision which was ruled out. I refer to my Motion No. 4 which states:

—the request for service does not conform with the General Regulations prescribed for the Company by the Commission.

I assume that it is a technicality with respect to language that the Parliamentary Secretary has used in this instance. It makes absolutely no sense that a monopoly service and a monopoly supplier of that service should be in a position to request a six-month advance payment by any subscriber, except with due cause. There are many people in Canada, and increasingly more so as our taxes increase, who do not have the disposable income necessary to pay a lump sum for a service which should and must be provided.

In committee I asked if it was fair for the average struggling student who is finding it difficult enough to pay for his rent, his heat, his light and his tuition fee to be expected to pay a six-month advance payment. I also asked if it was fair that the sick or elderly who have to move should be expected to pay a

six-month advance payment. I wondered, since it was refused in committee, whether the Minister would come back and accept the principle that advance payment was not necessary and that a deposit should not be required unless determined by regulations or directions from the CRTC. Therefore I am pleased that my suggestion has been accepted with respect to the credit practices of the company being set by the Commission. After all, this is a monopoly service and the customers will certainly not run away or move to avoid Bell Canada. I am sure they are pleased to pay their monthly bills. Unfortunately, most people do not have that type of lump sum to put up front. I am pleased to support the amendment of the Minister, Motion No. 3A, which is really my motion. I am glad I have inspired him along the way.

With respect to Motion No. 1, which refers to the furnishing of the service, I suggest that furnishing the service should be an obligation and that it should be at an affordable cost. If the service is being furnished, does a telephone come with that service? Or is there just a wire and somehow or other one must speak to the wind? In conjunction with furnishing a service a usable telephone should be supplied at a minimal cost. It should be easily accessible to the parties concerned. What does one do if one is elderly and cannot go down to the local boutique? In other words, how does one obtain a telephone? Therefore furnishing the service indicates that we want the service furnished at an affordable price and that in this respect the local ratepayer will be considered, not just in light of long distance telephone rates. The intent of this amendment is to give all reasonable consideration to the subscriber at the local level. If that is the intent, then I hope the Minister will give serious consideration to this amendment.

• (1240)

[*Translation*]

Mrs. Claudy Mailly (Gatineau): Mr. Speaker, in Clause 6 of the Bill it says that Bell Canada has an obligation to provide services to customers that it shall—

(a) furnish the service;

And also:

—furnish telephones of the latest improved design then in use by the Company in the municipality or territory.

Mr. Speaker, in the riding of Gatineau and in the Outaouais region generally, we have a situation that is totally unacceptable. Our telephones are indeed of the latest improved design, but we cannot use them to call numbers in our own municipalities without incurring long distance charges.

I have asked Bell Canada to abolish long distance charges between the communities of Thurso and Gatineau, between Buckingham and Gatineau and even between certain streets in the municipality of Gatineau, where there is a long distance charge for phoning across the street!

The Company was understanding and made an application to the CRTC to change the criteria that stand in the way of getting rid of these long distance charges that divide our families and are a burden on our small business people who, whenever they receive calls from or put calls through to their suppliers, run up incredible bills, and sometimes it costs as much as $100 a month for a family that wants to keep in touch with people across our riding.

The CRTC answered that it would postpone a decision on this request until the fall, because it did not agree with the way Bell Canada was going to frame its request. Bell Canada says that in order to charge my constituents and other ridings and communities in Canada, local instead of long distance rates, it would cost $150 million, and that this $150 million was going to be spread over all subscribers, including those who do not pay long distance charges when they call another number within the same community.

The CRTC felt it was not fair to spread the cost of changing the criteria, just to enable hundreds of people to call each other within the same community without paying long-distance charges.

Mr. Speaker, this legislation will give the CRTC a right to monitor a number of matters where it has been somewhat difficult in the past for the Council to obtain information.

I was therefore suggesting to the CRTC, which will now secure that right under the Bill, that rather than asking Bell Canada to completely reorganize its service in order to eliminate the need for long distance calls between communities which already have a common interest but are not adjacent and that being the term that prevents us from doing away with it, that rather than attempting such a complete reorganization, they should tell Bell Canada which, according to recent statistics I have seen, had possibly the largest profits of all major Canadian corporations, to absorb part of the cost of doing away with long distance tolls in the Ottawa Valley communities. Because the situation is absolutely unfair.

On the Ontario side, taxpayers can make calls from Cumberland right up to Ottawa. There are almost no communities with long distance tolls. But on the Quebec side of the Ottawa River, there are long distance tolls for calling people living across the street. There are long distance tolls between Buckingham and Gatineau. Where do you suppose people in Buckingham will be getting their supplies and services? They call Ottawa because there is no long distance toll.

How is it possible to have cohesion in our area?

So, in conclusion, I recommend to the CRTC, rather than postponing the elimination of long distance tolls in the Ottawa region, to require Bell Canada to absorb the cost of that elimination, according to the schedule that was established in January when Bell Canada filed its application with the CRTC.

Moreover, I would also recommend to the CRTC that if, under this Bill, they obtain a right to monitor Bell Canada's operations, wider powers than before, that they use that right to ensure that the Corporation really meets its obligation as provided in the legislation to furnish telephone service

requested for any lawful purposes. And also to supply applicants with telephone sets of the latest improved design then in use of the municipality or territory. And let us not find ourselves in a situation where there are municipalities with truncated services and communities that cannot make calls to each other, families that cannot communicate among themselves without having to pay up to $100 a month for long distance calls, and SMBs that are trying to live and grow but cannot do so because of those long distance tolls, Mr. Speaker.

Hon. André Ouellet (Papineau): Mr. Speaker, I should like to speak to this amendment introduced by my colleague on this side of the House to emphasize that Bell Canada is a corporation which was established pursuant to special legislation dating all the way back to 1880 and which happens to be a monopoly. It stands to reason therefore that any company which is a monopoly enjoys rather special privileges and benefits.

The Hon. Member for Gatineau (Mrs. Mailly) has just put the finger on the huge profits recorded by Bell Canada. In my estimation she is quite right to point out that Bell Canada is among companies whose investments are most profitable, and so it is precisely because of its privileged monopolistic situation. This is why I think it must also face up to certain responsibilities. Therefore, the motion to amend Clause 6 at page 2 of Bill C-19 seems quite relevant to me.

The Parliamentary Secretary to the Minister has argued that this clause is nothing more than a repetition of an already existing provision of the act under which Bell Canada was incorporated. So what? The mere fact that Bell Canada could in the past ask for a six-month advance deposit does not necessarily mean that a similar provision has to be included in this Bill.

In my opinion, the amendment under which Bell Canada would have to furnish the service at the lowest possible price with universal access by subscribers is quite acceptable. I will therefore vote in favour of this amendment because I think that Bell Canada has responsibilities towards Canadians, wherever they happen to be within the company's territory.

The Hon. Member for Mount Royal (Mrs. Finestone) was quite right in saying that many people on low incomes or in certain age groups, and she referred more specifically to students who have to move to another town to continue their university training, cannot afford to pay a lump sum representing six months service for having their telephone connected. I think that the clause in the Bill, at the bottom of page 3, that says nothing requires Bell Canada to provide the service if it has not received therefor a tender or payment of the lawful rates semi-annually in advance, is excessive.

I think this provision goes too far and I fail to understand why the Government refused to change this part of the Bell Canada Act.

The Parliamentary Secretary's excuse was that this is how it used to be, but that is no reason why this situation should be allowed to continue. This Bill which is specifically concerned with a major administrative change involving Bell Canada and its parent company, justifies, I feel . . . Now, under the Canada Business Corporations Act, Bell Canada will have far more freedom, in many ways, than it had in the past.

The CRTC was worried about losing part of its authority to monitor Bell Canada with the introduction of this new entity, which is Bell Canada Enterprises Incorporated, which is now the parent corporation.

Now we are seeing this major change in Bell Canada's operations, I think the Minister of Communications (Mr. Masse) and the Parliamentary Secretary to the Minister (Mr. Edwards) should have realized that it was perhaps the right time to withdraw this right to charge a fee equivalent to the charge for six months service, or half the annual rate.

I think that in the case of many Canadians, either young students, as the Hon. Member for Mount Royal (Mrs. Finestone) pointed out, or older people whose life conditions have changed and who at a certain age must move because the children are married and the family has become smaller, oftentimes older people living alone must change neighbourhood and find accommodation in a place where they must have a telephone installed. In my view, Bell Canada should not expect these older people to pay this basic amount because in most cases they simply cannot afford the expense of having a new telephone installed at home. This is why I support the motion and I hope that, after due consideration, the Government will change its mind and accept this very important amendment.

• (1250)

[*English*]

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, it is a pleasure to participate in the debate on Bill C-19. I should like to speak on this matter as it relates to the telephone system and to security deposits. Also it raises the notion of paying per call later down the road, or the notion of a new type of system sneaking its way into Canada.

I notice that the phone debate, if I can call it that, is no a big deal, like the free trade debate. However, when we look at what affects ordinary people on a day by day basis, we realize that it is an important issue.

I remember my first job in Vancouver as a crown attorney. First I was sent to traffic court. After muddling around there and letting a few people off their tickets as a result of sloppy procedures and so on, I was sent to family court. I will never forget my job in family court. It was to cross-examine about six times or eight times each morning, usually men who were in arrears with their maintenance payments. It was my job to find out the income of these men. Inevitably the same patterns emerged repeatedly; what they paid for telephone, rent, to operate a car, which was always very expensive, car payment, and insurance payment. Eventually there was a little money left over for cigarettes, alcohol, entertainment, or whatever. We were always trying to squeeze a little extra money out of

these men to pay what they should pay; maintenance payments to their wives, ex-wives, or children. I will never forget that pattern of expenses of ordinary Canadians. At the top of the list was the telephone bill. Many other expenses are discretionary, but everyone pays a telephone bill. That is why I say Bill C-29 is very important.

We are debating a provision in respect of security deposits. Hon. Members can correct me if I misinterpret the provision. However, it is my understanding that there is a government amendment as well as an amendment in the name of the Hon. Member for Winnipeg North (Mr. Orlikow). In any event, subclause 6(2) reads in part as follows:

> Nothing in subsection (1) requires the company to furnish the service or a telephone where—

Subsection (1) indicates that the company must furnish a telephone when someone asks for a telephone; it is a monopoly. Subclause 6(2) continues as follows:

> (c) the company has not received therefor a tender or payment of the lawful rates semi-annually in advance.

As the Bill was originally drafted, it allowed the telephone company not to provide a telephone if it did not collect a six-month advance payment, which was really a security deposit. Of course, the company wants to collect the security deposit and it wants customers to pay their bills. However, it was a rather extraordinary power. We must remember that it is a monopoly. As I understand it, one cannot obtain a telephone anywhere else unless the company or monopoly supplies it.

Perhaps the House will forgive me if I tell another personal story. Again going back to working as a lawyer in Vancouver, I discovered that the B.C. Hydro utility was charging security deposits of up to six months of hydro payments. A number of people approached us at the time and said that they were required to pay security deposits, but that other people were not paying them.

Let us look at who were paying security deposits. They were students, unemployed people, and even artists. I remember one artist who appeared in the local directory as a writer and artist. He is now a famous playwright and artist of children's books. The company thought that he must be poor because he was an artist, so it charged him a security deposit. As well as students and unemployed people it charged people in certain parts of town. It was a helter-skelter, unfair system. It was taken to court, and Mr. Justice McIntyre in the case of *Chastain v. B.C. Hydro* ruled that security deposits were illegal and that utilities had to treat all their subscribers equally.

Therefore, one could really question whether the company would have the power, as set out in the original draft of the Bill, to present a six-month advance bill to subscribers of its choice. It is a beautiful way of ensuring collections. Other companies cannot do it. In fact, collection people tell us that some 97 per cent to 99 per cent of people pay their bills. This provision gave the company a little extra clout when it was suspicious that someone may have trouble paying his or her bill. On no reasonable ground could it simply tell the subscriber to pay six months in advance.

As I understand it, not everyone was required to pay a deposit security. When I had a telephone installed I was not required to pay six months in advance. The company picks out people and discriminates against poorer people.

The Government has seen fit to amend the Bill. A few moments ago the Hon. Member for Mount Royal (Mrs. Finestone) indicated that the Government had somewhat accepted her amendment. It seems to me that in Motion No. 3A the Government has amended the clause to indicate that the company must provide telephones, with some exceptions. One such exception is that, if the commission has not otherwise specified, the company has not received therefor a tender or payment of the lawful rates semi-annually in advance.

Let me translate that legalese. As I understand it, it means that the commission could say that the company cannot charge security deposits. However, if the commission does not say anything, the company can get six months in advance. It is a step forward, but it does not go the whole way. It still allows for the possibility of the commission not saying anything or not adjudicating on the matter, or for the possibility of the commission in fact allowing security deposits. We know what regulatory commissions are; they are sometimes co-opted by regulators.

I prefer Motion No. 5, standing in the name of the Hon. Member for Winnipeg North, which reads:

> That Bill C-19, be amended in Clause 6 by striking out lines 3 to 5 at page 3 and substituting the following therefor:
>
> "(c) a financial guarantee of payment by the customer or a third party or such provisions in respect to advance payments that may be established by the CRTC both of which shall not amount to more than one month's advance payment of the subscriber's normal monthly charge".

I do not even like the notion of one month because it discriminates against consumers. You could argue that there is a trade-off. Bell has to provide the service. It is a monopoly. Bell cannot choose its customers. In certain cases you could let them collect a month in advance.

• (1300)

I would agree to support my own colleague's amendment. I suggest the House support the amendment because then security deposits for telephones will not affect low income Canadians.

Mr. Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Speaker: There are three questions before the House.

The first question is on Motion No. 1 standing in the name of the Hon. Member for Winnipeg North (Mr. Orlikow). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion No. 1 negatived.

Mr. Speaker: The next question is on Motion No. 3A standing in the name of the Minister of Communications (Mr. Masse). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

All those in favour will please say yea.

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it

And more than five Members having risen:

Mr. Speaker: Pursuant to Standing Order 114(5), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 5 standing in the name of the Hon. Member for Winnipeg North (Mr. Orlikow). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: Nay.

Mr. Speaker: All those in favour will please say yea.

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Pursuant to Standing Order 114(5) the recorded division on the proposed motion stands deferred.

Mrs. Sheila Finestone (Mount Royal) moved:

Motion No. 6

That Bill C-19, be amended in Clause 7 by striking out lines 6 and 7 at page 3 and substituting the following therefor:

"7. Neither the Company nor any affiliate of the company shall directly or"

She said: Mr. Speaker, I would like to discuss Clause 7 which deals with the broadcasting prohibition. As originally constituted, Clause 7 continued a prohibition against Bell from holding any form of broadcasting licence. Let me remind you, Mr. Speaker, when this prohibition actually took place. In 1968 Parliament inserted in the Bell Canada Special Act a specific subsection, namely subsection 5(2), which precluded Bell Canada from holding a broadcasting licence as that term is defined in the Broadcasting Act.

Let me remind Hon. Members what a broadcasting licence is. It means a licence to carry on a broadcasting undertaking. A broadcasting undertaking includes a broadcasting transmitting undertaking, that is, television, radio, cable television and pay t.v. It also includes a broadcasting-receiving undertaking, which is cable, as a common carrier and a network operation located in whole or in part within Canada, on a ship, on an aircraft registerd in Canada.

When you look at the definition of a broadcasting undertaking, radio, television, cable et cetera and the network and then you look at broadcasting policy, it talks about undertakings with respect to responsibility for program and program content. There are taxes so that we can now have the kind of Canadian content built into the programming that we want. All of these are included when you look at the very slight number of words recommended for change by the amendment brought by the Government, and subsequently in the reason for my request to strike out lines 6 and 7 on page 3 and substitute:

Neither the Company nor any affiliate of the Company—

Let me explain. First, we are dealing with the reassertion of the right of the CRTC to regulate Bell Canada. Bell Canada at that time was in a sense a holding company. It had a series of corporate empires under its mandate, such as Northern Telecom, Bell Canada Enterprises, Bell Canada International Management Research and Consulting, which sent the team to work in Saudi Arabia, Telesat Canada, Bell-Northern Research, Tele-Direct, Tele-Direct Publications, Bell Communications Systems. Now with the reorganization, Bell Canada becomes just one of a myriad of affiliates to Bell Canada Enterprises. It has very few subsidiaries to which it is responsible.

What has been done with this amendment is to allow the introduction of a potential for Bell Canada to go into competition with the cable industry, the television industry and all the broadcasting industries. The fact that we did not want that in the original concept of the Bell Canada Act was amply demonstrated by our action in 1968. At that time the cable industry saw the threat by Bell to control the local distribution plant. It is just one of the examples of many public policy reasons for inserting that original subsection 5 in the Bell Canada Special Act. These concerns still exist today. Perhaps they are more valid than ever. They are applicable to BCE and its subsidiary companies as they were to Bell Canada.

The Canadian Cable Television Association fears that with this clause as it now stands it could be wiped out by the Bell group. That means concentration of power, Mr. Speaker. It means a diminution of jobs, potential for creativity and the role of small and large business on the part of some of our cable operators. They have expressed their fears to the Minister. I might cite the letter and bring the attention of all Members of this House to what the Canadian Cable and Television Association has had to say.

The CCTA believes that it is very significant that the the CRTC in its April 1983 report to Cabinet on the proposed

reorganization of Bell Canada concluded that Bell Canada, and other members of the Bell group, should continue to be prohibited by statute from holding broadcasting licences, including cable television licences. The Commission's rationale for this firm conclusion, which resulted from an exhaustive review of the arguments on both sides of the issue at a lengthy public hearing which preceded the drafting of this report, was a concern over the degree of concentration of control that could potentially arise in the Canadian Broadcasting Industry if subsidiaries of Bell Canada Enterprises were allowed to hold licences. Specifically at page 67 of that report, the Commission found as follows:

At this stage of rapid evolution in the communications industry, the Commission would be concerned with the degree of concentration that could arise in the industry if the Bell group were allowed to enter the broadcasting field. In this regard, it is noteworthy that, in 1982, the size of Bell Canada, as measured by the book value of its telecommunications assets alone, was in excess of $10 billion, compared to assets of approximately $1.2 billion for the entire Canadian private television, radio and cable industries.

The Commission would also be concerned if the Bell group were to enter the cable industry with the conflict of priorities that could arise in the group as between the development of the cable and the development of the telephone distribution systems.

• (1310)

The commission considers that the public interest is best served at this time by the separate and, to some extent, competitive evolution of the cable and telephone distribution as separate entities.

The CCTA is not aware of any compelling new arguments of public policy which were made before the standing committee by representatives of the Bell group of companies which should have resulted in that committee vacating the very specific procompetition recommendations of the CRTC in its report. They are, therefore, very surprised that the Hon. Member had recommended amendment to Clause 7 of the Bill in this way.

I, too, was very surprised when I looked at the results of the amendment of the Member for Leeds—Grenville (Mrs. Cossitt). As a result, I brought to the attention of the cable industry that any affiliate of Bell, such as a part of Bell Canada Enterprise, could potentially get into the broadcasting field.

The first and most obvious endeavour for any telecommunications company to get into would be cable, given the infrastruture which is already in place. The cable companies may in the future turn to telecommunication companies to provide carrier facilities, especially as the scope of services expands with the advent of new technologies. With the coming of fibreoptics conceivably the rewiring of metropolitan areas will bring about some very significant changes in the kind of services that we are going to have. I think it would bring advantages to both the telecommunication and cable sectors.

The intent behind the revision is to concentrate the power in the hands of a very few people and to dilute the powers of the companies to deal with competition. I do not believe that any company under Bell Canada Enterprises should be allowed to compete in the communications and broadcasting field. Therefore, I urge serious consideration of the amendment which would prevent any part of Bell Canada, Bell Canada Enterprises or its affiliates or subsidiaries, from entering into competition in the telecommunication broadcasting undertaking or broadcasting receiving field.

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I would like to comment very briefly on behalf of my colleague, the Hon. Member for Saint-Michel—Ahuntsic (Mrs. Killens), who, as you know, is our consumer critic, and because of an accident, has had to stop temporarily her activities in the House of Commons.

She has asked me to support the amendment moved by the Hon. Member for Mount Royal (Mrs. Finestone), who expressed her concern, and I agree, about the excessive concentration that could occur now that Bell Canada Incorporated is apparently being allowed to diversify its activities, which means that in addition to having a monopoly in the telephone sector, it could get involved in cable, television and other related activities in the communications industry.

The Minister of Consumer and Corporate Affairs and Canada Post (Mr. Côté) recently tabled a Bill that substantially amends the Combines Investigation Act and provides a number of parameters whereby the Government, through a competition tribunal, will be able to judge whether takeovers or mergers involving Canadian companies are in the interest of a competitive market in Canada. Although it is clear that in order to compete on the international market, some Canadian companies must be large and powerful, it does not seem equally clear nor as important for certain companies who are providing services exclusively to Canada consumers to be as large and as powerful.

I think that in the cablevision sector, there are Canadian businesses that are active across the country and provide a satisfactory service to the Canadian public and to Canadian consumers.

I am concerned that a company of the size and strength of Bell Canada Incorporated would be able to use the merger process to get into an import area of communications like television.

I believe that the Parliament of Canada created Bell Canada and gave it a monopoly to ensure that the company would give Canadians one of the best telephone services in the world. And there is no doubt that Bell Canada fulfils that role to perfection, and that over the years, it has been able to provide Canadians with one of the best telephone services the world over. So much so that many other countries have asked Bell Canada to help them, with its technology, to set up similar telephone services. Because of its excellence, Bell Canada has been able to export its technology and know-how to other countries.

However, Mr. Speaker, this monopoly, which is a source of very substantial revenues for this company, should not be allowed in areas other than telephone services. I would be concerned to see a company like Bell Canada, protected by its monopoly, make profits which would be used to acquire unlimited control over related areas in the communications industry. I think this would have the effect of exceeding the general scope of the Act of Parliament that created Bell Canada and gave it its monopoly position.

I therefore support the motion moved by the Hon. Member for Mount Royal (Mrs. Finestone) and invite my colleagues in the House to do likewise.

[*English*]

Mr. Fred McCain (Carleton—Charlotte): Mr. Speaker, there are some concerns about this Bill which I wish to express today. They relate mainly to the amendment and the clause concerned. The term "affiliate" is not defined in such a way as to make clear what an affiliate is in the legal sense of the word. There is nothing to say that an affiliate may not be one which, by contractual arrangement, is already doing business with Bell Tel. It is not clear whether the affiliation is by the cross-ownership of stock. It is not clear what constitutes control of an affiliate in any way, shape, or form.

In reality, control is when one owns or votes 50-plus per cent of the shares of the corporation. In other legal documents it is stated that that constitutes control. I suppose that some of the conglomerates and holding companies of the world may consider that they can control a company with 20 per cent ownership of the stock of the company. Within the latitude extended in the definition of that term in this Bill that could constitute control.

• (1320)

Unfortunately, what the word "control" constitutes has not been clearly delineated. For example, Bell Canada owns a block of stock in N.B. Tel which would be deemed by some as exercising control. I do not think that is the case but, nevertheless, it is a possible interpretation. It does not say, for example, that the company must control voting stock to the extent of 50 per cent or more. The definition of "affiliate" is certainly lax and could be interpreted in many ways.

I am also deeply concerned about the fact that this Act enables Bell to intrude itself, by order of the commission, in the operations of companies supported, regulated and in some instances owned by a province. There is very serious concern about whether the commission should be authorized to enter any jurisdiction in which it presently does not operate through control of or affiliation with a service rendered within a provincial framework. The control exercised by the various provinces does not overlap very much with the CRTC. However, there are some points which give the provinces some very serious concern. For example, the method by which cable t.v. licences have been issued under the authority of the CRTC has left some people wondering who knows best about the community in which the service is to be licensed.

I really think it is imperative that this Act be given some further consideration. As well, the various amendments should be given more serious consideration than they have received so far. I hope that the ability of the company to interfere in provincial distribution of telecommunications is not abused, and that the commission itself would not abuse its authority to interject the company into other jurisdictions with respect to telecommunications, cable television or any of the other new technologies devised by science.

These definitions are too lax and I think they should be better explained. The authority of the commission to interject itself into the provincial domain is certainly not approved by many of the provinces and is resented by most of the companies operating under provincial control. It is most unfortunate that this has reached the floor of the House in this form.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on Motion No. 6 standing in the name of the Hon. Member for Mount Royal (Mrs. Finestone). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion, the nays have it.

Motion No. 6 negatived.

Mrs. Sheila Finestone (Mount Royal) moved:

Motion No. 8A

That Bill C-19, be amended in Clause 11

(a) by adding immediately after line 9 at page 4 the following

"(2).1 No person shall directly or indirectly acquire control of the Company without the prior approval of the Commission."

(b) by striking out line 18 at page 4 and substituting the following therefore:

"(1), (2).1 or (3) may be specific or general and".

She said: Mr. Speaker, I was pleased to hear some support from the Government side because there is a very serious and ongoing concern with respect to how Bell Canada Enterprises has managed to manipulate events. By changing its corporate structure it is in a position to avoid any kind of scrutiny by the CRTC. The intent of this Bill is to restore that scrutiny. In

that way the subscribers can be assured that the telephone system will remain accessible and affordable, and the people who manage the company will have as their prime concern the interests of telephone subscribers across this land. Given the kind of approach being taken in this Bill, however, I have very serious reservations about whether or not that can come about.

Clause 11 of this Bill as it now stands provides that if Bell Canada Enterprises attempts to sell off more than 20 per cent of the voting shares in Bell Canada, the CRTC then has the right to give or withhold approval of the sale. The intention is really to prevent someone or some corporation acquiring control of Bell Canada without having the CRTC authorize the transaction. I support that intention.

The purpose of my amendment is to ensure that the Bill achieves its professed objective by requiring CRTC approval prior to any takeover of Bell Canada. The Bill the Government is now proposing fails to achieve that objective.

Let me use an example to make the point clear. Let us assume that a brewing company, be it Canadian or American, wanted to buy control of Bell Canada in order to get into the profitable telephone business. There are two ways a brewery could take control. It could approach Bell Canada Enterprises directly and purchase enough shares to acquire control. Since the shares of Bell Canada are not traded on any stock exchange but are held by Bell Canada Enterprises, that is the most direct way to acquire control. Such an attempt would be caught by Clause 11 of this Bill as it now stands and CRTC approval would be required.

The second way they could acquire control of Bell Canada is a much more indirect method, that of attempting to acquire control of Bell Canada Enterprises itself. As ludicrous as it may seem, a corporate takeover attempt involving $1 billion is not unheard of these days. There are those who like to scoff at any suggestion that a huge company like Bell Canada Enterprises could be taken over. Yet there was that article in *The Globe and Mail* two weeks ago which showed how a group of Canadian stockbrokers were attempting to acquire enough Bell Canada Enterprises shares to control the company. Since those shares are so widely held it may be possible to take control by acquiring only 25 per cent of the outstanding shares. I am not trying to knock the brewing industry. It was used as an example only. I might have saida soft drink company, or any one of any other kinds of corporation, but for our edification let us continue with this brewery company. If it could acquire control of BCE by purchasing enough BCE shares on the stock market the brewery would then be in a position to control Bell Canada itself. Do we really want a brewery to be running a critical utility like Bell Canada? Perhaps yes, perhaps no. We would certainly want the CRTC, the expert in the field, to scrutinize the deal.

• (1330)

If you do not adopt my new amendment to Clause 11(2).1, or if it is not passed, the CRTC will have no right to withhold its approval to the brewery take-over of BCE or to holders of those stocks under McLeod, Young, Weir. Even though the brewery would have acquired the shares, it would in the process have acquired control of Bell Canada. If the Government is really serious about insisting on CRTC approval for anyone who wishes to take control of Bell Canada, then the Government should give full support to my amendment.

My amendment provides that even an indirect attempt to acquire control of Bell Canada would be subject to prior approval. The complaint that we would be interfering in the affairs of that company I do not think is valid, but the interests of the subscribers and of our telephone company would be protected.

There are two areas where I think it is very vital to control not only what happens to Bell Canada shares, but also what happens to Bell Canada Enterprise shares. There too is the potential for take-over and the impact on what is a specially regulated monopoly here in Canada providing an essential service to all Canadians that we want to have accessible and affordable across this land. In no way do we want anyone to jeopardize that kind of service. We are not in the business of deregulating the telephone company. We are not in the business of removing that monopoly. We are in the business of protecting the consumer from any kind of unnecessary interference in their rights as subscribers here in Canada.

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I want to support the motion of my colleague from Mount Royal (Mrs. Finestone) and take this opportunity to commend the Hon. Member for her outstanding performance during the exhaustive study of this Bill. I think the Hon. Member displayed her deep sense of wisdom and concern throughout all proceedings related to this very important piece of legislation which will have an impact on one of Canada's major corporations, Bell Canada.

Not only did the Hon. Member for Mount Royal take part in the second reading debate on this Bill, but she was also very active in committee where she moved a series of amendments which showed her great interest in this matter as well as her dedication to safeguard the interests of Canada, and more particularly the interests of telephone subscribers and Canadian consumers.

These report stage amendments are quite relevant as well and I hope that when we vote on some of them next week the Government will see fit to accept certain amendments proposed by the Hon. Member for Mount Royal. Indeed the Hon. Member has indicated in her remarks that the situation might become tragic in the future if foreigners were to buy a majority intererest in the Bell Canada parent company and indirectly gain control over this country's telephone system.

In my judgment, this would be most regrettable and go far beyond the intentions of Canadian Parliament which gave Bell Canada a monopoly to be exercised by Canadians and for Canadians.

I think the Hon. Member for Mount Royal (Mrs. Finestone) has every reason to raise that possibility in the House and to introduce an amendment to shut the door. Her action is quite justified because the Conservative Government has just enacted legislation to dismantle the Foreign Investment Review Agency. As we all know, the Government has thrown Canada's doors wide open to foreign investors. The Government is telling them: Welcome to Canada, come and invest, we will accept you money, no strings attached, no restrictions whatsoever. I suggest this is very risky because foreign investments in this country are no longer scrutinized as they used to be under the legislation enacted by the previous Government to safeguard Canadian interests.

The Conservative Government has rolled out the red carpet for foreign investors or, to put it another way, it does not mind foreigners coming here to take control of companies wholly owned by Canadians. As we know, some of the decisions made in the head offices of multinational corporations are based on rather eccentric considerations. Should most of Bell Canada Enterprises fall into foreign hands, there is no doubt that decisions concerning the quality of Canadian telephone services might very well me made in foreign head offices. I want to congratulate the Hon. Member for Mount Royal for presenting this amendment which, if it is accepted by the Government, will protect Canadian telephone subscribers against any directive or decision which might be made in a foreign country and have negative repercussions here in Canada.

[*English*]

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on Motion No. 8A standing in the name of the Hon. Member for Mount Royal (Mrs. Finestone). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Yes.

The Acting Speaker (Mr. Charest): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed to the motion please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Pursuant to Section 114(11), the recorded division on the motion stands deferred.

Bell Canada Act

Mrs. Sheila Finestone (Mount Royal) moves:

Motion No. 9:

That Bill C-19, be amended in Clause 11 by striking out line 27 at page 4 and substituting the following therefor:

"of not less than ninety per cent of the total".

She said: Mr. Speaker, I rise to speak to this amendment because I think, once again, we are concerned about having some kind of direction with respect to control. When this Bill was first debated there was no control mechanism, there was no indication whatsoever as to whether anybody had the right to purchase shares, to what degree they would be entitled to purchase shares, or whether such a purchase would be subject to what was the old FIRA, now the new Investment Canada process. There were no directives. I spoke to that issue. I have submitted an amendment, and I think it is vitally important that we look at the amendment. I must say the Government adopted 80 per cent instead of 90 per cent of what I had recommended.

What we were trying to achieve with this clause was protection of Bell Telephone Company, and its subscribers in this instance, from foreign ownership. I want it to be clearly understood that my concern is not one which would reflect any negative attitude toward Bell Canada Enterprises. We can be very proud of the fine achievements of that corporation. It is Canada's largest corporation and the first Canadian company to clear an annual profit of $1 billion, which I think is very exciting. It has been innovative, creative and has demonstrated leadership through fine management.

• (1340)

That is why we do not want to dilute what originally brought Bell Canada Enterprises to the point at which it is today.

Bell Canada, its predecessor, was able to provide the kind of necessary financial base, with $765 million to $800 million profit per year. This allowed Bell Canada Enterprises to take leadership when it became a financial corporation under the Canada Business Corporations Act and to be effective in its movement.

At the same time, the concern remains that as "Ma Bell" gave birth to Bell Canada Enterprises and nourished it on the milk from the subscribers, the subscribers should not be put in jeopardy. That is what we have been addressing in the revisions to this Bill and that is what the CTRC right to investigation, right to interest and right to control imply.

Bell Canada Enterprises has many interests. It has a multinational subsidiary that is involved in oil exploration, a retail chain of computer shops, it is involved in major pipeline transportation of Alberta natural gas to eastern Canada. It owns many office buildings in major cities and it prints banknotes. It carries on many activities for its 345,000 shareholders.

We are opposed to allowing the sale of 20 per cent of Bell Canada without CRTC approval. Anyone who acquires 20 per

cent of Bell Canada, would be in a position to exert tremendous influence on the operations of the telephone company. I suggest that Canadians would not want a foreign company to control up to 20 per cent of Bell Canada without at least a review by the CRTC. If this existed, could our telephone operations be in jeopardy with 20 per cent foreign ownership? Foreign ownership may affect subscribers' rates because 20 per cent ownership of the shares in some companies today is enough to take control of the company.

We must ensure that if a foreign company owns a percentage of Bell Canada it cannot eventually take it over against our best interests.

Canadians presently own 98 per cent. We have recommended 90 per cent control, so that after the sale of 10 per cent of the shares, the CRTC would be allowed to scrutinize the transaction.

We continue to recommend the 90 per cent ownership for a number of reasons. First, other legislation such as the Bank Act applies this 10 per cent figure and does not allow for more than 10 per cent foreign ownership of the banks in Canada. If 10 per cent is the limit for the Canadian chartered banks, should it not be the same for our telecommunications industry?

Second, 10 per cent is a large shareholding and should at least attract CRTC scrutiny. This does not mean that we want the CRTC to block every sale, but it should, as a representative of the public, have the right to scrutinize and protest, then to nullify if the ownership goes beyond 10 per cent.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on Motion No. 9 standing in the name of the Hon. Member for Mount Royal (Mrs. Finestone). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

Mrs. Sheila Finestone (Mount Royal) moved:

Motion No. 10

That Bill C-19, be amended in Clause 12 by adding immediately after line 39 at page 4 the following:

"(2) The CRTC may, of its own motion or on any matter before the Commission, examine the dividends paid, or proposed to be paid, by Bell Canada to Bell Canada Enterprises, as well as any loans, royalties, contracts, management fees, or other inter-corporate transactions and, if the Commission finds that any of these has resulted in, or is likely to result in, rates to customers of Bell Canada which are not reasonable and just, the Commission may set aside such transaction in whole or in part and may make such other order as it deems necessary to compensate or protect customers of Bell Canada."

She said: Mr. Speaker, we are concerned about the impact that Clause 12 will have on the subscribers. Clause 12, a key clause of the Bill, provides for access to information so that the CRTC can make an intelligent judgment on the rates that it will have to charge with respect to the company. This is a key amendment to the Bill because the commission cannot be expected to make an enlightened decision if it does not have the information in the proper form that it requires.

This clause was the subject of a great deal of discussion during the investigative period between 1983 and 1984. The CRTC has said that lack of access to information on the new corporate organization, Bell Canada Enterprises, impairs the ability of the Commission to carry out its mandate and ensure that inter-corporate transactions do not have a negative impact on Bell Canada, which would then have an impact on subscribers' rates and the increases.

While Bell Canada Enterprises and Bell Canada do not particularly support my amendment, I believe it is in the best interests of the subscribers and the consumers, who include Canadians at all levels. Bell Canada's assurances that this would not impair the commission's control over the regulated company's telephone rates are based only on the CRTC's ability to examine transactions between the company and its subsidiaries as well as dealings with corporations outside of the Bell group.

The NAPO group is very concerned about this transaction. The commission's basic power would be eroded if it could not investigate fully and make an informed decision on the basis of organized information.

It is difficult for us to imagine that Bell Canada Enterprises would not co-operate with its subsidiaries or affiliates that do business with Bell Canada. Bell Canada is one of the finest affiliates in Bell Canada Enterprises' list of companies. Therefore, one would expect that we would send Bell Canada's experts to Saudi Arabia and eventually to Japan and China to set up a telephone system. We will want to send it through our Bell Canada, one of the finest of the affiliates found in the Bell Canada Enterprises list of companies.

• (1350)

BCE should be obliged to report to CRTC the nature of the expertise that it was able to send, and be proud of it. What was the charge for BCE to take that expertise from Bell Canada? Was it a fair rate? Will the subscriber be supporting an affiliate of Bell Canada Enterprises or will the subscriber get the benefit of a proper income as paid for by the rate that would be charged for the expertise that has been rented, in a sense, from our Ma Bell, of which we continue to be very proud? So the question here concerns access to information, organized information, and the right to that information by law, not *sous-entendu*, but clearly defined in the Bill. That is the purpose of the amendment. It is so that there will never be any question and the law shall stand clear. We shall not have to go before the courts and let the courts rule. Let the law of the land be clear, and this is in the interest of all sectors of our society. It will protect Bell Canada Enterprises from being considered unruly or unco-operative in the eyes of the CRTC. It will allow the CRTC access to proper information so it can set reasonable rates for all of us, as subscribers and as users of this service. It will allow us, as subscribers, to be relaxed and to appreciate that our rights under the law have not been eroded because Bell Canada was allowed to reorganize, no longer as a special Act of Parliament, but, rather, under the Business Corporations Act.

So let us protect our interests in the best of all worlds and organize and arrange for the kind of information that is needed in the best interests of all. I would strongly urge the Government to consider the amendment and to accept it, in the interests of all consumers, the subscribers to Ma Bell of Canada.

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, very briefly, I would like to express my support for the motion by the Hon. Member for Mount Royal (Mrs. Finestone), and recall the purpose of this amendment and put it in its true context.

The House will recall that in April 1982, when it received a certificate pursuant to the Canada Business Corporations Act, Bell Canada became subject to the same jurisdiction as any other commercial, federally incorporated corporation.

On June 23, 1982, following this first step by Bell in April 1982, the company announced its reorganization under the parent company, Bell Canada Enterprises Incorporated, 1982-83. In reacting to this decision by Bell Canada, the CRTC, the Canadian Radio-Television and Telecommunications Commission, with its mandate to monitor and to a certain extent regulate Bell Canada, immediately examined this change under to the Canada Business Corporations Act, the potential impact of Bell Canada's reorganization on Bell subscribers and, finally, the CRTC's capacity to regulate Bell Canada's telecommunications services from now on.

Following the study and the CRTC's conclusions, the then Minister of Communications, the Hon. Francis Fox, tabled a Bill restoring the regulatory powers the CRTC was afraid it had lost as a result of Bell Canada's reorganization. On December 20, 1984, the present Minister of Communications introduced Bill C-19 now under consideration, which is nearly identical to the bill prepared by the fomer Government and introduced in February 1984 by the Hon. Mr. Fox.

Our colleague for Mount Royal has introduced an amendment to strengthen the power of the CRTC to do its job properly. Both the former Government and this one have recognized that the CRTC has a regulatory mandate over Bell Canada and must continue to fulfill this mandate even though Bell has decided to reorganize and to give its parent company, Bell Canada Enterprises, a much wider field of activity than in the past.

We have no objection if Bell Canada, which has been extraordinarily successful both in Canada and abroad, wants to take up new challenges and to expand as much as it would like internationally, and even domestically in some cases.

However, we believe that, in the interests of Canadian consumers and with a view to ensure that telephone users in Canada are fully protected and do not pay the price of the diversification of the parent company, the CRTC has to see to it that the international relations of the Bell Canada telephone company and the holding company, Bell Canada Enterprises, are not to the disadvantage of Canadian consumers.

This is why this amendment seems so important to us and we therefore recommend that the House agree to it.

[*English*]

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I would like to say a few words about Motion No. 10, which would provide an extension of power to the CRTC to examine the dividends paid or proposed to be paid by Bell Canada to the holding company, Bell Canada Enterprises. It could also include an examination of the loans, royalties, contracts, management fees or other inter-corporate transactions that might occur between Bell Canada and Bell Canada Enterprises. I think that this is a very necessary kind of power for the CRTC.

During the hearings into the Bill, it was pointed out by my colleague, the Hon. Member for Winnipeg North (Mr. Orlikow), that there had been interventions by the Consumers Association of Canada, which had argued at one point that consumers were not receiving compensation or recognition for the capital gain that had accrued to the equipment of Bell Canda. The capital gain was being considered as a cost. Therefore, consumers were paying a much higher cost for the services provided by that equipment. Apparently the CRTC had no legislated authority to take that into account, at least the commission did not think it did. I am assuming that this amendment would give the commission that sort of power; that is, to consider whether items such as capital gains should be considered and whether consumers should be required to pay the costs of the book value of that capital gain in the fees which they pay. This could be a substantive amount of money.

Bell Canada Act

• (1400)

The Consumers Association of Canada noted that the value of Bell's investments had quadrupled from an historic cost of some $440 million. In its judgment the Consumers Association of Canada assumed that at least $200 million of that capital gain should somehow accrue to the consumers since in effect they had carried the paying-off of the original $440 million and the shareholders of Bell Canada would accummulate four times that. The Consumers Association argued, and I think quite rightly, that the consumers should have had some small share in that capital gain, the investment of which they had helped pay for through user fees. An amendment such as this would take into account what the final fee payable by consumers ought to be, whether it is in the form of transfers out of Bell Canada into a holding company, by way of direct payment in dividends or royalty payments, or whether it is just more hidden costs. The fairly rapid increase in capital gains during the period of inflation which we went through during the past couple of decades accounted for some of those hidden costs. In our judgment the CRTC should be permitted to take that into account when it is readying itself to set rates.

In conclusion, I wish to point out that we think that this extended power should be available to the CRTC in order that items such as those raised by the Consumers Association of Canada and by the Hon. Member for Mount Royal (Mrs. Finestone) can be considered and used in reducing the rates consumers have to pay as a result of a slight change in bookkeeping.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. McCuish): The question is on Motion No. 10 standing in the name of the Hon. Member for Mount Royal (Mrs. Finestone). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. McCuish): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. McCuish): All those opposed to the motion please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. McCuish): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. McCuish): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

Mr. Vic Althouse (for Mr. Orlikow) moved:

Motion No. 12

That Bill C-19, be amended in Clause 13 by striking out lines 25 to 43 at page 5.

Mrs. Sheila Finestone (Mount Royal) moved:

Motion No. 13

That Bill C-19, be amended in Clause 13 by striking out lines 30 and 31 at page 5 and substituting the following therefor:

"satisfied that such action would constitute the only practical and effective means of achieving".

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I rise to support the motion placed on the Order Paper by my colleague, the Hon. Member for Winnipeg North (Mr. Orlikow), which has the effect of deleting subsection (2) of Clause 13 from the Bill. The reason my colleague has moved this motion goes back to the fact that he is a westerner. All of us from the West have dealt at some length with Canadian Pacific Railway. It has played an important part in our history, just as Bell Canada has played an important part in our history. Some time ago the CPR used a divestiture procedure, which we now see being used by Bell Canada in this Bill, whereby the public service aspects of its charter of business are being set aside into separate companies. Thus when there is difficulty showing a profit, because it is so necessary to the good order and economic climate of the country, it can go to the Government and obtain subsidies to keep it going. We watched that happen with certain aspects of the railway operation, while other aspects of CP Holdings which had been more up to date and more profitable were allowed to go into separate companies which, in effect, were not required to cross subsidize the loss of the railway operation. We think that is what is happening with this reorganization of Bell Canada.

Bell Canada Enterprises, the holding company, will continue to be a very profitable operation. Bell Canada is still a profitable operation, but it is dependent upon the CRTC for those profits and for the amount of revenue that the CRTC grants the monopoly that Bell Canada holds in those areas in which it operates. We think that by taking away this particular clause the consumers of Canada will find themselves in a somewhat better position.

We are also concerned about the workers currently employed by Bell Canada. This particular clause, if left in, will provide for the type of activity that we now see in the United States under the so-called Reagan labour legislation. Under that legislation, if a company thinks it is having difficulty in making adequate profits, it can very simply and quickly apply to the courts to be restructured under another corporate entity, thus invalidating all contracts with unionized workers.

This point was made by the workers when they were discussing this part of Bill C-19. They pointed out something which I think should be read into the record in order that all Members of the House can hear it. They said:

We think that if the CRTC were to proceed with this, it could have a negative effect on the working conditions of our members, their job security, and their right to collective bargaining. We also feel that this provision could be very bad for subscribers in general, in terms of duplication of services, inefficient use of resources, and the repair, upkeep and administration problems that would certainly result in increased costs to consumers—it costs between $30 million and $40 million to set up an independent subsidiary to provide multi-line or data services, and that since the income generated by those activities would no longer have to be integrated into Bell Canada's revenue base, rate increases could result.

• (1410)

The spokespeople for the workers went on to say:

Finally, we believe that section 13(2) is superfluous, because the purpose of the bill, which is deregulation, could be achieved by implementing section 14.5(1) of Bill C-20 and by introducing an adequate cost allocation mechanism.

We would argue that because this activity was taken care of adequately in Bill C-20, there is no necessity for keeping it in this particular Bill, Bill C-19. Therefore, we are moving that it be deleted from the Bill.

[*Translation*]

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, before starting debate on the content of this clause, I would like to draw your attention to the fact that Bill C-19 is an Act respecting the reorganization of Bell Canada. And I hope that, if at any given time, there should be a decision to deregulate or make any other changes, and Bell Canada is being considered, this is not done by an order in council but by an Act of Parliament, here on the floor of the House, and not by an order made behind the scenes.

[*English*]

Having said that, I am really very concerned since this is the last of the amendments we will be debating. I bring to the attention of the House the fact that Bell Canada, Ma Bell, was established as a telephone company by a special Act of Parliament. I hope the time will never come that it will be deregulated, split into little tiny pieces and become a fond memory through regulation, through an Order in Council or by a government directive. Should any major change ever take place to Ma Bell, it should be done on the floor of the House of Commons with open debate.

Having said that, I would like to speak to this amendment. Clause 13(1) ensures that a telecommunication activity of a Bell Canada affiliate cannot become dominant in its market without attracting regulation. Clause 13(2) provides that the CRTC have a means to prevent Bell from engaging in unfair competition by having the CRTC order the divestiture of the competitive activity.

My following proposed amendment does not change the basic intent of this clause but it does introduce more precision regarding what types of activities may be ordered to be undertaken by the company and under what circumstances the commission may order the power. I think one of the things that is lacking all the way through the Bill is fine precision. It needed a fine tuning and it did not get as much fine tuning as it should have gotten. It was originally presented by Mr. Fox, the former Minister, and he recognized that it was a good Bill but needed fine tuning. Unfortunately, we have diluted the Bill.

The amendment I had proposed is that the commission may use the power as follows:

Where on any matter before the Commission or of its own motion, the Commission determines as a question of fact that an activity of the Company is a competitive activity, the Commission may, where it is satisfied that such action would constitute the only practical and effective means of achieving—

I may have added only a tiny little word, but it makes a very important difference to subscribers.

The divestiture order is a device which the Federal Communications Commission has employed with success in the United States in an effort to limit the market power of the dominant carrier, AT&T, and foster the development of a more competitive environment. Chaos was the result. It would, however, remain open in this instance to Bell Canada to engage in such activities in Canada through a separate subsidiary.

The stifling effect that a dominant carrier such as Bell Canada can have on the growth of competition is a product not merely of its size but also of its monopoly control of basic telephone services. Access to revenues generated by monopoly services creates the distinct danger that these revenues will be used to subsidize competitive activities regardless of any structural separation ordered by the CRTC, to the detriment of competitors which have no monopoly revenue to draw upon and all at the expense of the telephone subscribers. This scenario is a very unfair one. It is unfair to the subscribers, particularly since the subscribers may never have the opportunity to defend themselves.

In response to questions about some of the arguments presented by the Chairman of the Board and Chief Executive Officer of Bell Canada Enterprises to the Standing Committee on Communications and Culture, which can be found in the minutes of proceedings and evidence of December 17, 1985, the Chairman maintained that the corporate reorganization which created Bell Canada Enterprises has not changed Bell Canada as a regulated monopoly one iota, to use his words. However, the creation of a parent which has absorbed all equity and controls the capital flow to the subsidiary clearly has an impact. This is obviously the case when the parent maintains that it is and should continue to be unregulated.

With the regulated telephone company and the unregulated parent, there is a potential conflict of interest as to where and when there should be upgrading or concerted interest in Bell Canada Telephone as compared to all the other industries in which it is involved. I am concerned that when the parent company maintains that it is and should continue to be unregulated, profits from the subsidiaries and particularly Northern Telecom and Bell Northern Research, as well as research and development done by Bell Northern Research, no

longer go to Bell Canada and therefore go to the subscriber or action holder.

In his presentation, the Chairman argued two major points. First, he argued that the Bill needlessly impedes BCE's competitive activities and, second, that it is not consistent with the current Government's deregulation policy. Referring to the second point, there has been no government policy to the effect that deregulation of a telephone communications monopoly is either necessary or desirable in Canada.

The situation regarding telecommunications is clearly different from that regarding airlines. The airlines have never constituted a natural monopoly. Deregulation of air travel has been beneficial to consumers in the United States. That may be so, but the same cannot be said for the telecommunications industry in the United States. No analogy can be made with deregulation of the other communications industries. Any policy decision to deregulate telcommunications would require extensive consultation and hearings and could not be accomplished through the simple technique of corporate reorganization.

Mr. deGranpré bases a great deal of his objection to Bill C-19 on an alleged impediment to international competition. He feels that Clauses 12 and 13 could threaten potential international investors. He argues that Clause 12 will scare off investors who do not want business information divulged to a regulatory commission. In response to questions put by members of the committee, Mr. deGranpré admitted that any time Bell requested that the CRTC regard information as confidential, it had been so safeguarded. This was confirmed in the evidence of Mr. Bureau, Chairman of the CRTC.

Mr. deGranpré argued that Clauses 13(1) and 13(2) could impede BCE's competitive position. It does not seem to have done so as it has had the most incredible financial results this past year. He argued that investors would be afraid to invest in a company which might subsequently be regulated. He bases this allegation on the suggestion that the CRTC would act to take companies in and out of a regulated regime based upon profitability. The profitability of the companies in question is not the test. The test set forth in Clause 13 is whether or not the company is subject to a degree of competition which, in the view of the commission, is sufficient to ensure just and reasonable rates. A decision based upon the profitability of the company would be a bad faith decision and reviewable. As Mr. Bureau has testified, Clause 13 acts as a check on the cross-subsidization of international and non-regulated investment by the regulated portion of the BCE empire.

• (1420)

It is for these reasons that I have submitted my amendments and hope that the Government will vote in favour of them, in the interests of subscribers.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on Motion No. 12 standing in the name of the Hon. Member for Winnipeg North (Mr. Orlikow). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 13 standing in the name of the Hon. Member for Mount Royal (Mrs. Finestone) and seconded by the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): I declare the motion lost.

Mr. Boudria: Mr. Speaker, I rise on a point of order. I heard Your Honour mention my name as the seconder of the motion. Since it must be clear that I have a conflict of interest in the particular Bill, I cannot second the motion. It would put me in a potential conflict of interest situation.

The Acting Speaker (Mr. Charest): The Chair will take a moment to seek some clarification on the matter.

Mr. Prud'homme: Mr. Speaker, I rise on the same point of order. I am sure everyone wants to proceed rapidly, so I am sure that if Your Honour were to seek unanimous consent to revert, you would find another seconder. That may help the Chair and the House.

The Acting Speaker (Mr. Charest): Is there unanimous consent that the Hon. Member for Saint-Denis (Mr. Prud'homme)—

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I will second the motion.

The Acting Speaker (Mr. Charest): The Hon. Member for Saint-Jacques (Mr. Guilbault) will second the motion, and I declare the motion lost.

Motion No. 13 negatived.

The Acting Speaker (Mr. Charest): As was stated by the occupant of the chair when he gave rulings on the motions before the House, at this time the Chair is ready to hear Hon. Members present procedural arguments on Motions Nos. 7 and 11, if there are any.

I presume there is no argument. They have been declared out of order and therefore remain so.

[*Translation*]

At this point, the House would normally proceed with the deferred recorded division on the report stage of the Bill now before the House. However, pursuant to Standing Order 13(3), the recorded division is deferred until Wednesday, June 25, 1986 at 6 p.m.

* * *

MARINE ATLANTIC INC. ACQUISITION AUTHORIZATION ACT

MEASURE TO ENACT

The House resumed, from Tuesday, June 17, consideration of the motion of Mr. Mazankowski (Vegreville) that Bill C-88, an Act to authorize the acquisition of Marine Atlantic Inc. and to provide for other matters in relation thereto, be read the third time and do pass.

Hon. André Ouellet (Papineau): Mr. Speaker, I welcome this opportunity, at the third reading stage of this Bill, to state on behalf of the Official Opposition, the Liberal Party, that we support Bill C-88 and will vote for this legislation which provides for changing the name of CN Marine, which for all practical purposes is already a Crown Corporation controlled by Canadian National, and making it a separate and distinct Crown Corporation, from now on to be referred to as Marine Atlantic Inc.

The announcement by the Minister of Transport (Mr. Mazankowski) to this effect has been favourably received by all concerned, and my colleagues from the Maritimes, who have had a chance to express their views in this respect, have emphasized the the new corporation's potential for developing the tourist industry and the economy of the Atlantic region.

The ferry services provided by Marine Atlantic for the people of Newfoundland and Prince Edward Island are very important, in any case, because they provide vital links to all parts of Canada. And we know how important marine transportation can be for the development of these two provinces.

We also know that Nova Scotia is linked to the United States through maritime transport services provided by this company. When company officials appeared before the Standing Committee on Transport last week Liberal Party Members asked the management to make sure that in the future the service is regular, reliable and geared to the economic development of all Maritime provinces.

In concluding, Mr. Speaker, I want to say that we support this Bill and that we have no objection to its speedy adoption.

Before resuming my seat, however, I cannot help recalling that, when the company bought a boat, the Conservative Government made strong representations to the company which was awarded the contract—namely the maritime company Versatile Davie Shipyard which operates the Lauzon shipyards—and asked company President Pierre-Paul Saunders to promise that, in exchange for this contract awarded to the Lauzon shipyards, he would rationalize his shipyard operations in the province of Quebec.

Now, Mr. Speaker, we know that Versatile Vickers has two shipyards, one in Lauzon, the other in Montreal East. In all decency, how can the president of a company which operates two shipyards in this province be told to rationalize his operations, or else his contract will be cancelled?

I asked this question to the president of Marine Atlantic Inc. when he appeared before the transport committee: Were you party to this underhanded deal? And the President assured me that had not. As far as he was concerned, all he was interested in was to have a ferryboat similar to the *Caribou*, a second *Caribou*, which would make it possible for his company to provide a proper service.

I feel the Government has acted unfairly by taking advantage of Marine Atlantic's need for a ferryboat and to use this contract to exert undue pressures on Versatile managers to cause them to choose between their operations in Montreal and in Lauzon.

It is clear that the Conservative Government is not interested in fulfilling the promises which the previous Government had made to the shipyard workers in Montreal East. I find this totally indecent and I could not help mention it when dealing with this bill to authorize the acquisition of Marine Atlantic Inc. or rather to make it a Crown corporation totally independent from the parent corporation, the Canadian National Railway Company.

I know that shipyard workers in both Montreal and Sorel are quite concerned about these secret manoeuvres of the Conservative Government to impose the rationalisation of operations in Quebec, which will probably result in the closing of one or two Quebec shipyards.

I denounce such an attitude. I find it shameful and the Conservative Government should never in the future use the contracts granted through Crown corporations to lay off workers, and the term is not an exageration, since this is what it has done in the case of the Quebec shipyard workers. This is what the Conservative Government is trying to do in an

underhanded way and this is what I denounce even though I support Bill C-88.

• (1430)

[*English*]

Mr. Les Benjamin (Regina West): Mr. Speaker, I am delighted to support my colleague who is, with me, a spokesman for my Party on transportation. His responsibility is marine and the St. Lawrence Seaway. I carefully read his speech at second reading. It was magnificent.

Mr. Forrestall: Thank you very much.

Some Hon. Members: Oh, oh!

Mr. Benjamin: I am talking about the Hon. Member for Thunder Bay—Atikokan (Mr. Angus), not a Member from Halifax.

Some Hon. Members: Oh, oh!

Mr. Benjamin: It is tough to know where to begin. This is a Bill to which we have no objection in principle because it maintains a publicly owned public utility to provide ferry services in Atlantic Canada. We support that principle and always have.

There are, however, a number of things that bother us about Governments, both Liberal and Tory, that do things they do not really believe in. If they thought for one moment they could have their private enterprise friends buying this out or owning and operating it and making a buck, they would drop it tomorrow. Of course, the principle of what is an essential public service, in fact, a public utility whether roads and highways, sewer and water systems, ferry services, telephone lines, power lines and what-not which are natural monopolies, have to be publicly owned, publicly controlled and answerable to the public. Any other method has always failed. I am reminded of the time when Americans decided to privatize the telephone industry in the United States—we were dealing with the Bill concerning Bell and telephones earlier today—but I was in California and was trying to make a phone call from the airport in Los Angeles to Calgary. There were the usual circular telephone booths but I could not get anybody. I tried all five phones because there were five different phone companies. I could not get anyone to accept my international telephone credit card. So much for competition and so much for the essential public utility. I finally had to phone home to my daughter collect, which reminds me I have not yet paid her for that phone call.

The principle of a transportation facility being available to users no matter where they live in Canada has to be maintained. We must not continue as we have too often in the past and as we are proceeding to do more so now, namely to discriminate against people because of where they happen to live, where they happen to manufacture and produce their goods.

My Party has maintained for many years that ferry services should be treated exactly the same as our highway services, that they be toll free. Can you imagine the furore if you were to put up a road block on Highway 401 between Toronto and Montreal and for 18 or 20 miles which would be the equivalent between Prince Edward Island and New Brunswick stopped every vehicle and made them pay a toll?

Mr. Turner (Ottawa—Carleton): Nine miles.

Mr. Benjamin: Nine miles, fine. Put up road blocks nine miles apart and charge tolls to go the next nine miles. Can you imagine, Mr. Speaker, what the furore would be? What about the same thing on the Trans-Canada Highway between Regina and Moose Jaw or anywhere else you want to pick? Ferry services on the West Coast, the East Coast or wherever we operate them are an essential public service, are part of our national transportation system and are part of our national highway system and part of our Trans-Canada Highway. To charge extra because you have to travel from New Brunswick to Prince Edward Island or from Nova Scotia to Newfoundland means that you would charge extra to travel from Alberta to Saskatchewan and Saskatchewan to Manitoba. There is no logic, no fairness, and no sense in charging people an extra cost, people who live on islands off our Atlantic Coast, off our West Coast or who live in coastal ports that have no other service. They, like all the rest of us, pay though their income taxes, their gasoline taxes, their licence fees, their sales taxes, federal, provincial and municipal, for the cost of maintaining and operating transportation networks, be they roads, streets, sidewalks, railways, or highways. We believe that a ferry service is no different. We think it is logical for the nation as a whole to share the cost of the provision of those services. If we were to implement cost recovery or user-pay principles with the ferry service in Atlantic Canada, it would only be fair to do the same with many other things in Canada.

• (1440)

The Government has been talking about charging fees for ice-breaking, meteorological services, navigational aids, Coast Guard services and search and rescue. I suppose if there is a guy drowning in the middle of the ocean, before you pick him up out of the water you have to ask him if he can pay the fee, and if he cannot, you leave him there.

The point is that the minute you start imposing user fees, you discriminate against some people. The people who have to use the ferry service in the Atlantic provinces are being taxed at least twice and perhaps more. They pay provincial and federal taxes like everyone else in Canada and then have to pay a second time. If that is not double taxation, I have never seen it. That is not fair or proper. It is a principle of co-operative federalism that the nation as a whole shares in the cost of transportation in order that we are all treated the same and no one is discriminated against because of where they happen to live or produce their goods.

Canadian National Steamships operated with a fair number of vessels before it was made into CN Marine and broke away from Canadian National Railways. It is now being made into Marine Atlantic Inc. It is nice to do this on paper as we are legalizing what the Government started doing several years ago.

I would like to draw your attention to an episode which has been ongoing since 1962. At that time Canadian National Steamships sold one or more ships to the Government of Cuba. In 1962, that Government made its final payment of $400,000. It was sent through the Chase Manhattan National Bank in New York. The parties to the agreement lived up to it completely. The Cubans made their final payment of $400,000 a little ahead of time, but the American Government froze the assets of the Government of Cuba. Since 1962, that $400,000 has increasd to over $1 million with accrued interest.

Canadian National and the Department of External Affairs has been having difficulty for 24 years with this $400,000. The Cubans paid their bill on time and lived up to their obligation. Canadian National met its side of the deal, but the Americans are holding our money. If the Americans were going to make a gesture in the course of the free trade negotiations which would help out Marine Atlantic Inc., they could release those funds with the accrued interest and that would settle a sore point.

With regard to the attempts at cost recovery and reducing the deficit, when the Minister introduced the Bill he said that he expects that in its new character Marine Atlantic Inc. will operate more efficiently and at lower cost to the Government. That means higher fees for the users. In order to be logical you would have to charge fees like this in many other areas. People in the Atlantic provinces have to use the ferry services. They have no other choice.

If it is logical to increase user fees and implement cost recovery there, it would be logical to charge extra for snow removal. I can just visualize two extra guys on the snow removal crew. They would run from door to door on each side of the street charging a fee for snow removal. If someone did not pay, they would lift the blade of the snow-plough for the width of his lot and then continue to remove the snow from the rest of the street.

Cost recovery means higher costs for the people in Atlantic provinces. Those services should be toll free or, at the worst, only a nominal toll should be charged. The costs of implementing cost recovery often result in the exercise being self-defeating. In an essential service such as this, that should never enter the picture. If the subsidy has to be $300 million instead of $50 million, so be it. I have yet to hear a word of complaint from any taxpayer on the Prairies. I wonder if my hon. friend, the Member for Red Dear (Mr. Towers), has ever heard a complaint about the subsidy for ferry services in Atlantic Canada. I think that most Canadians are quite willing to share in the cost of transportation services across Canada. If I, as a resident of Saskatchewan, had the opportunity to take the ferry to Newfoundland only once in 10 years, I would be happy that it was there. When you see a family having to part with $20, $30, or $40 to make a necessary trip between those islands, and it is the only way they have of doing it, surely that is some kind of coercion or blackmail. It is certainly discrimination because of where they happen to live. If you were to shut down the Trans-Canada Highway between Regina and Moose Jaw or Red Deer and Calgary and make people pay $20 to travel the next 20 miles, can you imagine the uproar? Therefore, this is just not logical, proper or fair.

• (1450)

We have no objection to the Government giving a Crown corporation a new name. We support it in principle. We think private enterprise has no damn business in that kind of enterprise. The people of Canada as a whole should share in the cost of operating it. I hope, Sir, that the Government will keep that in mind and stop fretting about reducing the subsidy it has to pay. The concern of the Government has to be that Marine Atlantic provide the best and safest possible service it can. It is a service to all of Canada and it shows the people in one region that they are part of Confederation and that the Government will work towards both increasing the subsidy and reducing the tolls and fees charged for the service. We hope that will happen when this legislation is in place.

The Acting Speaker (Mr. Charest): Are there questions or comments?

Some Hon. Members: Question.

[*Translation*]

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

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Charest): The question is as follows: Mr. Hnatyshyn (for the Minister of Transport), supported by Mr. Bissonnette, moved that Bill C-88, an Act to authorize the acquisition of Marine Atlantic Inc. and to provide for other matters in relation thereto, be read the third time and do pass.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to and Bill read the third time and passed.

* * *

[*English*]

FARM DEBT REVIEW ACT

MEASURE TO ENACT

Hon. John Wise (Minister of Agriculture) moved that Bill C-117, an Act to facilitate financial arrangements between

farmers and their creditors, be now read the second time and referred to a legislative committee.

He said: Mr. Speaker, because of the urgency of this legislation I seek the co-operation of my colleagues in the two opposition Parties. I would be quite happy to forgo my speech at second reading and move directly to Committee of the Whole. We had a number of discussions about certain aspects of this legislation and, earlier this afternoon, with respect to some amendments put forward by the Hon. Member for Algoma (Mr. Foster). According to the advice I have from the Table officers, most of those amendments, if not all, are in order. I am not suggesting that we would accept all of them, but there are three amendments which seem to be quite acceptable. I have not had an opportunity as yet to study in detail one of the two amendments put forward by the Hon. Member for Humboldt—Lake Centre (Mr. Althouse), the official spokesperson in this area for the NDP. Perhaps later this afternoon I will have that opportunity.

Mr. Maurice Foster (Algoma): Mr. Speaker, we are willing to move to Committee of the Whole. We have a number of points we want to make but we can do it then. This matter is of urgent importance to the farmers of Canada, so we will agree.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, because a number of amendments have been proposed for Committee of the Whole, we can forgo second reading speeches. We have some grave reservations about this legislation, which we hope to correct partially through amendments.

The basic thrust of the Bill is less than adequate right now, but we hope to make some improvements through amendments which would permit the farm organizations, the provinces, the lenders, and the users of this legislation to take advantage of a review process to begin sometime during the winter. The Government has chosen to bring this legislation forward in such a short period of time that we hope it will see fit to adopt the amendments I have proposed which would permit a sort of review after the fact. Witnesses could then be heard and could make presentations designed to improve and strengthen the Bill, at a later date. I am assuming we will have approval from the Government and I will therefore go with that understanding into Committee of the Whole.

The Acting Speaker (Mr. Charest): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Charest in the Chair.

On Clause 2—*Definitions*

Mr. Wise: Mr. Chairman, I appreciate the co-operation which has been extended to me by both the Hon. Member for Algoma and the Hon. Member for Humboldt—Lake Centre. I think it would be helpful at this time if I took a few moments to give the House a brief explanation of the details of Bill C-117.

• (1500)

The Farm Debt Review Act comes before this House at a very difficult time in Canada's farm industry. I regret to say that Canadian farmers are faced with some of the toughest times in the last 50 years. Many of our farm families have endured great hardships and personal loss, and many more continue to struggle.

I know that every Member of this House, without exception, would prefer that there be no need to introduce legislation of this kind. All of us, and certainly I personally, would prefer a situation where every producer in this country was operating profitably, and was operating a very strong and viable operation in the country, regardless of province or region.

As I know, and as all Members of the House know, this is just simply not the case. This responsible piece of legislation addresses the reality of the situation. How did our farm community get into these difficulties? There were a number of contributing factors. We know, for instance, that many farmers, particularly young farmers in this country, borrowed to expand their operation during the 1970s. They did so with the expectation that world demand for their products would increase and that, indeed, prices would continue to rise. Those predictions, unfortunately, proved wrong.

Many of the farmers who expanded rapidly during the 1970s now find themselves in trouble. Some producers are also victims of interest rates that skyrocketed in the early 1980s from a level of 10 per cent to a high of some 24 per cent. Of course, since September, 1984, when this Government took office, interest rates have taken a net drop of nearly four percentage points. This represents an annual saving to the farm community of roughly $500 million. Regrettably, high credit costs in earlier years inflicted very deep wounds. Many farmers have not recovered. Low world prices for many agricultural commodities are also taking a toll on farmers. These problems must be resolved in the international forum. Indeed, this Governemnt is pursuing every possible opportunity to represent the interests of Canadian farmers in this regard.

So a number of factors, both past and present, have contributed to a situation in this country where far too many farmers are on the brink of insolvency. The Act before us today is aimed at helping as many of these farmers as possible to remain in business.

This program has been in the works for a number of months. During that time I have taken the opportunity to consult farm groups and the provinces. The process, of course, took a little while. The result is, I believe, a piece of legislation that will serve the farm community well.

Our intention is to provide for the establishment of at least one farm debt review board in each of the provinces. However, the Act is written so that if more boards are required in any province the legislation will allow that to take place.

In provinces where a provincial review process is in place, or may be put into place, our boards may serve as a second option for farmers. Saskatchewan, for example, has a very successful process, and we will begin immediate discussions with that province to ensure that farmers have an opportunity to have their cases reviewed and handled in a most effective manner.

Before foreclosure action against a farmer can be initiated, the Farm Debt Review Act requires that secured creditors give five days' notice to the farm family of their right to appeal to the Farm Debt Review Board.

As I indicated earlier I have reviewed an amendment put forth by the Hon. Member for Algoma (Mr. Foster). I think the Hon. Member's amendment requests a 15-day provision rather than a five-day provision. The examples he has given to me seem, in my opinion at this point in time, to make sense. I would like to serve notice at this particular time that, barring any unforeseen legalities that I might be informed of after I complete my speech, we are quite prepared to accept that particular amendment.

A farmer who is insolvent can make application to the board. Immediately a 30-day stay of proceedings against all creditors will take effect, thus preventing any foreclosure. The legislation also provides for extensions of the stay for two additional 30-day periods should they prove necessary.

That brings us to another point. I believe the Hon. Member for Algoma has another amendment requesting that additional 30-day periods be allowed. It appears that it is somewhat open ended, but it is my understanding that the Saskatchewan project does provide for a period of time up to, I believe, 120 days. If the Hon. Member would revise one of his amendments requesting an additional 30-day period, and if he is satisfied that that additional 30-day period would mean a total period of time of 120 days then, again, Mr. Chairman, that would appear quite acceptable to me given the same conditions that I attached to the other amendment.

The chairperson of the board will establish a three-member local review panel to be chaired by a board member. We believe the best people to make the review process work are farmers' own peers. That is why the board and the panels will include people from the agri-business sector, farmers and farm management specialists. The board will also hire a field staff person to visit the farm, to make an independent assessment of the operation, to talk with the farm family and the creditors and report back to the panel. This staff person will be a peer, perhaps a retired farmer who is knowledgeable about farming and farm finance management. The panel and any experts hired by the panel will make every effort to facilitate meaningful arrangements between the farmers and their creditors. Any negotiated settlement becomes legally binding.

Not every situation is going to be resolved by this process, however, I am confident that many farmers facing insolvency can be helped. In fact, during the next two years, anywhere from 4,000 to 8,000 farmers who are in financial difficulties could benefit from the review board process.

In addition to those facing foreclosure, farm families who feel they can benefit from a review of their operation can also apply to the board. Under this process, in which no stay of proceedings will be issued, the panels will provide advice and will attempt to arrive at arrangements between farmers and their creditors to prevent deterioration of the farmer's financial position.

Members of this House will know that in September of last year I placed a moratorium on all Farm Credit Corporation foreclosure actions. I want to assure all producers affected by the moratorium that it will remain in effect, not only until these review panels and boards are in place, but also until the rural transition program is up and it is operating. I expect the details of this program to be announced very shortly. The Farm Credit Corporation will have funds to participate in a meaningful way in the farm debt process. This means that the cost of settlements negotiated by the Farm Credit Corporation through the review board process will not be passed on to other FCC borrowers in the form of higher interest rates.

Mr. Chairman, I have spelled out exactly how the farm debt review process will work, and now I am speaking on behalf of the thousands of producers who can benefit from this program; it needs the timely support of all members of this House.

Time is the key now, a process must be put into place as soon as possible. With the co-operation of all Members I am confident that the Farm Debt Review Boards can be in place within a month of the passage of this legislation. The majority of farm groups in provinces I have consulted with tell me that they want this legislation and they want it to have teeth. They do not want us, at this point in time, at least, to extend the authority of mandatory settlements. However, at least for the time being, they do not want us to extend the authority of mandatory settlements.

• (1510)

Their concern, one which I share, is that action to seek options for highly indebted farmers should not jeopardize the future availability of farm credit.

My role is to represent the interests of all farmers. A secure, continuing line of capital and operating credit is essential to virtually every farmer in this country.

The reports I am getting from Saskatchewan, where a voluntary debt review process is in place, is that both farmers and creditors are generally receptive toward that approach. I understand that the success rate in the Saskatchewan experience is between 50 per cent and 60 per cent. In fact, I know of many cases where farmers and their creditors have reached reasonable settlements on their own. This gives me good reason to believe that a voluntary process can and, indeed, will work effectively across the country.

Still, I offer Canadian farmers the assurance that the new federal system will be closely monitored in its early stages. If I find that it is not meeting the need, I will look at it again and,

if necessary, changes will be made to ensure that it works to the benefit of all farmers in this country.

However, let us be honest. This legislation, in any way, shape or form, will not solve all the problems in Canadian agriculture. It will not address difficult questions about international pricing, nor will it address difficult questions about international markets. It will not erase the past. It is intended to and will help farmers with the potential to be viable and remain in business.

I see this legislation as a link in a long chain of initiatives. No one link addresses every problem in agriculture, but one by one the problems are being addressed and the chain keeps getting stronger.

The Government has added a link to the chain by introducing many agricultural initiatives. In fact, there have been initiatives every other working day since we assumed office, totalling some 260 initiatives representing a financial transfer from the Government of Canada to the farming community of well over $5 billion.

Many of them have been directed specifically at the farm financial situation. Some have saved farmers money or have put cash directly into their hands. For example, we extended special drought assistance for the last two crop years for western crop and livestock producers; we offered assistance to sugar-beet producers, to Atlantic potato growers and indeed to tobacco farmers in Quebec and Ontario. We introduced an interest rate reduction program to assist approximately 5,600 Farm Credit Corporation borrowers who had been locked into high interest loans, bringing interest rates down from 16.75 per cent to 12.25 per cent.

We introduced amendments to the Western Grain Stabilization Act that allowed for record spring payments in two consecutive years, with total pay-outs topping the $1 billion mark.

The Prime Minister (Mr. Mulroney) recently announced special agricultural initiatives, including the effective removal of all federal sales and excise taxes on diesel and gasoline fuel for farm use, an increase in the price range for domestic wheat for human consumption of between $6 and $11 per bushel, and a freeze on grain freight rates at current levels for the 1986-87 crop year.

Other links in the chain of initiatives serve longer term goals. For example, we have given farmers more flexible credit options through the shared risk mortgage program, and the community-based loan program. We have worked with the western provinces to improve crop insurance coverage for producers faced by successive years of losses.

We have strengthened the safety net for Canada's red meat producers by amending the Agricultural Stabilization Act and establishing the National Tripartite Stabilizatiion Program. We introduced a five-year, $1.5 billion long-term dairy program that will ensure greater stability for Canada's dairy farmers. Perhaps most important, the Government's economic policies have led to lower interest rates for farmers. The rate on a five-year FCC mortgage is down from 14 per cent when we took office to 10.75 per cent today.

The Government has demonstrated its clear, high priority commitment to Canada's farmers. Agriculture was an important item at the First Ministers Conference. The Prime Minister (Mr. Mulroney) made agricultural subsidies his personal priority at the Tokyo Economic Summit. My collegue, the Minister of State for the Canadian Wheat Board (Mr. Mayer), brought together the world's main grain producers to discuss problems in the world grain market.

I have been working with my provincial counterparts toward a national agriculture policy.

The Prime Minister gave his personal commitment that legislation to establish farm debt review boards would be dealt with on a priority basis before the end of June. This legislation is before us today, and again the Government is keeping faith with Canadian farmers across the country.

The farm debt review legislation is a timely, important link in the Government's chain of agriculture initiatives. I strongly urge that every Member of the House support this initiative so that we can have this legislation in place, hopefully by five o'clock today.

Mr. Foster: Mr. Chairman, we are pleased to see this legislation before the House today. We had hoped that the legislation would have appeared last fall because on July 10, 1985, the Minister made a commitment that he would introduce legislation to the House. We are disappointed that it did not actually come to the House until the last two weeks of June. If the Minister accepts the amendments proposed by the Opposition, I am sure we can make great progress and perhaps even pass the Bill this afternoon. However, we will have to wait and see.

The Minister made a strong commitment last July 10 that he would introduce amendments to the Bankruptcy Act that would deal with severe cases where a judge would have the responsibility of making a decision.

While this legislation before the House today is much weaker, at least the Minister has finally taken action. It would be difficult to over-emphasize the serious financial difficulties facing agriculture in Canada. During the past two years the financial situation in Canadian agriculture has eroded. I wish that we could say there is a brighter future for agriculture—and I do not believe that farm commodity prices will remain as low as they are now—but current international events lead us to believe that we may face at least another year or two of very low commodity prices.

One need only look at the prospect of the initial prices for grain commodities being 20 per cent less this year to realize how serious the situation will be. It is difficult for anyone to estimate what will be the negative impact of the U.S. Farm Bill and the international commodity trade war.

While we have very useful programs to stabilize prices and maintain farm commodity prices in this country, the situation with respect to international commodities like red meat, grain and cash crops has deteriorated dramatically since the passing of the U.S. Farm Bill. Clearly, this legislation was required last year and is certainly needed now, so we are glad the Minister has brought the legislation before the House.

• (1520)

It is not nearly as strong or effective legislation as that which was considered in this Chamber exactly two years ago, in June of 1984, when Bill C-17 was before the House and its committee. Hopefully, the Minister will respond to the representations and amendments which are being placed before him this afternoon and will strengthen the Bill so that it can be effective.

We want to ask the Minister to contact the chartered banks to ensure that they do not move against the farmers at this time before the farm debt review boards, review panels, are established, because it is clear that it is a concern of many farmers that the chartered banks and other lending institutions will move against them. We certainly hope that the Minister will call in the presidents of the banks and obtain commitments in writing that they will not move against the farmers until these farm debt review boards are established.

I certainly hope that the Minister will not immediately lift the moratorium on Farm Credit Corporation foreclosures as soon as the farm debt review boards are established, because it will take a number of weeks or months until this legislation is functioning. I believe he should maintain that moratorium for several months. As well, he should go to his colleague, the Minister of State for Small Businesses, who is responsible for the Federal Business Development Bank, to ensure that it stops action against the farmers.

A colleague of mine, the Hon. Member for Glengarry—Prescott—Russell, recently heard of a farmer closed out by the Federal Business Development Corporation.

Mr. Boudria: Yesterday.

Mr. Foster: That kind of action by a federal agency, when this kind of legislation is before the House, is totally unacceptable. I certainly hope that the Minister will call in not only the chartered banks, but, as well, the Federal Business Development Bank, to ensure that they are not moving precipitously against farmers during the period of time that this review procedure is being established.

I am really concerned that, without any real teeth in this system, there will be a total constipation of the system. The Prime Minister, in his statement of April 30, said that there were 8,000 farmers waiting to take advantage of the legislation.

If that is the case, with 10 review boards, or perhaps even less, in this country, it is not expected that they could move that rapidly to deal with the problems facing those 8,000 farming individuals. Certainly, the banks could take the attitude, "Well, we will just sit on our hands. This legislation really has no teeth in it". Even where the banks are being unfair, unjust, or unreasonable, there is no legislation to call to account those lending institutions. I certainly hope the Minister will accept our amendment in that respect.

Clearly, concerning the Grey—Bruce review board set-up, generally the situation was that the banks simply sat on their hands until the review was complete. The FCC refused to write down. I hope that the Minister has indicated today that the FCC will reschedule or set aside debt when the review board so recommends.

Many farmers are involved, including young operators who bought their farms in 1977 or 1978. Where the asset value of the farm has dropped and there will be severe losses, but where there is goodwill and a competent operator, an arrangement could be negotiated where such a farmer could be given enough leeway to operate so that it will be he who ends up running the farm, not the neighbour down the road or someone else. We know that farm values have dropped by 25 per cent to 50 per cent. Clearly, if there is a drop in the world price of grain on July 1 by 20 per cent, we will see another drop in farm values in grain-producing areas of at least 10 per cent, I would estimate, because that kind of loss in grain prices cannot be sustained without occasioning a similar loss in farm values of at least half that amount.

We want to see the legislation put in place. We want to see a number of amendments passed by the House. We think that the legislation should be here to help farmers. That is why we disagree with Clause 17, which allows the banks to petition the farmer into the farm debt review. I really cannot, for the life of me, see why Clause 17 needs to be in the Bill. To me, it will only be used to intimidate farmers to force them into a review. They cannot be petitioned into bankruptcy, but under the Bill they can be petitioned into a debt review.

The Minister tells me that it will concern any debt over $4,000. Surely we do not want to bring in that kind of legislation which would allow the chartered banks to intimidate farmers. This is a very intimidating procedure, I believe. I want to see the stay of proceedings; and there should be an allowance beyond 90 days to allow crops to be harvested, if that is necessary, or to take care of the cattle, or just to facilitate the renegotiation. The Minister is concerned that it is indefinite. Well, it is not indefinite. Each time that that is extended beyond 30 days, to 60 days or to 90 days, the farm debt review board, the board for the province or the region, must take positive action.

I believe those farm debt review boards will be responsible groups of people. I do not think that, willy-nilly, they will grant indefinite extensions. However, where there is a just reason for doing it, I believe there should be provisions in the law to do it. I hope that the Minister will consider it and allow it to go beyond the 120 days, which he has indicated he is willing to do at this time.

Concerning the five-day notice, the Minister has already indicated he is willing to accept extending that to 15 days. It occurs to me that if a farmer in Kenora—Rainy River with a debt over $4,000 receives notice from the bank or the farm machinery agency that there will be seizure, there is a form one must complete in order to apply. Where does one get the form? Does one get it from Toronto, is there an office in Thunder Bay, or where is it?

One must line up all one's creditors on that prescribed form, one must let them know, and then one must file the form with the farm debt review board. Therefore it is important that that extension be increased to 15 business days; in actuality, 21 days. I consider that to be an important improvement to the legislation. Even though it is a voluntary system, I think it important that we have an appeal procedure. I believe that, in general, the debt review panel will be effective. However, its members may err, they may not function well, the chairman may not be as competent as he or she should be. There should be an appeals procedure whereby the farmer, if he is not satisfied with the decision of the debt review panel, is able to appeal to the board for the establishment of a new panel.

Where there is a grave injustice being done to the farmer and the debt review panel is not able to effect an arrangement, the debt review board should be able to refer the application to a court of competent jurisdiction to ensure that the farmer is treated fairly and that a serious injustice will not be done.

• (1530)

This does not mean that every case would be referred automatically to the county court or to another court of competent jurisdiction. It simply means that the debt review panels will become aware of situations which are before them. They will not be able to affect proper arrangements. They will be able to refer the matter to the debt review board. Where there is a grave injustice being done to a farmer, the case and recommendations of the review panel can properly be referred to a court for adjudication and decision.

These are just a few of the matters which I think need to be considered as we examine this Bill. I believe that there needs to be an ongoing review of this legislation. There have not been the proper hearings before the Agriculture Committee with respect to it. I recommend that we put in place a review committee made up of officials from the Department of Agriculture, from the Farm Credit Corporation and from the industry itself. When I say the industry, I mean the farmers and farm organizations in the country could nominate the people they want to sit on this committee. The review committee would make a report to the Minister twice yearly, which report would stand referred to the Agriculture Committee. I think it is essential that we have that type of review.

The Minister has already put forward an amendment to the effect that the annual report of the review boards would be turned over to the Agriculture Committee. This means that the annual report for the fiscal year 1986-87 would become available on March 1. It is tabled within three months and referred to the committee by late June. This means that the committee will not get a chance to look at it until September or October, if the normal cycle of parliamentary activity occurs. I strongly recommend that there be a review committee, especially during the early days of this legislation. It is new legislation. I think it would be of great advantage to the Minister to have a review committee.

Because thousands of farmers will be facing foreclosure in the next year or so, it is important to provide a strong and formal review process in order to maintain as many of them on their farms as we possibly can. In this way fairness and equity will prevail. From studies which have been done by the Farm Credit Corporation, we know that half of the farmers in serious financial difficulty—close to 20,000 farmers—are our youngest, most productive and most technologically-advanced farmers. They also produce about one-half of the food that is produced in Canada. Of course, no legislation can help every individual, but if the legislation before us is enacted and strengthened as we are recommending it be strengthened this afternoon, I think it can help a great many of them. We are now going through a turmoil with respect to grain prices in terms of constant dollars which are at the same value as they were in the 1930s.

We have to take unusual and drastic steps to cope with the situation. It is not only through this legislation but through financial assistance provided by the Government and through other ways that we will be able to see farmers survive in the next two or three years in which we know there will be so much difficulty.

I wish to close with those remarks. Later on during the course of the committee hearings I will be making a number of recommendations regarding amendments to the legislation.

Mr. Althouse: Mr. Chairman, before we get into a detailed discussion of the Bill, this is an appropriate time to reflect on how we got this far. It is appropriate to consider now what the Bill attempts to do and what improvements we hope to be able to make to it during the period of time that the Bill is before the Committee of the Whole House.

I wish to point out that the farm prices crisis that we are now in is just becoming known to us in terms of the effects of the Farm Bill and the price war that has gone on with the European Economic Community. I say that because I want to make it quite clear that a very dramatic change in the economic circumstances of Canada's farmers has yet to hit. The farm debt which faces farmers was caused by actions taken some five or six years ago when extremely high rates of interest were being charged. This situation caught many of Canada's food producers in situations with debts they could no longer afford to carry.

In the end they faced rates of interest up to 22 per cent and 24 per cent. For this they can thank the changes in the Bank Act which were passed in this House in 1980 and 1981. Thanks can also be given to a companion piece of legislation which went with that Act; that is, the striking down of the old

usury laws which made it illegal for interest rates to rise above 12 per cent. The House passed both those laws, thus permitting the banks to write contracts that did not state what the rate of interest would be. In fact, the rate could be changed weekly. It was this House that precipitated such action. It was the Party which now sits opposite, the Progressive Conservative Party, that supported the then Liberal Government in bringing about these changes. There were one or two Conservative back-benchers who stood with the NDP in attempting to stop this silliness.

Essentially, the two Parties conspired against the people of Canada, particulary farmers and small business people, to bring about the results which we now have. After having talked about it for over two years, the Government has decided it will bring in some debt legislation. It will salve its conscience by allowing some people to squeeze out of the debt burden that they have had placed on them by going through a process. On my inspection, on almost all counts, this process will have a result in which the majority of farmers that are sucked into the meat-grinder will come out in little pieces and be carted off by the transition program which is soon to be put into place. There will then be an attempt to put them back together as some other form of sausage, allowing them to show up in the workplace somewhere else.

The Minister of Agriculture promised to have enacted debt review legislation with teeth in it prior to Christmas. He made a speech to the NFU convention. In reinforcing the Government's intention, the Minister of Finance in his Budget Speech in February said that we would have debt review legislation introduced. After that speech he spent a bit of time talking about it in front of television cameras. Since nothing happened, the Prime Minister decided to make a farm speech at the end of April. He also talked about farm debt review legislation being brought in before the end of June. I guess that is now what is before us. It was introduced too late for the various farm organizations, farmers, indeed, for even the lenders such as banks, credit unions and so on, to appear before the standing committee to make representations. We are stuck with a particular piece of legislation, inadequate as it may be, that may help a small proportion of those farmers who are facing pressure from lenders.

• (1540)

Farm organizations and opposition Members are in the catch-22 position of having to permit this inadequate legislation to pass through the House to save a few farmers or to hold it up and wait for something that is adequate while watching over the summer recess the banks and lending institutions wreak havoc on farmers who are having difficulty repaying loans. Because of that, we propose to let the legislation go through relatively quickly in all stages in the House rather than in a Standing Committee. We are doing this with the understanding that we will get consideration of several amendments which will permit the House to review the legislation and call witnesses that we have not been allowed to call during the winter so that we may see how the legislation is working and so that we may hear what improvements should be made to the legislation. There are improvements that will have to be made.

There have been experiments with debt reveiw legislation in Canada. The Minister started out by assisting the Grey—Bruce experiment which was conducted on a voluntary basis. A review board made up of farmers, some of whom had financial experience, looked at some 80 to 90 cases. My information is that about three or four cases were finally processed and came to a final conclusion. This process was totally voluntary. The farmer and lender had to find some conclusion to their difficulties with the debt process voluntarily, using the debt review panel as a mediator. I think that experiment proved quite conclusively that voluntary boards are relatively ineffective.

In Prince Edward Island, a process like that is beginning to be used. The debt review panel in Prince Edward Island has very little more power than that of the Bruce—Grey experiment.

In Saskatchewan, a program has been in effect for more than a year but in that province, there are a few things other than the panel to assist in the process. First, a moratorium on all foreclosures involving land has been declared, something which is within the constitutional power of the province. As well, there is a longstanding court process dating back to the days of Tommy Douglas which provides that the lender must refer a foreclosure case to a Court of Queen's Bench in order to proceed. The bank, trust company or credit union must go to Court of Queen's Bench in order to initiate the process. In most other jurisdictions, it is my understanding that creditors may simply call up the borrower to tell him that his loans are about to be foreclosed on and he has very little time under the Bank Act of Canada to find alternate financing or funds to pay off the loan.

The Province of Manitoba is putting a debt review process into place which would not only protect land but would also require a process to be gone through before seizures of machinery and livestock could take place. That is what is going on in Canada. At the same time as the provinces are putting forward some efforts toward mediating the problems the Bank Act created for farmers and small business people in 1980-81, the Government is also responding. It is a rather weak response and one that would have been much better if it had been used to strengthen the bankruptcy laws.

The Bank Act was upgraded and permitted the banks more and more power every 10 years on decennial upgrading while the Bankruptcy Act itself is stuck somewhere in the 1920s. The very powerful Bank Act gives the lenders extreme power to act to recover funds compared to the power they had back in 1920, while the only thing the creditor has to protect him is that very old and tottery Bankruptcy Act of the 1920s. Try as we might, we have not been able to put an Act before the House which will upgrade the Bankruptcy Act with which Canadians must deal. As a consequence, we are stuck with this

last-minute makeshift legislation that will attempt to provide some protection to farmers.

Let us look at this legislation quite uncritically and objectively and see what protection it does offer. On the surface, it does not offer very much. It offers to set up some review boards or panels to which a farmer may say: "Look, I'm having difficulty with my lending institution, I'm having trouble with my payments or think I'm going to have trouble with my payments, what arrangements do you think you can make between me and my bank or my creditors?" If the panel decides to take the farmer's case, it immediately freezes all actions by creditors for five days and there is another 30 days in which panel members may look at the possibilities. If they think they can make some progress, they may extend that for an additional 30 days and yet again for one more 30-day period to a maximum of 90 days.

In all provinces except those which have moratoriums or where the FCC moratorium remains in effect, there is really no pressure on the lender other than to wait 30, 60 or 90 days. The creditor will get his money because he has the power of the Bank Act of Canada behind him. From the creditor's point of view, it is strictly a waiting game. The farmer is simply provided with 30, 60 or 90 days of grace before the final verdict comes down. There is really no incentive provided under this arrangement for the creditors to play ball.

There is no mention in this Bill of having the panels study the factors that lead up to farmers having financial difficulties. The panels, through this Act, are not instructed to find out how farmers get into difficulty, whether through bad management or because of the activities of the House of Commons which passed the Bank Act and made interest rates of up to 22 per cent and 24 per cent possible. There is no mention of whether or not there should be some responsibility taken for that action. That is not something at which the review panels will be directed to look by this proposed legislation.

The Bill makes no presumption about whether a farmer should or should not be able to continue to operate his farm unit. We think that the basic assumption of this Act should have been that a particular lending institution thought that a farm was viable if it lent money to the farmer and therefore, by golly, this should continue to be a viable farm if the farmer does the things that he and the financial institution agree should be done in order to repay the loans. If those criteria have been met, I say that farmers should be permitted to continue, but they are not told that in this Bill.

• (1550)

We are left with an over-all program of the Government which has been made fairly clear in previous answers to questions and statements by the Minister in the House. He intends to lift the moratorium on FCC foreclosures as soon as this piece of legislation is ready. He also intends to bring in a transition program in a companion piece of legislation. If this program is as effective as the one in Saskatchewan, farmers will be recycled and will become useful members of society in areas other than farming. However, I think the legislation will be far less effective than that of Saskatchewan. There is no moratorium to go along with this legislation, so there is no weight hanging over the heads of lenders. I think the expected outcome would be more like 75 per cent having taken advantage of the transition program and something like 20 per cent to 25 per cent having survived. I am very disappointed that the Minister took so long to produce so little.

Mr. Binns: Mr. Chairman, I want to be brief because I know it is important for this piece of legislation to be passed as quickly as possible.

I congratulate the Minister of Agriculture on the initiative he has shown by introducing a piece of legislation which is so important to the farm community. The opposition Parties suggest that not enough is being done fast enough, but two significant events have taken place which must be taken into account.

First, farm credit rates in Canada were reduced for farmers who were Farm Credit Corporation borrowers so that they could begin to have viable repayment schedules. Of course, the reduction to 12.75 per cent was a major relief for many farmers who were faced with high interest payments.

Second, there was a moratorium on farm foreclosures which has played a large part in beginning to give farmers confidence that the Government is really interested in ensuring that the family farm unit survives. At this point I should like to compare the numbers of bankruptcies which have occurred in the last three years. Let us take the first five months of 1984, 1985, and 1986. In that five-month period in 1984, before our Government took office, there were 274 farm bankruptcies. That dropped in the same five-month period of our first year to 233 and then to 203 in the same five-month period this year. A general improvement in the economy, brought about by this Government, has resulted in a reduction in farm bankruptcies as well as in other bankruptcies across the economy, whether they be farms, small businesses, or whatever. Again I congratulate the Minister for moving quickly on these initiatives.

I should like to ask the Minister whether, with the passing of this piece of legislation, he could indicate that these panels will be operative in the summer months so that farm families, who are awaiting the results of this legislation, will benefit in the near future.

Mr. Boudria: Mr. Chairman, I am pleased to participate in this debate. I note that the Minister is asking for our co-operation. He does not want the debate to be too lengthy. I do not intend to use an exaggerated amount of time, so that we will be able to consider the other clauses very soon. However, I should like to make a few points. In effect, this consideration of Clause 2 is a substitution for second reading stage of the Bill. We all agreed to dispense with that stage in favour of a lengthier debate on this particular clause.

In his opening remarks, the Minister commented upon the fact that economic conditions for farmers had improved since

the Conservative Government took office. I just cannot let that statement go by unchallenged. Not long ago I had the occasion to visit Washington and to take part in a very elaborate study of the U.S. Farm Bill. I draw to the attention of the Minister a study by Chase Econometrics which was conducted for the Bank of Montreal. It refers to the effects of the U.S. Farm Bill, which is more appropriately called the Food Security Act, 1985. At this point I must say that the Minister's comments about economic conditions having improved were not totally accurate. What looms on the horizon for Canadian farmers as a result of the U.S. Farm Bill is indeed very difficult days, months, and years ahead.

I know the Minister will want to speak with his colleague, the Minister for International Trade, and ask him why the lobbying, if any was done in Washington prior to the passage of the U.S. Farm Bill, was not more effective. I know the Minister of Agriculture will want to pose such questions to the Minister for International Trade.

I should like to refer to a press release of the Bank of Montreal after the study of the U.S. Farm Bill had been released. It indicated that the price of feed grains would lower by approximately 20 per cent per year and that there would be long-term effects upon the export of Canadian products. As well it indicated that the price of U.S. grain would decline, lowering grain prices in Canada and elsewhere. Further, it indicated that with large supplies and declining prices, grain importers would continue to buy hand to mouth, and that lower grain prices would be a mixed blessing for livestock producers. The reason for this is the provision in the U.S. Farm Bill respecting whole herd buy out. This means that a large number of cows in the United States are presently being slaughtered and added to the beef market, which will have the effect of depressing our beef prices.

The Minister knows all these things, and I hope he will want to correct the record. He should not indicate that in fact everything is rosy since he has assumed office. I am sure he will want to indicate to the Minister for International Trade that he should have done better lobbying in Washington before the passage of the Bill respecting the Food Security Act, 1985. As I said previously, its effects will be quite devastating for Canadian farmers.

I would be remiss in my remarks if I did not congratulate the Hon. Member for Algoma on his fine work. He presented a number of amendments which we will be reviewing shortly. He presented a Bill which twisted the Minister's arm and caused him to bring in his own Bill. I congratulate the Hon. Member for Algoma for having held the Minister of Agriculture accountable for a promise which is contained in the document entitled "338 Tory Promises". I am referring to the promise which was made on July 26, 1984 in Sherbrooke. I am sure you will remember that promise, Mr. Speaker, which can be found on page 3 of the press release of the then Leader of the Opposition. It indicated that farm finance review boards would be established to act as a financial referee and negotiator between farmers and lenders.

As I said, I am glad the Hon. Member for Algoma presented a Bill which in turn acted as a catalyst and ensured that the Minister of Agriculture presented his own Bill.

• (1600)

I have a couple of questions I would like to pose to the Minister of Agriculture. I hope he is able to answer them. I am concerned about the role of the Federal Business Development Bank in farm loans. We know that there have been interest rate reductions on existing loans at the Farm Credit Corporation. I have many farmers in my riding who are financed by the Federal Business Development Bank. To see two farmers side by side, both having borrowed the same amount of money, both financed by agencies of the Government of Canada, one being the Farm Credit Corporation and one being the Federal Business Development Bank, and to see one where interest rates went down by 6 per cent or 7 per cent while the other continued to be financed at 20 per cent and 21 per cent is abnormal.

Does the Minister intend to do anything, together with his colleagues, for farmers financed by the Federal Business Development Bank? More particularly, just how will this legislation apply to the FBDB? Will it apply in the same way as it does to other banks? It is very important for the Minister to answer that question and thereby send a clear signal not only to farmers but to the Federal Business Development Bank, an agency of the Government of Canada, to act in a way consistent with the policies of the Government.

I give the Minister of Agriculture credit for his announcement concerning the Farm Credit Corporation. I am sure he was trying to send a message at that time that that was the policy of agencies of the Government lending to farmers, but another parallel agency, the FDDB did not listen to the Minister's message at all.

I have a farmer in my riding—and I intend to discuss the name of the farmer with the Minister privately—who was considerably behind in his Federal Business Development Bank repayments. The farmer yesterday, a day ago as we are speaking now, June 19, heard from the FBDB that it had sold his farm and that the date of possession will be July 1. Will this process apply to that individual case? The FDBD sold his farm at a time when the farmer was trying to negotiate getting money elsewhere and at the time when I had personal discussions with another person who was also trying to find money for the farmer. The FBDB did not listen to the message about lowering its interest rates.

It is also interesting, Mr. Chairman, that the FBDB did not listen to the moratorium message of the Minister of Agriculture who placed that moratorium on the FCC, an agency of the Government on farm foreclosures. Why does that process not hold true for FBDB, another agency of the Government of Canada? That is inconsistent. The farm was sold yesterday in my riding by the Federal Business Development Bank, not having lowered its interest rate and having sold the farm at a

time when there was a moratorium in place. In my view that is totally unacceptable.

I am not, for instance, saying that the farmer was not in financial difficulty. I cannot make that kind of statement at this point. That is not the principle. In both previous announcements the Minister made, he asked that interest rates be lowered, which would have inevitably eased the burden on that farmer as it did on a number of others. When the Minister announced the moratorium pending the preparation of this legislation, and I will give him credit again, I am sure he said: "This is terrible. There are a number of farmers on whom an agency of the Government of Canada is going to foreclose. Let us put on a moratorium, draw up a Bill so we deal with the matter." At the same time the Minister was doing that other agencies of the Government were not. I recognize there is a difficulty and I will concede that. If the Federal Business Development Bank lends to a corner store and a farmer, it has two loans to two people, with a moratorium on one type of loan and not on the other. That is a difficulty and I recognize that. I would like to continue very briefly. I feel this is very important. If I could just have the attention of the Minister momentarily and then get a response.

Mrs. Mailly: If it is interesting maybe he will listen.

Mr. Boudria: Perhaps the Member across the way thinks that agricultural issues are not important. Perhaps she thinks we should not be discussing cases of farmers going bankrupt. I will not apologize in this House for raising problems of farmers from my riding, Mr. Chairman. She should be ashamed of herself for making those kinds of idiotic remarks in this House.

What can the Minister do for those cases financed that way? It may not be a situation right across the country. I do not know how the Federal Business Development Bank has acted throughout the country. Is it in certain regions or does it have loans from coast to coast? I am uncertain about that.

In my own constituency, a large number of farmers were financed in that particular manner. I am curious to see just how the Minister intends to deal with those. If he cannot give a definite commitment now, could he at least undertake to speak to his colleagues who are responsible for the Federal Business Development Bank to ensure that they follow the agricultural policy that he personally has set out?

Mr. Wise: Mr. Chairman, I listened to the Hon. Member for Glengarry—Prescott—Russell very closely. I can appreciate the disappointment and the frustration he experiences. All of us as Members have experienced this, particularly those of us who represent rural ridings.

I believe the Hon. Member has recognized that I do not have the legislative authority to direct the actions of the Federal Business Development Bank. There might have been some questions asked as to whether or not I had the authority to impose a moratorium. I was satisfied that as Minister I had responsibility for the actions of the Farm Credit Corporation and I was satisfied that I could apply the moratorium. The September moratorium was not the first one I applied, it was the second.

The Federal Business Development Bank was established some time ago primarily for business enterprises other than non-agricultural businesses. It was the lender of last resort. I think you will find the clients of the Federal Business Development Bank in the farm community—

Mr. Boudria: You may have misunderstood me.

Mr. Wise: —probably came about over the period of time in which the Farm Credit Corporation did not have adequate funds in its portfolio to participate and to meet the demands of the applications that were coming forth.

Mr. Boudria: Exactly.

Mr. Wise: I have no problem discussing the case with my colleague, the Minister of State for Small Business, who I believe is the reporting Minister for the Federal Business Development Bank.

The Hon. Member makes the point that yesterday a creditor foreclosed on one of his farmers.

Mr. Boudria: The Government foreclosed.

Mr. Wise: It is a creditor. That is one case of which he is aware of, yesterday. The difficulty is that situation has been happening all over the country, hour by hour by hour. Thus the need for legislation of this kind. Once this legislation is passed, a creditor can of course issue a foreclosure notice. I have indicated that I am accepting the Hon. Member's amendment.

• (1610)

The regulation setting out the notice clearly defines the farmer's option to appeal his case to a review board. That will be part and parcel of the foreclosure notice. Therefore, as I understand the legislation, it would not be possible for this to happen, thus the need to put it in place.

We considered the constitutional authority with respect to moratoria. There is some question as to whether the federal Government has the constitutional authority to apply it across the country. That is somewhat vague. However, it is clear that the provinces have the authority to apply the moratorium. The Hon. Member for Humboldt—Lake Centre made note of that in his remarks with reference to the Province of Saskatchewan.

Mr. Boudria: Mr. Chairman, I would just like to clarify one point. I was not speaking of an industrial bank of the Government. Perhaps the Minister used the words interchangeably. I am not sure if there are other kinds of government banks. However, I was speaking of the Federal Business Development Bank in this particular case. I understand that there is a similar agency by a different name. I wanted to clarify that it was that particular agency.

I think the Minister was right when he said that most of the loans made in my riding were made at a time when there was a scarcity of funds in the Farm Credit Corporation. Some farmers who were in difficulty went to the Federal Business Development Bank instead of private institutions because the Federal Business Development Bank was not quite as strict as some of the private lending institutions, particularly the chartered banks.

The disadvantage has been that both the chartered banks and the Farm Credit Corporation have lowered their interest rates in practically all cases under the FCC, in a large number of cases with the private banks but, as I understand it, in almost no cases as it applies to the Federal Business Development Bank. That discrepancy between these two agencies of the Government is quite wide. I wanted the Minister to be further appraised of that point.

Mr. Wise: Mr. Chairman, there is no confusion. We are talking about the same agency.

Mr. Riis: Mr. Chairman, we are debating Clause 2 of Bill C-117 at report stage. I must say that I think Bill C-117 is misnamed. It says that it is "an Act to facilitate financial arrangements between farmers and their creditors". I think it should be "an Act for the banks to facilitate their financial arrangements between farmers and themselves". When one looks closely at Bill C-117, one notices that the main beneficiaries of this legislation are the banks of Canada. I want to take a moment or two to explain why I say that.

We all remember very clearly when in 1984 the present Minister of Agriculture and his Leader, the present Prime Minister, campaigned very strongly, promising the farmers and ranchers of Canada that they would be introducing debt review boards with teeth. They said there would be none of this wimpy stuff with debt review boards only to discuss the problem. They were tough guys on the side of farmers and ranchers and they were going to put teeth in legislation. I know that my friend the Member for Cariboo-Chilcotin felt very strongly that the country needed this. I guess that is why we are a little disappointed today.

I have an article written by John Miner in *The Leader Post* of Regina. John Miner is, of course, a reputable farm finance writer. The article reads:

> Federal Agriculture Minister John Wise said last year that the government will introduce Farmers' Creditors Arrangement legislation which would allow debt writedowns after a third party reviews disputes between farmers and lenders.

That is a nice tough statement. It is time for that. The article goes on to indicate that a spokesman for the Minister's office said that the Minister remains on the record in support of legislation with teeth. The article says that the Minister has met with Royal Bank officials and his position has not changed.

It seems that the position has now changed. After perhaps having a number of meetings with Royal Bank officials, the Minister's mind has changed. He now says that we cannot proceed with this legislation because the banks do not like it. With all due respect to my friends in the Royal Bank who have discussed the matter with Members of Parliament at some length, they said that they were concerned about the Minister of Agriculture bringing in legislation with teeth and wanted to lobby against it. They have obviously been successful. It is obvious that they got through and we now have this rather limp-wristed legislation, Bill C-117.

I must give the Government credit for being consistent. There have been many opportunities for it to come down strongly in favour of the family farm during times of debt crisis if it really was on the side of the farmer and rancher. I need not elaborate on the nature of the debt crisis. That is clearly documented in Agriculture Canada statistics, labour statistics and others. We all understand the farm debt situation.

If the Government was serious about supporting the family farm during these difficult times, it had the opportunity to do so when we reviewed the Bank Act. When there was an opportunity to introduce measures through the Bank Act, there was no support from the Conservatives and Liberals. I think the Bank Act was actually written by the banks. I think bankers send in drafters to draft legislation for their advantage. When it came time to vote on that Act, only one group of Parliamentarians stood in their place and said that it was not in the best interests of the farmers and bankers of the country, that was the New Democratic Party. The Conservatives voted with the Government in favour of the banks.

Mr. Hovdebo: You forgot Gordon Taylor.

Mr. Riis: That is right. There were a couple of individuals who had the courage of their conviction. They said that someone had to stand up for farmers alongside the New Democrats. I must say there were two or three people who did that.

That was the first missed opportunity, Mr. Chairman. There was then the opportunity to introduce bankruptcy legislation which would certainly have helped the farming community. The Liberals promised that for years and years, perhaps even decades. Nothing ever happened. The will was not there. It was a smokescreen. The Government then changed and the Conservatives said that they would bring in bankruptcy legislation. We have waited nearly two years and it is not yet before us. If the will was there, they could introduce it and pass it today. However, it is not here.

We have now missed another opportunity. I applaud the Minister with two fingers for bringing in something before we recess for the summer which will bring farmers together with bankers and others to see if they can negotiate their way out of a financial crisis. I suppose this is marginally better than nothing. We give credit where credit is due.

There are between 8,000 and 10,000 farmers and ranchers waiting for this legislation. That reflects the reality of the debt crisis in the country. Let us hope that this legislation will at

least be a move in the right direction. I think the banks should take this as a notice that if they fool around with this legislation and do not co-operate with the will of Parliament as reflected in this legislation, they had better be prepared for some stronger legislation with some teeth. I see the Minister nodding and I know he is committed to that. In a sense we are serving notice to the banks of Canada that this is their opportunity to prove that they have the best interests of the agricultural community at heart.

I hope the Minister will go on record saying that if the banks do not co-operate, a review process will be put in place to make it clear to the people of Canada and the Parliamentarians who represent them that something else must be done.

• (1620)

We are very disappointed with Bill C-117, but nevertheless hope there will be an opportunity to improve it. Certainly a review process is necessary, and I hope the Minister will sit down with the banks and tell them just how strongly we feel. Unless they come through on this legislation, they can expect something in the form of a farm credit arrangements Act to be introduced shortly.

Mr. Hovdebo: Mr. Chairman, I have a considerable number of things I would like to put on the record, but I am concerned about the procedure here. We have less than an hour to go today and obviously we cannot pass the Bill because we do not have the amendments which have been suggested and which the Minister has agreed to. I wonder if we could have established some kind of procedure to allow us to go through this very quickly and find out which amendments will be accepted and then give the Minister and his staff time to draft them in an acceptable form. Rather than take the time to make a number of statements at this point I would rather proceed with it, if that has the agreement of the House.

The Assistant Deputy Chairman: May I point out to Hon. Members that the amendments presented to the Table appear to be in order technically. Certain Members have brought up points concerning amendments to Clause 2. Therefore, I presume they will not get into extensive arguments when the specific clause to which the amendment is addressed comes up. The only way of dealing with the matter as far as the Table is concerned is to go through clause-by-clause and deal with each amendment as it comes up, taking into account the fact that as far as the Table is concerned the amendments presented are technically in order.

Clause agreed to.

On Clause 3—*Binding on Her Majesty*

Mr. Foster: Mr. Chairman, I do not know whether the Minister can respond to this right now, but Clause 3 says that this Act is binding on Her Majesty in right of Canada or a province. I am just wondering why it binds on a province as well. It is a technical point that the briefing officer did not clarify for me and I wonder if the Minister is familiar with that clause?

Mr. Wise: Mr. Chairman, I believe that what is meant there is that once an arrangement is made, it is accepted by the review panel. The review panel has the authority to make that arrangement legal and binding. It is really nothing more and nothing less than a contract. So far as contractual law is concerned, that is clearly a provincial jurisdiction and that is what is meant in this particular clause.

Mr. Foster: That is fine, Mr. Chairman.

Clause agreed to.

Clause 4 agreed to.

On Clause 5—*Remuneration*

Mr. Foster: Mr. Chairman, Clause 5 provides that the Governor in Council may provide remuneration for board members. Could the Minister indicate what the board members will be paid, the per diem?

Mr. Wise: No, Mr. Chairman, I cannot indicate at this point what the rate of remuneration will be. Obviously we will use federal guidelines which reflect an acceptable remuneration now being paid to people performing similar functions.

Mr. Althouse: I wonder if the Minister has thought through the type of remuneration he is talking about here. Will these board members all be paid on a per diem basis or will some be paid monthly or annual salaries?

Mr. Wise: As I understand it, there will be a chairman and more than likely that will be a full-time, salaried position. However, I am not ruling out the possibility, if we agree that a certain individual is a suitable person to serve in that capacity, that it would be done on the basis of a contract. I would think members of the board would be on a per diem basis, but again it might well be on a contract.

Mr. Althouse: Mr. Chairman, I would like to thank the Minister for that response. Can he go further? Clause 9 deals with the Public Service Employment Act which would set the guidelines for employees of the board. Does the Minister have any comparable guidelines that he would be using to set the remuneration for these board members? What types of boards would he use as a guide? Would it be, say, the National Energy Board, the FCC or what? Can we have some sort of idea of the remuneration he is talking about?

Mr. Wise: Mr. Chairman, my first reaction, not having had an opportunity to consult the appropriate officials but using some common sense, is that the advisory board of the Farm Credit Corporation might well serve as a guide for the level of remuneration on a per diem rate.

Clause agreed to.

Clauses 6 to 10 inclusive agreed to.

On Clause 11—*List of Persons*

Mr. Foster: Mr. Chairman, can the Minister indicate the number of boards he envisages across the country? Would there be one for each province? Can he give us some idea of the general framework of the organization involved?

• (1630)

Mr. Wise: Mr. Chairman, it is a little difficult when you are breaking new ground. This ground has not been been broken in the last 50 years. The Act allows for at least one farm debt review board to be established in each and every province. If the province wishes to establish additional review boards because of need, we, in consultation with the province, determine if it is in the best interests to provide additional service to the farmers within that province. In some provinces there is a higher concentration of farmers. Certain provinces have, because of the nature of its production, a greater number of more urgent and pressing financial problems, or cases. Therefore, if we deem it necessary, then the Act would allow for the establishment of two or more boards within a province.

I would think if this were done in consultation with the province, we would likely assign specific areas or regions. In the Hon. Member's case it might well be advisable to establish a separate board for northern Ontario. We might establish one for eastern Ontario and southwestern Ontario. I do not think that will be necessary. However, it will allow that to go forward.

On the other hand, in consultation with some of my provincial counterparts from Atlantic Canada, there was at one point some discussion with them and they felt perhaps one board might serve Atlantic Canada. On second thought, the last time my counterpart from Nova Scotia was in Ottawa, he told me that, after having an opportunity to think about it, he would want a separate board for his own province.

Mr. Althouse: I wonder if the Minister of Agriculture could explain a little about the selection process. We know the qualifications are quite broad and general. It says, "must have a knowledge and experience in agriculture or in financial matters". The Act is fairly clear that the board once named, and the Minister names the board, the board then names the various panels. I am wondering where that board is expected to find the names of those panel members. Will they simply select them from candidates that they know or will there be an advertising process go forward so that people who are not known to the board members, as such, might be subject to an interview and have an opportunity to serve, if they so choose?

Mr. Wise: Mr. Chairman, on that particular issue I have indicated that the debate around this piece of legislation is not new. It has been a debate that has been an issue in the public forum for quite some time. It has occupied a great deal of discussion at federal-provincial meetings going back to last fall, going back to January, going back perhaps about four weeks ago. I indicated to my provincial counterparts that I would be asking them for the submission of some suggestions.

If we are looking at a chairman plus a 10 man review panel, a total of 11, I would expect that the provinces would want to submit some names. I thought it would be reasonable to take at least three of those names from the provincial lists. In addition, we have been discussing this process with the farming organizations and commodity groups acros the country.

I extend an invitation to my colleagues on all sides of the House in all parties to feel free to make suggestions, look around their own constituencies, make some choices as to who would be appropriate to serve on the review boards, and in addition to that bear in mind that we will be requiring quite a number of names to be available to serve on the panels from time to time. So it is an invitation that I extend here and now to all Members of the House.

Clause agreed to.

Clauses 12 to 16 inclusive agreed to.

On Clause 17—*Idem*

Mr. Foster: Mr. Chairman, I would like to urge that the Minister and the House defeat Clause 17 and paragraph 2 of Clause 18. We cannot put in an amendment because we are just voting against the Bill, but this clause allows a bank which has a debt, and the Minister tells me the debt must be over $4,000, to approach the review board, fill out an application and move that the farmer be petitioned or requested to appear before a review panel, that the review panel be established and his debts be reviewed with a view to facilitating an agreement.

This may seem a casual thing. It may appear to some to be a desirable thing, but I would argue that this is a very intimidating section. Farmers, as everybody in this House knows, cannot be petitioned into bankruptcy, but under this section they would be able to be petitioned into a review procedure having only missed the payment of one debt. It just seems that this allows a situation for a bank or other creditor to intimidate a farmer.

Farmers are generally pretty conscious of their debts. The last thing they want to do, when they have missed perhaps just one payment, is to have the bank contacting the debt review board for their province, filling out an application and having the debt review board contacting the farmer to ask if he wants to have his debts reviewed. What is the farmer going to say? He is going to agree to having his debts reviewed by the review board or the bank might lower the boom.

I would ask the Minister that Clause 17 and paragraph 2 of 18, which is a supplementary to it, or consequential upon it and the two words in paragraph (3) "or 17", be withdrawn by the Minister. I think it is a very bad clause and will not service, in my opinion, the farmers of this country facing serious financial difficulty.

[*Translation*]

Mr. Boudria: Yes, Mr. Speaker. To save time, I will comment immediately on Clauses 17 and 18.

Farm Debt Review Act

Mr. Speaker, I think the last thing farmers need is to have one more process that will be even more intimidating than what they have at present. I fail to see what Canadian farmers have to gain with Clause 17 of this Bill. If the Minister was right in saying earlier that the purpose of the Bill was to protect farmers, I wish he would tell the House how Clause 17 is supposed to increase protection for Canadian farmers. How can the situation of a Canadian farmer be improved by a clause in this Bill which provides that a farmer may now be requested to appear before a debt review panel if, for instance, he has missed a payment or two? I can only wonder why this clause has been included in the Bill.

• (1640)

[*English*]

Perhaps the Minister could take a minute and tell us why it was put there. It seems illogical that it would even be there, if the whole purpose of this Bill is to improve the conditions for the farmer. This seems to improve a situation for the banks. At least that is the impression it gives.

Mr. Wise: Mr. Chairman, I wonder if I could ask for the co-operation of my colleagues opposite. Could we stand this particular clause and proceed? I am waiting for some information.

The Assistant Deputy Chairman: Shall Clause 17 stand?

Some Hon. Members: Agreed.

Mr. Althouse: If Clause 17 is going to be redrafted or changed, and I assume that is the reason why the Minister asked to have it stood, I am wondering if we could also stand Clause 18 (2)? If the clause is going to be withdrawn, which is the request of my hon. friend from Algoma, Clauses 19 and 20 should be reviewed as well.

The Assistant Deputy Chairman: Is there consent that we also stand Clauses 18, 19 and 20?

Some Hon. Members: Agreed.

On Clause 21—*Application*

Mr. Althouse: Mr. Chairman, Clause 21 states that: "Any insolvent farmer may apply, in the prescribed form containing the prescribed information . . . ". Does the very fact of the application also begin a petition for bankruptcy? Will the courts or the lender be able to view this as the first step toward a petition for bankruptcy, which is quite important in certain provinces that have some protection otherwise?

Mr. Wise: Mr. Speaker, that is a very important question and one that was brought to my attention. I inquired about this and, in fact, expected a question in the House. The answer is no.

Clause agreed to.

Clause 22 agreed to.

On Clause 23—*Notice*

Mr. Foster moved:

That Bill C-117 be amended in Clause 23 by striking out line 40 at page 6 and substituting the following therefor:

"manner at least 15 business days before the".

He said: Essentially, the purpose of the amendment is to change the notice from five days to 15 days. I understand that the Minister has agreed to that amendment.

Mr. Wise: Mr. Chairman, as I indicated in my opening remarks in the Committee of the Whole, we would be happy to accept that amendment.

Clause, as amended, agreed to.

On Clause 24—*Stay of Proceedings*

Mr. Wise: Mr. Chairman, we have a small technical amendment that should be entered at this time. I therefore move:

That Clause 24 of Bill C-117 be amended by striking out line 43 on page 6 and substituting the following:

"24. Subject to sections 27, 30 and 33, and not with—".

Amendment agreed to.

Mr. Althouse moved:

That Bill C-117, an Act to facilitate financial arrangements between farmers and their creditors, be amended in Clause 24 by adding immediately after line 10 at page 7 the following:

"(2) On receipt of a Manitoba farmer, by the Manitoba Mediation Board, established pursuant to the Family Farm Protection Act of Manitoba, of an application for leave or an application for exemption order as contemplated by that Act, no creditor of that farmer acting pursuant to any security authorized, granted or taken, in accordance with this or any other act of Parliament, shall commence or continue any action or proceeding to realize upon or otherwise enforce such security without first obtaining leave of a court under Part III or Part IV of the Family Farm Protection Act of Manitoba."

He said: I have a very brief explanation, Mr. Chairman. An Act is being proposed in Manitoba which this amendment would complement. Part III of the Family Farm Protection Act of Manitoba deals with land as a security. The Province of Manitoba has clear jurisdiction over that. It only has partial jurisdiction over machinery, livestock and that sort of thing, which is what Part IV deals with. This is an attempt to transfer some of the residual federal powers to the province so that it will be able to act with certainty.

Mr. Wise: Mr. Chairman, I have looked at the amendment very carefully. I did not receive it until earlier today, although it might have been in the office yesterday.

The information I have from my legal advisers is that it would not be possible for us to accept this particular amendment. Their judgment is that it would be unconstitutional from our point of view.

• (1650)

Amendment (Mr. Althouse) negatived:

Yeas, 7; Nays, 28.

Clause, as amended, agreed to.

Clauses 25 to 29 inclusive agreed to.

On Clause 30—*Stay of proceedings extended*

Mr. Foster moved:

That Bill C-117 be amended in paragraph (2) of Clause 30 by striking out line 1 at page 9 and substituting the following therefor:

"Board may extend that period for a maximum of two further periods of 30 days each"

He said: Essentially, the amendment would just allow the stay of proceedings to be extended from 90 days to 120 days.

Mr. Wise: Mr. Chairman, as I indicated in my opening remarks, this would be an acceptable amendment to us.

Amendment agreed to.

Clause, as amended, agreed to.

On Clause 31—*Arrangement to be put in writing*

Mr. Foster moved:

That Bill C-117 be amended in Clause 31 by striking out lines 9 to 12 at page 1 and substituting the following therefor:

"31(1) Where a farmer enters into an arrangement with any creditor pursuant to subsection 29(2), the review panel shall see to its signing by the parties thereto.

(2) Where a farmer is dissatisfied with an arrangement or with the conduct of the review panel, or where his creditors refuse without reasonable cause to enter into an arrangement with him, the farmer may appeal to the board for the appointment of a new review panel."

He said: My amendment to Clause 31 adds subclause 31(2). This concerns a simple review of the procedure when the review panel has not functioned properly, in the opinion of the farmer, when it has not seemed to be sympathetic to his position or has in fact erred in the making of an arrangement. It would allow a simple appeal procedure by which the farmer could appeal to the review board for the province or region so that he would not be locked into one review panel that may not have functioned properly or may have erred concerning the handling of the information available.

Mr. Wise: Mr. Chairman, the Hon. Member might take some satisfaction in the fact that we have been concerned about that aspect ourselves. We have satisfied ourselves that we need not amend the Bill. The criteria, the rules governing the actions of the appeal boards, will allow for such a review to take place.

Mr. Foster: Will that be done under the regulations that the Minister will draw to the Bill? How can that be done? Under another clause of the Bill, it states an arrangement can be made, but there is no recommendation in the present Bill, as I read it, for an appeal. The review board may be biased or its methods of handling the case may not be adequate. Under what section of the Act or the regulations will there be provision for a simple appeals procedure?

Mr. Wise: Mr. Chairman, at the moment I do not have any more specific information that I can provide the Hon. Member, except to say that we had a discussion about that subject ourselves. He will reconfirm that we actually discussed the matter earlier this afternoon, and that provided me with another opportunity to confirm, with our officials, whether or not the amendment was required. I was satisfied that the amendment, indeed, was not required, with the help of my friend, my colleague from Bruce—Grey, an Hon. Member, a medical doctor and a bit of a messenger today—and I appreciate that very much—suggesting that the matter was dealt with in Clause 10(2).

The Assistant Deputy Chairman: Shall the amendment carry?

Mr. Hnatyshyn: No.

The Assistant Deputy Chairman: All those in favour please say yea.

Some Hon. Members: Yea.

The Assistant Deputy Chairman: All those against will please say nay.

Some Hon. Members: Nay.

The Assistant Deputy Chairman: In my opinion, the nays have it.

Amendment (Mr. Foster) negatived.

Clause agreed to.

Clause 32 agreed to.

On Clause 33—*Termination of stay of proceedings*

Mr. Foster moved:

That Bill C-117 be amended by inserting, immediately after Clause 33, at page 9, the following:

"33.1 Where in the opinion of a review panel, a satisfactory arrangement cannot be reached without injustice or undue delay, it shall report its finding to the Board and the Board may refer the matter to a court of competent jurisdiction to formulate the arrangement that it deems equitable under the circumstances."

He said: Under this provision, when a review panel feels that there is great injustice about to be done or that could be done to the farmer, or undue delay, the panel could make arrangements so that the review board could review the case and refer it directly to a court of competent jurisdiction.

• (1700)

This would not follow in every case. However, where the review panel is convinced that there is about to be an injustice effected on a farmer as a result of the hearings or the meetings which have taken place, it could refer the case with its recommendations and suggestions to a court of competent jurisdiction. It is a safety-valve on the whole procedure. I urge the Committee of the Whole to support this amendment. It

will have very a beneficial effect on the operation of the review panel and the Bill which is before the House today.

Mr. Wise: Mr. Chairman, speaking on behalf of the Government, it is not possible for us to accept the Hon. Member's amendment at this time. We all realize where the crux of this issue lies in terms of the type of legislation which is now before us. Our reading of the situation is that we must be careful. We must stop full stop at this point in time in terms of extending powers in this legislation to the review panel or a court to alter unilaterally any settlement.

Mr. Althouse: Mr. Chairman, the Minister says that he is not prepared to accept the amendment at this time. If we were to stand the clause now, would that enable him to tell us something positive in a matter of two or three days when we deal with the rest of the clauses which have been stood?

Mr. Wise: No, Mr. Chairman. However, if there is unanimous consent to revert to the clauses which have been stood, I have been informed that Clause 17 should be deleted and that Clause 18(2) should be deleted. All subsequent clauses should be renumbered in consequence thereof and any reference to Clauses 17 and 18(2) should be deleted as well. I have been advised that we can accept the request for deletion of those clauses, but we cannot accept the amendment which is before us.

The Assistant Deputy Chairman: As a point of clarification, I presume the Minister will provide copies of those amendments to the Table in writing at a point in time when the committee will decide to deal with Clauses 17, 18 and, subsequently, 19 and 20. We are presently dealing with the amendment to Clause 33.

Mr. Boudria: Mr. Chairman, I agree with my colleague from Algoma concerning his amendment to Clause 33. What he proposes seems perfectly reasonable. I am at a loss as to why the Government is against it. It would simply afford a person a means to obtain natural justice; that is, through the courts. Will the Minister explain to us the reasoning behind his decision? To deny passage of this amendment seems to me that the Government does not want to allow a person this natural process of justice.

I am a little curious as to why the Minister is not in favour of the amendment. It is certainly not a matter of policy; nor is it a major offensive clause. It simply states that someone could appeal to the courts. We all know that the courts are not in place to satisfy members of the Opposition. They are objective bodies, as all Members well know. Will the Minister further explain his position to all Members of the House, please?

Mr. Wise: Mr. Chairman, there should be no confusion in the mind of the Hon. Member with respect to the Government's refusal at this point in time not to accept the amendment. Debate with respect to the Bill has taken place across the country over the last year and one-half. A reading of the situation shows that the majority of commodity organizations and the majority of farmers deem it not appropriate at the moment to go beyond what we have introduced in this Bill. Conditions can change. There will be an opportunity at some time in the future, on two or three occasions, to review the legislation in order to see if it is working, how effectively it is working and what changes might be required to be made to it. That would be the time to consider such an amendment.

Mr. Althouse: Mr. Chairman, I too rise on the amendment. I hope the Minister will take some time to reflect on this matter. Of course, I am sure that he already has. However, his arguments for disallowing it are not very persuasive, to say the least. I would ask him to address the amendment more carefully. It simply provides an option for the review panel, when it is convinced that all else has failed and that an injustice is about to be done, and when it cannot come to any conclusion in terms of the powers it has, that it will report to the board. Presumably the board will be made up of distinguished and level-headed people who will review the matter. If they are also of the opinion that it is a question which will result in an injustice or an undue delay, after sober second thought they can refer it to a court of competent jurisdiction.

This seems to be a standard expectation in a democratic society. It sounds like the sort of natural justice that we would expect to see happen. I fail to see why it would create a problem. I hope that the Minister will rethink his position in this respect. If he wishes to have some time in order to do that, I am prepared, as I am sure other Members of the House are prepared, to stand this clause and proceed to others in order that he can reflect.

Mr. Hovdebo: Mr. Chairman, this is a key amendment. Without it, it will be possible for any creditor to fold his arms and sit back for 90 days or 120 days and then say: "I have sat out the operation". Even if the panel and the farmer have provided the creditor with a proposal which is really acceptable and worth-while, he can sit it out. It is not as if this has not been done before. I have before me copies of other credit Bills concerning the protection of farm property, farm security and farm land security. I understand that the Bill in Manitoba—and this is hearsay—and the one which is being attempted to be established in Prince Edward Island have this requirement. It seems a logical step to allow the matter to go before a court of competent jurisdiction.

The Assistant Deputy Chairman: It being 5.09 p.m.—

Mr. Wise: Mr. Speaker, I rise on a point of order. Because of the urgent and pressing need for this piece of legislation, we on this side of the House seek the unanimous consent of the House not to see the clock. We ask this in an attempt to move through this piece of legislation at all stages, as we set out to achieve earlier today.

• (1710)

The Assistant Deputy Chairman: Is there such unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Assistant Deputy Chairman: It being 5.09 p.m. it is my duty to rise, report progress and request leave to consider the Bill again at the next sitting of the House.

Progress reported.

The Acting Speaker (Mr. Charest): It being 5.12 p.m., pursuant to Standing Order 3(2), the House stands adjourned until Wednesday, June 25, 1986, at 2 p.m. pursuant to Standing 3(1).

The House adjourned at 5.12 p.m.

HOUSE OF COMMONS

Wednesday, June 25, 1986

The House met at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

NUCLEAR ENERGY

ELDORADO NUCLEAR LIMITED—STORAGE OF NUCLEAR WASTES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in August of 1984, the then Leader of the Opposition, the present Prime Minister (Mr. Mulroney), made a promise to the residents of Wesleyville, Ontario, that a Tory Government "will work most actively toward the safe, acceptable and permanent storage arrangement" for low-level nuclear wastes. He also said, "All such waste should be removed from major population areas and kept well away from any major water resource such as Lake Ontario". In June of 1986 the Government is not honouring the commitment of the Prime Minister. Eldorado has chosen one site within two miles of Lake Ontario and is looking for a second nearby.

While the Minister of State for Mines (Mr. Layton) refuses to meet with the Citizens for Responsible Nuclear Waste Disposal to discuss the issue, it seems to me that it is incumbent on the Prime Minister to live up to his commitment that he made in August of 1984 when he said that while this would involve greater expense, the federal Government, as owner of Eldorado Nuclear Limited—

Mr. Speaker: Order, please. Sixty seconds.

* * *

MARINE TRANSPORT

STRAIT OF JUAN DE FUCA—RADIOACTIVE WASTE SHIPMENTS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, the Canadian Government must oppose American plans to ship highly radioactive wastes from Taiwan to the United States for reprocessing. These shipments will go through the Strait of Juan de Fuca, a very busy shipping channel, separating Vancouver Island from the State of Washington. An accident resulting in fire for one of these shipments would be catastrophic for large areas of British Columbia and the United States. So far, the federal and provincial Governments have not voiced concern.

As the result of a court challenge, the plan is now on hold until August. Canada must use this time to register its opposition to these shipments, and our world must recognize that the danger posed by nuclear waste is one more reason the entire nuclear industry is both uneconomic and unacceptable.

* * *

[*Translation*]

FIRES

FORESTS—SITUATION IN QUEBEC

Mr. Guy St. Julien (Abitibi): Mr. Speaker, I should like to draw the attention of the House to the extremely serious situation in the Province of Quebec and the Abitibi region where forest fires like those which occurred recently in New Brunswick and Newfoundland have caused extensive damage.

So far, Mr. Speaker, some 412,000 acres of Quebec prime forest land have been destroyed by flames. The fire is now under control, but the most deplorable incident was the five persons who died fighting the flames.

Once again I should like to emphasize that it is very difficult to appreciate the seriousness of such a situation. I would be remiss if I did not mention the concerted efforts deployed by northwestern conservationists, firefighters, aircraft and helicopter pilots, police officers and volunteers who fought the flames.

* * *

• (1405)

[*English*]

CANADIAN NATIONAL RAILWAYS

PLIGHT OF WORKERS FACING LOSS OF JOBS IN MONCTON

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, I have previously stood in this House to present a Member's statement and, as well, I have presented petitions on 21 occasions in an effort to save the CN Main Shops in Moncton. It appears those efforts have not been totally successful. Today we face the loss of 437 CN jobs in my community.

This is a severe blow to the workers, to the economy of Moncton, and to the Province of New Brunswick. It is incumbent upon the Government to take steps immediately to provide programs and assistance to the CN workers in Moncton in order to minimize the impact of the CN decision

to down-size the Moncton shops and to attract full-time employment which will ensure the future economic growth of the area.

I believe that Moncton and the Province of New Brunswick have been short-changed. Our Government must immediately reaffirm its commitment to the people of my constituency and my province. I urge the Prime Minister (Mr. Mulroney) and Cabinet to consider Moncton a priority, and to work with me and the members of my community to ensure that the CN workers affected will secure comparable employment in the area.

Some Hon. Members: Hear, hear!

* * *

CO-OPERATIVES

BRITISH COLUMBIA TEACHERS' INVESTMENT AND HOUSING CO-OPERATIVE

Miss Aideen Nicholson (Trinity): Mr. Speaker, last November the provincially incorporated British Columbia Teachers' Investment and Housing Co-operative went into voluntary receivership. All assets were frozen and the life savings of thousands of active and retired teachers in western Canada were placed in limbo, as the co-op was uniquely structured and deposits were not insured. A restructuring plan has now been approved, according to which members may receive up to 74 per cent of their original deposits. For many this shortfall means a dramatic difference in retirement plans.

Co-op members are asking why Revenue Canada is ignoring the facts and demanding taxes on deposits to which members do not have access. Co-op members are also asking why they can no longer declare capital losses when more affluent Canadians are exempted from taxes on capital gains. Therefore I call upon the Minister of Finance (Mr. Wilson) to bring some fairness into the Income Tax Act. Surely its provisions were never meant to have the effect of depriving retired teachers of their life savings.

* * *

ABORTION

PERCEPTION OF LIFE IN ECONOMIC TERMS

Mr. Gus Mitges (Grey—Simcoe): Mr. Speaker, many of us in this House are against abortion, but we believe in the education of the public on the various means of preventing conception. Proper education solves many problems, especially when that education gives complete understanding of birth control methods and a thorough understanding of the value of human life.

One of the problems for those fighting abortion and the destruction of innocent life is that, while there is proof that life begins in the initial or very early stages of pregnancy, people are willing to destroy that life to make the social and economic status of the mother more important than the right to life of those who cannot speak for themselves.

To place a utilitarian value on human life and to see each person only in terms of his economic worth can, and will, lead to the destruction of human life and to the murder of those already born who, through mental or physical incapacity, are not able to contribute to society what may be demanded of them by extremists. These and other attempts to negate life, to state that it has no value in itself, must never be tolerated.

* * *

ENVIRONMENTAL AFFAIRS

ST. CLAIR RIVER—REAPPEARANCE OF TARRY SUBSTANCE BLOBS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, last December the Minister of the Environment (Mr. McMillan) promised, with the greatest urgency, to identify the source of the Sarnia blob, which he said was "disfiguring the St. Clair River and causing concern about the quality of the drinking water of thousands of Canadians".

His team of high-powered scientists reported on the situation at the end of January, but failed to identify its source. Meanwhile, new blobs are appearing on the river bottom. It is now the end of June. Divers continue to vacuum up growing amounts of the tarry substance. This month they picked up twice as much material as last month.

Dow does not know where the blob is coming from. Ministry officials do not know where the blob is coming from. Six months have passed and we still do not have the answers. What is going on? What happened to the promised urgency? Why has the Minister not lived up to his commitment to get to the root of this serious environmental problem? If it is more difficult than he thought it was, why does he not level with this House and tell us just what a serious environmental problem we have on our hands there?

* * *

HEALTH

FUNDING OF CANADIAN FRIENDS OF SCHIZOPHRENIA

Mr. Peter Peterson (Hamilton West): Mr. Speaker, 11 months ago a young man described as a chronic paranoid schizophrenic was ordered by a Scarborough judge to seek hospitalization. When the man went to the hospital he was refused admission on what was later described as a technicality. Some two weeks after the incident he bludgeoned his mother to death with a hammer. I bring this to the attention of the House to drive home how little even our own medical

people know about schizophrenia and how important research can be in preventing such gross mishaps.

• (1410)

In Canada we are fortunate to have an organization that addresses this problem, the Canadian Friends of Schizophrenia. This organization, with over 60 chapters across Canada, is devoted to assisting families and promoting general public awareness of this little known and misunderstood disease.

In my view, Friends of Schizophrenia is a classic example of the type of organization that deserves more government funding, and I encourage the Minister of National Health and Welfare (Mr. Epp) to consider this seriously so that last year's ugly incident remains just that.

* * *

[*Translation*]

SHIPYARDS

VERSATILE DAVIE—SIGNING OF NEW COLLECTIVE AGREEMENT

Mr. Gabriel Fontaine (Lévis): On June 22, 1986, Mr. Speaker, close to 700 Versatile Davie workers—95 per cent of those in attendance—accepted company management offers which paved the way for the signature of a new collective agreement.

Mr. Speaker, I want to congratulate the Versatile Davie workers, the union executives, and the company negotiators. The agreement means that the Lauzon shipyards workers will be busy until 1992.

Mr. Speaker, this is an outstanding example of co-operation by the company, the workers, the union and the Government of Canada. Mr. Speaker, the economic development groups, the media, the municipal councils and the people of my region have all contributed to this significant achievement, and they deserve our congratulations.

* * *

[*English*]

EXTERNAL AFFAIRS

WASHINGTON EMBASSY'S PUBLICATION *CANADA TODAY*

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the Canadian Embassy in Washington publishes on a regular basis a booklet known as *Canada Today*. It usually talks about the resources of our country. Let me read from this month's version:

The Reagans, the Mulroneys and Mr. Peyton all seemed to be having a wonderful time—

They sat at small tables adorned with pink tulips, ate Angel Hair Pasta with Seafood and Romano Cheese Sauce, Supreme of Chicken Vol-au-Vent and Pistachio Marquise, and drank Sonoma-Cutrer Chardonnay, Leardini Pino Noir and Schramsberg Crémant Demi-Sec. Later on, pianist Rosalyn Tureck played Capriccio "On the Departure of a Beloved Brother" in B Major and two other pieces by Bach . . .

At 7.30 a.m. the Prime Minister arrived at the handsome official home of Vice President Bush, high on a hill on the grounds of the Naval Observatory.

The feeding schedules of participants—

Mr. Speaker: Order, please, sixty seconds.

* * *

HISTORIC EVENTS

ANNIVERSARY OF CABOT'S LANDING IN CANADA

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, on June 24, 1497, Europeans officially discovered Canada. The leader of the expedition that took possession for England of the entire eastern coast of Canada was Giovanni Caboto, known to us as John Cabot. The entire recorded history of Canada begins from this date.

When we look today at the great contributions the Italian community has made toward Canada's development, it comes as no surprise that the first European to set foot on our land was indeed an Italian. This event adds a perspective of continuity to Canada's multicultural mosaic and points out that Canada's heritage belongs to us all.

We have all benefited from the hard work that Canadians of Italian origin have invested in this land. They have come here like their ancestor, Giovanni Caboto; unlike him, they have stayed to make Canada more prosperous and more versatile. I call on all Canadians to remember and celebrate this important day in Canada's history.

* * *

NATIONAL DEFENCE

TESTING OF POISONS AND NERVE GAS

Mr. Jim Fulton (Skeena): Mr. Speaker, today I am releasing a catalogue of current Canadian Government chemical and biological warfare contracts. These contracts amount to over $5 million and have gone to major universities, private research laboratories and, yes, even the Ontario Ministry of Health.

The federal Conservative Government is studying the effects of poisons and nerve gas on rabbits, mice, and humans. Both Liberals and Conservatives argue that these initiatives are solely defensive in nature. This is nonsense. Biological and chemical weapons cannot be used unless troops can be protected against their effects. When it comes to this particular type of warfare, there is no distinction between offence and defence.

Furthermore, under a quadripartite agreement which the Conservative Government has refused to release to me,

Canada is obliged to share its research with Britain, Australia, and the United States. The Conservatives have successfully encouraged the U.S. to resume offensive chemical weapons production after a 17-year ban. I call upon the Government to halt work immediately in the field of chemical and biological warfare and to strike an initiative within NATO to halt development of these weapons while a global treaty is sought.

Mr. Speaker: Order, please. I believe the House is aware of a special moment the House wishes to observe at this time.

* * *

• (1415)

THE LATE LT. COL. DAVID CURRIE, V.C.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, with the death of Lieutenant-Colonel David Vivian Currie, Canada loses one of her authentic heroes. Parliament mourns the loss of a faithful servant of the House where he served valiantly as Sergeant-at-Arms for 17 years.

His sympathy and consideration were experienced over the years by scores of Members of Parliament, both old and new. He had a special place in his heart for new Members, and he went out of his way to initiate them discreetly in the mysterious and sometimes obscure rituals of the House of Commons.

He was an outstanding soldier in the very best sense of the word. Dedication, loyalty, and integrity were his watchwords. Following the war, Colonel Currie moved to Baie Comeau in the pulp and paper business where he remained until 1953, before returning to Montreal. He maintained his interest in military affairs to the end of his life, and was Chairman of the Victoria Cross and George Cross Association headquartered in London, England.

In May, Colonel Currie had an audience with Her Majesty and the Queen Mother at Buckingham Palace. He was accompanied by his wife, Isabel, and 15-year old grandson.

He was of that authentic band of heroes which included Billy Bishop, Barker, and Collishaw in World War I, and Cecil Merritt, Paul Triquet, John Foote, Smokey Smith, Fred Tilston, and John Mahony in World War II. Hon. Members will have noticed that those Canadian names were all holders of the highest award for gallantry—the Victoria Cross. These were in addition to countless others, many of them unhonoured and unsung. His courage and gallantry were of the rare kind which places country above self.

Our hearts go out to his widow and family.

[*Translation*]

As a person and in his career, Colonel Currie showed all the qualities of a Canadian dedicated to his country. In wartime and in peace, he understood the vital importance of individual freedom.

To the Parliament of Canada, he added his integrity and dignity as the Sergeant-at-Arms of this House. As a man and as a soldier, he won the respect of his colleagues and fellow citizens. He lived in Baie Comeau for several years after the war and later on in Montreal.

On behalf of the Government and all our colleagues in the House, I wish to extend our sincere condolences to his family.

[*English*]

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I should like to echo what the Deputy Prime Minister (Mr. Nielsen) has said so well about the passing of Lieutenant-Colonel D. V. Currie, holder of the Victoria Cross. Indeed, Canada has lost an authentic hero.

Those of us who remember him here remember that he was not only a real hero; he looked like a hero. The House of Commons has lost a legendary figure. For 17 or 18 years, Colonel Currie was familiar to the public as the gentleman who carried the Mace and participated on behalf of the House, under the Speaker's guidance, in ceremonial functions of Parliament.

Of course he was much better known to us as Members and to employees of the House as the officer in charge of security, accommodation, furniture, catering—all those details which make this place work.

I suppose those were simpler times, because it always seemed to me that whenever I put a question to him in his capacity as Sergeant-at-Arms, he already had the answer. He never had to look into any file or any book; all those details were at his fingertips. As a stalwart defender of the public purse, his answer to most of the questions we put to him was no.

• (1420)

Under the most vicious enemy fire in war, the Colonel's courage won him the highest military award of what was once the Empire and then the Commonwealth. In peacetime that courage, steadfastness, and aplomb never failed him under the most emphatic demands that this House and Your Honour's predecessors put upon him.

[*Translation*]

In his dealings with others, Colonel Currie always treated everyone with the utmost respect, from maintenance worker to Prime Minister. He was as available to the average person as he was to the great and the mighty of this country. He was an eminently reasonable and profoundly human man, who under a severe demeanour hid a delightful sense of humour.

[*English*]

He was a devoted servant of this Parliament, putting in long hours, never failing to maintain, in his person and in the office he filled, the dignity and probity of the institution.

Canada has indeed lost a great hero. Parliament has lost a loyal servant. Our sympathies go to Mrs. Currie, to his children and to his grandchildren.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I join with the Prime Minister (Mr. Mulroney) and the Leader of the Opposition (Mr. Turner) in offering the condolences of all members of my Party to the family of Lieutenant-Colonel Currie.

As has already been said, Colonel Currie was among that small band of human beings who demonstrated in the course of their lives truly exceptional courage in fighting not for themselves but for those around them. During the Second World War he led a particular band of Canadians in the course of an action which resulted in the saving of several thousands of Canadian lives in terms of its final consequence. His courage was of that kind of magnitude.

Following that very distinguished service to our country, Lieutenant-Colonel Currie became, as many Members of Parliament will know, a distinguished Sergeant-at-Arms here in the House, a position he always held with great capability and with great distinction. For many of us in the House during the period he was here, we have lost a friend and an acquaintance. Canada has lost a truly distinguished citizen.

Mr. Speaker: As the House would expect, I have already communicated to the family the sympathies of the House. I suspect, given the nature of the importance of this gentleman and his office, well known to all of us, the House would like to show its respect to Lieutenant-Colonel Currie and his family in the usual way.

[*Whereupon the House stood in silence for one minute*].

Mr. Speaker: Question Period will be extended by 10 minutes.

ORAL QUESTION PERIOD

[*English*]

ENVIRONMENTAL AFFAIRS

ACID RAIN—UNITED STATES PRESIDENT'S COMMITMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I am referring to a publication produced by our embassy in Washington of which there are 105,000 copies. It says "Available free upon request in the U.S. only". There are 16 pages, and 17 photographs in this particular issue on our Prime Minister.

An Hon. Member: Who cares?

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): It is two days in the life of our Prime Minister.

• (1425)

Mr. Speaker: Order, please. The right hon. gentleman knows the rules about displays. I must, therefore, ask him to put his question.

Mr. Turner (Vancouver Quadra): The relevance of my—

Some Hon. Members: Order, order.

Mr. Speaker: The right hon. gentleman can see exactly what is being caused by the raising of this. Could the right hon. gentleman please ask his question?

Mr. Turner (Vancouver Quadra): I am quoting from an official document of our Government in Washington available to Americans only. It refers to acid rain. In the words of the Prime Minister the document says:

> We've obtained a full endorsement by the President of the report of our two personal envoys . . . This represents a real commitment—

Is the Prime Minister aware that on Friday John Herrington, the Secretary of Energy of the United States, was testifying against a Congressional Bill to control acid rain and said:

> "Based on present information, there is no indication of a near term urgency."

Is that the type of commitment the Prime Minister obtained from the President and the President's Secretary of Energy?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if there was a document put out by the Embassy in Washington with only 17 pictures of me, I am going to have to talk to somebody and fire them.

Some Hon. Members: Oh, oh!

Mr. Gauthier: I wouldn't be surprised at all.

Mr. Mulroney: This is not enough.

Some Hon. Members: Hear, hear!

Mr. Benjamin: Be a Prime Minister.

Mr. Mulroney: Obviously the Public Affairs Department of the Embassy is doing its job extremely well.

Mr. Turner (Vancouver Quadra): Trying to keep its job.

Mr. Mulroney: I would like to give a little more guidance if I could, but I will listen to my right hon. friend complain.

With regard to the question he raised about acid rain, we have a commitment from the President of the United States speaking on behalf of his administration which, in our judgment, is satisfactory. We believe the administration is working toward those objectives. We will have an opportunity to judge for ourselves, as we all ought to, at an appropriate time.

[*Translation*]

ACID RAIN—ALLEGED POSITION OF U.S. SECRETARY OF ENERGY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the U.S. Secretary of Energy has stated that acid rain is not a near term emergency. Those were his very words. In case the Prime Minister did not know, the Secretary was referring to a Bill sponsored by 163 Members of the U.S. Congress and now before Congress. Could the Prime Minister explain why the follow-up to the Washington Summit is so deplorable that the U.S. Secretary of Energy is now denying that acid rain is a serious problem?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the President of the United States said personally that the acid rain issue was a major priority for him and his administration. Agreeements were concluded in this respect. Funds have been earmarked. It is up to the Americans to see to it that their commitments with respect to acid rain are fully met. As far as we are concerned, this Government is the first national Government to conclude such agreements. We have concluded agreements with the provinces, and for the first time, as far as I know, Mr. Speaker, for the first time in history, there has been tangible progress in the very important and vital area of acid rain. There will be a clean-up in Canada.

[*English*]

POSITION OF UNITED STATES PRESIDENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I refer again to the sparse text of this official document which is 75 per cent photographs. The document says that the House of Representatives is considering a control Bill that has, for the first time, broad support. That is the very Bill being opposed by the Secretary of Energy of the United States. Can the Prime Minister explain why the White House, through the Secretary of Energy, is now opposing the Bill which the document indicates has wide support from the White House?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have a complete and formal undertaking from the Government of the United States of America, executed by the President of the United States, in favour of the position which was set forward in March.

Mr. Tobin: Is that the same one we had on cedar shakes?

Mr. Mulroney: It is an important position. It recognizes the transboundary nature of the problem for the first time. It commits substantial funds to working in harmony with Canada in the progress that we have made in eliminating once and for all, albeit not overnight, the debilitating problem of acid rain which has caused so much damage, not only to our environment but to our economy. This Government took the matter seriously. We have persuaded the U.S. administration of the seriousness of the problem, and together we are going to solve it.

• (1430)

EXTERNAL AFFAIRS

WASHINGTON EMBASSY'S PUBLICATION *CANADA TODAY*

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Prime Minister and concerns government waste and abuse of power by the Prime Minister and his Government. The latest issue of the magazine *Canada Today* includes such fine words as "the feeding schedules of participants in international meetings are as rigid as those of babies of up-to-date mothers in 1935." Can the Prime Minister tell us why Canadian taxpayers should be paying for 17 photos of him in a 16-page magazine? Why is he wasting hundreds of thousands of taxpayers' dollars to publish this kind of nonsense? Does he feel that taxpayers in these difficult economic times should be paying for this kind of extravagance?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the only unanswered question there is what is the feeding schedule of the Hon. Member? That is an important question. I have not seen this document. We have a hundred—

Mr. Gauthier: How is your smell today?

Mr. Mulroney: Smell? My smell is pretty good. I can smell a rat and I'm looking right at one.

Some Hon. Members: Hear, hear!

Mr. Speaker: Supplementary question.

Mr. Boudria: Mr. Speaker, my feeding schedule is probably a lot cheaper for the taxpayers than the Prime Minister's.

Mr. McDermid: Show us your *Householder*.

Mr. Boudria: I have a supplementary.

Mr. Speaker: Order, please. The Hon. Member should put his question, please.

GOVERNMENT POLICY

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, how can a Government call on the nation to restrain itself and be more realistic in its collective demands upon the economy when its own record is an unbroken string of fiscal excesses?

Mr. Marchi: Where he stood.

Mr. Boudria: *Where I Stand*, it says.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the book *Where I Stand* was a best seller in 1983. It probably will be a best seller forever; it is a great book and I urge you to go out and get it. Send copies to everyone, particularly the Liberal Party, because discretionary public expenditures in Canada, when the Right Hon. Leader of the

Opposition was Minister of Finance, rose dramatically. They rose 12.9 per cent for a decade under the Liberals, but we have held them to 0.2 per cent, almost zero growth for two years running, and this is dramatically good news.

* * *

[*Translation*]

TEXTILES AND CLOTHING

POSSIBLE CLOSURE OF DOMTEX PLANT AT SAINT-JEAN AND VALLEYFIELD—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. During the election campaign, the Prime Minister promised to protect jobs in the textile and clothing industry. Domtex is going to close another plant next Monday in Saint-Jean and Valleyfield. What does the Prime Minister intend to do for the 800 workers affected by this decision?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I would like to advise the Hon. Member that we are very concerned about and very aware of the problems in Canada's clothing and textile industry. Some of their representatives were here on the Hill today and I was pleased to be able to meet with them to hear firsthand about their problems. I assured them that when we announce our new clothing and textile policy in the very near future, they will indeed see that we care about them and are going to stand by the Sherbrooke statement.

IMPACT OF TRADE DISCUSSIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I am glad the Minister said that because I have a question for the Prime Minister who made the Sherbrooke statement. The Progressive Conservative Party promised: "We promise fair trade but not free trade." Since the Prime Minister promised that in Sherbrooke in the middle of the election, could he tell us why the Government has not lived up to that promise, including the enforcement of quotas? Is it because he has abandoned fair trade to get involved in highly dangerous, for these workers, free trade discussions with the U.S?

Right Hon. Brian Mulroney (Prime Minister): No, Mr. Speaker, not at all. We sought a formula which we think will enable us to explore, as a mature and reasonable nation, the possible benefits which can accrue to Canada from enhancing in a more liberalized way our commerce with the United States. We think it can secure access to markets, create jobs, enhance our competitiveness, and give us a better kick at the 21st century.

It is a serious question my friend raises, and we have acknowledged that in this process, if it is successful, some industries will be less able than others to deal with enhanced competition. As a result, there would be a 10 or 15-year phase-in period. There would be special aid for workers, retraining possibilities, aid for regions, and so on. That is if the entire project is successful. However, as I indicated to my hon. friend and the country, we shall only conclude such an agreement if it is in the interests and to the benefit of Canada and Canadian workers.

IMPORT QUOTAS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister promised fair trade but not free trade. As well, point two of his program refers to the enforcement of international agreements, including quotas, to protect jobs. Therefore, will he tell us why his Government has not enforced existing quotas since he became Prime Minister two years ago, and will he give us his assurance before the House adjourns this week that a new system of quotas will be put in place which will enable him to live up to the promise he made to workers in our textile sector?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I am glad to have the opportunity to answer that question because I would like to inform the Hon. Member that indeed we have lived up to our commitments. In the last 18 months we negotiated 25 bilateral agreements with 13 different countries. That is twice the number achieved by the former Government in the previous three years. We are protecting our industry. Last year low cost imports to Canada were down to 2 per cent, a dramatic drop from 26 per cent in 1983 and 16 per cent in 1984.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

SOCIAL SECURITY

REQUEST FOR AID FOR EARLY RETIREES TO DEFEND POSITION BEFORE TRIBUNALS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Right Hon. Prime Minister.

A few weeks ago, we found out that the Prime Minister spent over $800,000 on three trips, and that furthermore, the Government had paid $34,000 so the Prime Minister could appear on television. Today we learn that 105,000 copies of a brochure were distributed in the United States, just to introduce him to Americans.

At the same time, this Government is cutting unemployment insurance benefits for early retirees—

Mr. Speaker: Order! Order!

Mr. Malépart: —Considering this shameless extravagance, is the Prime Minister willing to give early retirees the $20,000 they need to defend their case before the courts?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, obviously, this question contains a great many falsehoods. I will not answer the question, but meanwhile, I would like to point out to the Hon. Member that as far as spending is concerned, and this is very important, in every Government there are discretionary and non-discretionary expenditures. When the Leader of the Liberal Party was Minister of Finance, the federal Government's spending increased quite spectacularly. While the Liberals were in power, spending increased by 12.9 per cent every year, for ten years. Since we came to power, and for the first time since the Korean War, discretionary spending has been maintained at zero. Now that is good management!

DEMAND THAT PRIME MINISTER ACT

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I will repeat my question so the Prime Minister will understand. What the early retirees want to know is: Are you willing to save $20,000 on your next trip to give them the money they need to defend their rights before the courts? After all, you cut off their unemployment insurance benefits. Yes or no?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, this is a stupid question that misrepresents the facts. The fact is that as far as early retirees and the unemployed are concerned, what the Government has done is bring down interest rates dramatically and create nearly 600,000 new jobs since we came to power, more than in all Western European countries combined over the same period of time. That is how the economy has progressed across the country.

COMMISSION'S RECOMMENDATIONS—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Prime Minister and has to do with job losses in the textile and clothing industry.

Can the Prime Minister explain why no action has been taken even after a year since the Textile and Clothing Board recommended over-all quotas to protect jobs in this basic Quebec and Canadian industry? When will the Government do something, and how many months will go by before somebody decides to defend the interests of these workers?

• (1440)

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, if one carefully reads the reports of the Textile board one will note that there were two reports. There was an interim report, which did recommend some form of global quotas. When one reads the final report of the Textile Board it acknowledges that that would not be a long-term solution for this industry, and that is what we want. We do not want stop-gap measures here, we want to see the survival of this industry in Canada. That is what we are pledged to do, and our policy will certainly direct itself to that end.

ANNOUNCEMENT OF GOVERNMENT POLICY

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a supplementary to which perhaps the Prime Minister would respond. The Textile and Clothing Board in its final report warned that 40,000 to 60,000 jobs were at stake and would be lost if—

Mr. Speaker: Order, please. The Hon. Member knows that preambles are not supposed to be put before a supplementary question. Question, please, right away.

Mr. Cassidy: Will the Prime Minister ensure that the policy on textiles is introduced this week so it can be discussed in Parliament, rather than trying to slip it by during the summer months when workers' jobs are on the line?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I just want the Hon. Member to be aware that we have nothing to be ashamed of with respect to the policy that we are going to be announcing with regard to our clothing and textile industry. We are going to be addressing the problem and solving it, not like the inaction of the previous Government.

* * *

NUCLEAR ENERGY

ELDORADO NUCLEAR LIMITED—DISPOSAL OF RADIOACTIVE WASTES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Prime Minister, if I may have his attention. The Prime Minister on August 21, 1984, as Leader of the Opposition, made a statement in a letter addressed to citizens of Port Hope in Ontario that low-level radioactive waste should be removed from major population areas and kept well away from any major water resource, such as Lake Ontario.

Why is it that two years later his Government is accepting Eldorado Nuclear's selection of two potential dump sites within two miles of Lake Ontario near Port Hope, despite the protest of local citizens?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, that question can, of course, be directed to a number of Ministers, but principally the Minister of the Environment. I want to indicate to the Hon. Member that the federal Government is investigating this situation and will take those precautionary measures that are incumbent upon it and relative to the situation that the Member has described.

GOVERNMENT RESPONSIBILITY

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, are we in the Opposition to understand that a promise made by the Prime Minister became the responsibility of another Minister under whose jurisdiction this matter is not included?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, that is not the case. The Prime Minister has not at all reneged on the promise he made, no. There is such a thing, in case the Member has forgotten, as collective responsibility in a Cabinet. There are specific responsibilities that come to various Departments and to various Ministers. That being the case, the Prime Minister's promises that he has made are obviously delegated to members of the Cabinet to fulfil those specific requirements, and that is being done.

* * *

CANADIAN NATIONAL RAILWAYS

MONCTON EMPLOYEES—PENSION AND JOB RIGHTS

Mr. Les Benjamin (Regina West): Mr. Speaker, last week I asked the Minister of Transport if he would set out a policy guaranteeing successor rights, including seniority and pension, for employees of the Moncton shops who may be transferred to Canadian General Electric or some other company. He showed little or no interest in these important issues and said it was a part of collective bargaining.

Now we have a problem with CN Route. We have learned that the collective agreement between CN and their employees will not apply to the new owner, Fingold Brothers, whoever the hell they are.

Will the Minister now agree that he has to exercise some leadership and provide a policy direction to Canadian National in the case of Moncton shops and CN Route that will guarantee pension seniority and other successor rights to the employees no matter whom they are working for?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the collective agreement to which the Hon. Member has referred has been the topic of negotiations which have been going on for over a year now. The pension issue was an outstanding issue while CN Route was still a part of the Crown Corporation, and it is still an issue that is being discussed.

My understanding is that the CN negotiators are going to be meeting with the perspective new owners tomorrow, and that there will be a meeting arranged with the representatives of the CBRT for June 30, at which time these issues can be resolved. I think the most important way to resolve this is through the negotiating process.

REQUEST FOR MINISTERIAL GUARANTEE

Mr. Les Benjamin (Regina West): Mr. Speaker, the problem is the new purchaser says he will not live up to that.

I would like to ask the Minister if he will guarantee, by a policy directive, that agreements in place, such as pension, seniority, or other provisions, at the time of the sale will continue with the new employer as a condition of sale?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, one of the undertakings that has been made by both the CN and the prospective new owner is that there would be fair and equitable treatment of all the employees and those who may be retiring. I thought I was answering the Hon. Member from Regina West's question. If the Hon. Member wants a supplementary I will be prepared to answer that too.

I think the most important thing to remember here is the fact that these negotiations will be submitted back to Cabinet for approval before a final decision is made.

* * *

CO-OPERATIVES

BRITISH COLUMBIA TEACHERS' INVESTMENT AND HOUSING CO-OPERATIVE

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of State for Finance, and it concerns the restructuring of the B.C. Teachers' Investment and Housing Co-Op, which she approved last Friday. This was an arrangement under which thousands of retired teachers stand to lose amounts that make the difference between comfortable retirement and a difficult one.

Will the Minister confirm that before the capital gains tax exemption was introduced those teachers could have deducted a proportion of their losses, but now that capital losses can only be declared to offset capital gains the tax system gives those retired teachers no relief?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have worked quite hard early on in this process with the Teachers' Co-Op. I had great concern for them because they do not come under our legislation, the Canada Deposit Insurance Corporation. I was quite pleased that they were able to come to an agreement whereby, hopefully, they will get 75 cents on the dollar through this arrangement with Discovery Trust and Canwest. I am looking into that matter now and I believe that understanding is correct. I reserve the right to change that because we are looking at it at the moment.

PAYMENT OF TAX ON FROZEN ASSETS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my supplementary question is directed to the Minister of National Revenue, to whom I wrote six weeks ago. Is it the Minister's

position that members of this co-op should be required to pay tax on the interest earned on 100 per cent of their deposits when these assets were frozen without warning seven months ago, members have not had access to them, and the restructuring proposal only guarantees them 51 per cent of their assets?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I can tell my colleague that some of this income which they have not received, while it may be considered as deemed income at this time, can be adjusted and compensated for in the next taxation year. At the present time I think that is the only way we can handle it.

* * *

LABOUR RELATIONS

EDMONTON PACKING PLANT DISPUTE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Prime Minister, and it has to do with the Gainers strike in Edmonton. In light of his close relationship with Peter Pocklington, the owner of the plant, and in light of his experience as a labour lawyer for Iron Ore Co. of Canada, I want to ask the Prime Minister, and I wish he would not try to brush it off to somebody else—

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

● (1450)

Mr. Rodriguez: Does the Prime Minister believe it is appropriate that his Government should be forcing the meat inspectors to cross the picket line and, if they do not do so, they should be disciplined? Does he think that appropriate?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker—

An Hon. Member: Let him answer.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I—

Mr. Blaikie: He is a big boy.

Mr. Mulroney: You would rather have the Deputy Prime Minister? Go ahead.

Mr. Nielsen: Mr. Speaker, I was going to take the question for the Minister of Agriculture who is now in the House.

Some Hon. Members: Oh, oh!

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I want to apologize to the House for the delay. I was working out what I hope to be the final details of the Farm Debt Review legislation with my two counterparts across the way. I did not have the benefit of hearing the Hon. Member's entire question. However, we have been monitoring the very difficult situation there on an hourly basis. The last opportunity I had to check with the progress was yesterday. The fact that there is a labour safety officer on the scene—

Mr. Benjamin: He was talking about meat inspectors.

Mr. Wise: —and we are consulting regularly—

Mr. Speaker: Order, please. I think the Minister will have an opportunity to continue that on the supplementary.

ROLE OF MEAT INSPECTORS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my supplementary question is directed to the Minister of Agriculture. Will he stop kowtowing to his Tory friend, Peter Pocklington, and declare the Gainers plant off limits to inspectors?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, that question is so inaccurate and off base that it does not even deserve a reasonable answer.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

INQUIRY WHETHER GOVERNMENT COLLECTED ALL NECESSARY EVIDENCE CONCERNING ALLEGED TERRORISTS IN AIR-INDIA ACCIDENT INVESTIGATION

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I have a question for the Solicitor General. A senior RCMP officer stated recently that for several months he has known the names of the alleged terrorists who planted a bomb aboard Air- India Flight 182 over a year ago.

Can the Minister tell the House whether he has sufficient evidence and, if so, whether he will take court action?

[*English*]

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, the investigation by the RCMP is continuing, with assistance from CSIS. Because it is under way at the present time, no further comment would be appropriate.

* * *

ENERGY

WORLD OIL PRICES—REQUEST FOR ASSISTANCE FOR INDUSTRY

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. The Minister's Parliamentary Secretary has stated that the political reality is that the energy sector will have to wait for assistance from the Government. Even then, the energy industry should not expect too much help. The

Minister's promise was to create jobs in the energy sector, not reduce them. What will the Government do to help the industry at this time of declining world oil prices?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the Government has already taken some positive steps in that regard, by recently doubling the small producers' credit. Let me add that my honourable critic has already indicated what he would do. He indicated on the way into the House that he would consider a stabilization plan, except that his Party has not figured out how to pay for it. At the same time he believes that consumers are paying too much at the pump. That is not a policy, that is a statement of desperation politics.

Mr. MacLellan: That Government is pathetic.

JOB LOSSES IN ALBERTA

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, 200 jobs are being lost every day in Alberta. How many jobs must be lost before the Government does something?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, nobody is more aware of the effect of dropping oil prices on the producing provinces than I. Nobody knows better than I and the Government that you cannot resolve the problems of downturns in oil prices by throwing money at them through government programs. That was attempted under the National Energy Program and it did not work. We are meeting with the provinces to deal with constructive issues and constructive solutions to this problem.

WESTERN ACCORD—REQUEST FOR RENEGOTIATION

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my question is also directed to the Minister of Energy, Mines and Resources. It is quite clear that the Minister's much ballyhooed Western Accord is really now a failure. Even Premier Getty of Alberta wants a new oil deal with Ottawa.

Is the Minister prepared to deal with the results of times and events and renegotiate the Western Accord with western producing provinces, as Premier Getty wants?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the Western Accord led to record drilling, a 20 per cent increase in capital spending, and increased employment. The tragedy was that the industry was unable to recoup the money it lost under the Liberal program before the oil prices dropped. I will be meeting with the new Energy Minister of Alberta in Vancouver at the end of the week to continue our ongoing discussions in this area.

SENATE COMMITTEE RECOMMENDATION ON PRICE STABILIZATION PROGRAM

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, is the Minister prepared to renegotiate the Western Accord as Premier Getty wants, or is she prepared to consider the Senate committee's recommendation that a price stabilization program be put in place to protect the small Canadian producers who are being killed with this failure of the Western Accord? Is she prepared to renegotiate with Premier Getty? Is she prepared to help the small Canadian producers?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, as you know, those are two questions in the supplementary. However, let me first advise the Hon. Member that I have not been asked by Premier Getty or any other Premier to renegotiate the Western Accord. There are provisions for that in the Accord.

In terms of the small producers, we have already removed the PGRT for all but the biggest companies which are continuing to pay it on a phase-down basis. We have already given relief to the small producers. We cannot protect them from a 50 per cent drop in world oil prices.

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[*Translation*]

PUBLIC WORKS

METHOD OF AWARDING CONTRACTS

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, my question is for the Minister of Public Works. Questions have been raised in the House concerning the award of small contracts by the Department of Public Works. The Minister replied that a report would be tabled concerning allegations to the effect that these contracts have been awarded without tender calls. Can the Minister tell us when the report will be tabled and whether he now has more information on this matter?

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, I am very pleased to confirm to the House that indeed I made a commitment concerning the obviously false allegations of the Hon. Member for Glengarry—Prescott—Russell that 90 per cent of contracts under $30,000 were awarded without tenders. Mr. Speaker, you know very well that Treasury Board requirements do not specify tenders in the case of contracts under $30,000. Despite this leeway given to us by Treasury Board, I am pleased to shed light on this report which I will be tabling later today and according to which 78 per cent of all contracts under $30,000 have been awarded on the basis of tender calls. I do hope the media will take this opportunity to dispel any uncertainty created by these false allegations.

Oral Questions

[*English*]

RAILWAYS

THE NEWFOUNDLAND RAILWAY—ANNOUNCEMENT OF FEDERAL FUNDING

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Minister of Transport. Yesterday in St. John's, Newfoundland, the Minister announced a decision on behalf of the federal Government that will ensure that Newfoundland will continue to have a dilapitated railway system and a second-class highway system. Despite earlier assurances to resolve the matter one way or the other, why has the Minister taken a decision regarding this Newfoundland railway which leaves both the railway system and the highway system, and more important, the employees of the railway system, in a continued state of limbo?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I know yesterday's announcement came as a disappointment to the Hon. Member who wanted the railway abandoned. We chose not to go that route. Instead, we chose to provide up to $26 million for improving the railway infrastructure, providing equipment, and continuing the containerization program. I believe the Hon. Member would agree, as does the President of Terra, that these steps will go a long way to improving the service and making it more efficient and reliable.

GOVERNMENT POSITION

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the Minister is reasonably intelligent. He knows that $20 million over five years is substantially less than previous expenditures. Is the Minister not really saying to the people of Newfoundland, with that paltry sum of money which is a substantial reduction from previous expenditures, that the Government of Canada has no long-term commitment to the Newfoundland Railway or, for that matter, to Newfoundland's highway system? How long will the railway last, with that expenditure of money? Give us a time.

• (1500)

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, first of all, with respect to the highway system in the Province of Newfoundland, there is in existence a $180 million joint federal-provincial highways agreement, under which the federal Government picks up $112 million.

Mr. Crosbie: Signed by me.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: In this particular case, the Hon. Member—

Mr. Benjamin: How many Xs?

Mr. Mazankowski: The Hon. Member was a member of a Government that chose not to put any money into the Newfoundland railway system. We are putting $26 million into upgrading that system.

Mr. Benjamin: The trouble is Newfoundland lost with both of them.

Mr. Speaker: Order, please.

Mr. Benjamin: Liberal or Tory, Newfoundland loses.

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NATIVE PEOPLE

NATIVE BUSINESS SUMMIT—MINISTER'S SPEECH

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Minister of State for Finance, who, at the Native Business Summit on the weekend, urged native people to be greedy by stating, "There is one underlying motive in business shared by all. It is greed. There is nothing wrong with it. We support it wherever it happens". My question is simply this: Was the Minister of State for Finance simply reflecting her personal opinions or was she really stating the party line?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have given up hope that *The Toronto Star* will ever develop a sense of humour.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mrs. McDougall: If the Hon. Member reads either the transcript or the rest of the article, he will see that I was speaking of the importance of native participation in our business structure. It was a good speech. It was a little ponderous. I thought it needed a little levity, and anyone who heard the speech understood the context of the remark.

MINISTER'S POSITION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, some people may think that this is funny, but when there is a Minister of the Crown urging native leaders to be greedy by suggesting—

Some Hon. Members: Oh, oh!

Mr. Riis: —Oh, I'll quote—by suggesting that there is one underlying motive in business, and it is greed, and she says that there is nothing wrong with it, and then she goes on to say—

Mr. Crosbie: Your greedy howls are heard every day.

Mr. Speaker: Order, please. The Hon. Member knows that this is a supplementary question, please, not a preamble.

Mr. Riis: My question, Mr. Speaker, is this—

Mr. Crosbie: You're the epitome of greed, yourself.

Mr. Riis: Be quiet, John. Why would the Minister of State for Finance urge native business leaders to be greedy? Why would she do that?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think I have already explained the remark. I think that the conversation I had with native leaders yesterday was very positive, that I had both during the speech and after the speech, and I think this is a silly question.

Some Hon. Members: Hear, hear!

* * *

CANADIAN WHEAT BOARD

MINISTER'S DISCUSSIONS WITH CHINESE REPRESENTATIVES

Mr. Don Ravis (Saskatoon East): Mr. Speaker, the Minister of State for the Canadian Wheat Board has recently returned from a trip to China with representatives of agricultural organizations from eastern and western Canada. Could the Minister tell the House what results we can expect to see from his discussions with Chinese officials, in terms of increased Canadian sales of wheat and feed grains to China?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member will know that China has been a long and valued customer of Candian grain and oilseed products, so I was very pleased to be able to accept an invitation from China's Minister of Commerce, Mr. Liu Yi, to visit China with a delegation of agri-business people. We went there, not only trying to sell to them, but also emphasizing the fact that we understand two-way trade. I might say that the visit to China by the Prime Minister was also very useful in terms of Canada's ability to maintain and expand grain exports to China. There is no question but that as a result of our visit and that of the Prime Minister, China will be looking to Canada for its grain supplies in the future.

* * *

[*Translation*]

CRIMINAL CODE

DEFINITION OF PORNOGRAPHY

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I have a question for the Minister of Justice.

Since introduction of the pornography Bill, there have been protests from various interest groups, churches and religious organizations. The definition of pornography is very vague and the normal sexual act is viewed in exactly the same way as bestiality and sexual violence.

Can the Minister of Justice tell us whether the Government intents to amend the definition of pornography?

[*English*]

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, for the first time in 20 years this country has a Government not afraid to deal with the question of pornography. We have not appointed some commission or committee on to which we may slough off our responsibility. I can assure the House that I have received hundreds of letters indicating support for our legislation, in the last couple of weeks. The Hon. Member can be impressed by those who write for the media. We all know their tendencies, in any event.

Some Hon. Members: Oh, oh!

Mr. Broadbent: You're going to regret that, fellow.

Mr. Crosbie: I am prepared to listen to the ordinary people of Canada who do not want this kind of visual material made available to children and others across the country.

Some Hon. Members: Hear, hear!

Mr. Broadbent: It's not going to wash.

[*Translation*]

CLASSIFICATION OF BREAST-FEEDING OF BABIES

Mrs. Lucie Pépin (Outremont): I do not think that we are dealing with the same category of people.

I would like the Minister of Justice to explain to us why breast-feeding is classified as pornography and as degrading and why it is punishable by five years in prison if depicted in a movie or in a show.

[*English*]

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, there will obviously be a parliamentary committee which will consider this legislation. The reason we have parliamentary committees is to consider whether or not any changes in the legislation are needed. The actual subjects of the question of the hon. lady, as to whether they are pornographic or not, we all know that in and of themselves they are not pornographic. However, when we are dealing with other areas, such as oral or anal copulation and the like, then most of us happen to think that these are pornographic if they are delivered for no other purpose than to try to titillate the people who buy such material.

Tabling of Documents

SHIPBUILDING

SITUATION OF INDUSTRY IN BRITISH COLUMBIA

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. In view of the very critical situation in the British Columbia shipbuilding industry, will the Minister inform the House when the decision will be made to build the Polar 8 ice-breaker? And will it be built in B.C. shipyards?

Hon. Don Mazankowski (Acting Minister of Regional Industrial Expansion): Mr. Speaker, that issue is currently under active consideration, and I would expect a decision to be made quite soon.

REQUEST THAT ICE-BREAKER BE BUILT IN B.C. SHIPYARDS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, since the revised proposals to build the ice-breaker in B.C. have considerable advantages and shipyards in eastern Canada already have received federal contracts, does the Minister agree that B.C. shipyards should build the Polar 8 ice-breaker?

Hon. Don Mazankowski (Acting Minister of Regional Industrial Expansion): Mr. Speaker, I am sure that all of these matters will be taken into consideration; and obviously I will take the representations of the Hon. Member into account as well.

* * *

LABOUR RELATIONS

DISPUTE AT EDMONTON PACKING PLANT—ROLE OF VETERINARIANS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. The Minister knows that he is forcing veterinarians in the Gainers strike in Edmonton to take on the duties of regular inspectors because of the threat of violence, and he is threatening these professionals with disciplinary action in refusing to answer their phone calls. I wonder if the Minister will withdraw that threat of disciplinary action against the professional veterinarians in that Gainers strike.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Hon. Member is a member of the veterinary profession. He should recognize that, indeed, we do have some legal obligations under the Meat Inspection Act, particularly upon the observation and the assessment, the decision, of a labour or safety officer. If he deems the workplace to be safe, the picket line to be safe, then we have a legal obligation to have inspectors in the plant. We are simply fulfilling our legal obligations as indicated to us by the Department of Justice.

REQUEST THAT PRIME MINISTER INTERVENE

Mr. Maurice Foster (Algoma): My supplementary question is directed to the Prime Minister. I wonder if the Prime Minister would take the time to call his friend, Peter Pocklington, and ask him to bring his industrial relations into the 20th Century.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I think it is rather a silly question. I am sure that if we checked the record we would find that there has been no change in the legal obligation that directs our meat inspectors at the moment, from the same legal obligations under which they found themselves during the previous Government.

Mr. Speaker: Order, please. It is now 3.10 p.m.

• (1510)

ROUTINE PROCEEDINGS

[*English*]

CRIMINAL CODE

TABLING OF DRAFT BILL TO AMEND

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, pursuant to Standing Order 67(2), I am pleased to lay upon the Table a draft Bill dealing with proposed amendments to the Criminal Code in the area of mental disorder.

* * *

PUBLIC SERVICE PENSION ARRANGEMENTS

TABLING OF REPORT OF MINISTER

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, pursuant to Standing Order 67(2), I am pleased today to table, in both official languages, my report to this House on my consultations and review of proposals to reform Public Service pension arrangements.

TABLING OF REPORTS OF ACTUARIAL CONSULTING FIRMS

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I am pleased as well to table in both official languages two reports and documents from an independent private sector actuarial consulting firm on the current financial state of the Public Service plan and on other reform issues.

[*Translation*]

PUBLIC WORKS

TABLING OF REPORT ON ADJUDICATION OF CONTRACTS BELOW $30,000

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, pursuant to Standing Order 67(2), it is my pleasure to table today in both official languages the report on contracts for public works under $30,000, which report naturally gives a true and honest picture for all regions and provinces as well as the national average.

* * *

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table in both official languages the response of the Government to the 11 petitions, as follows: 331-531, 331-532, 331-533, 331-536, 331-537, 331-538, 331-539, 331-545, 331-555, 331-580 and 331-581.

* * *

[*English*]

AGRICULTURE

PRESENTATION OF FIFTH REPORT OF STANDING COMMITTEE

Mr. A. H. Harry Brightwell (Perth): Mr. Speaker, I have the honour to present, in both official languages, the fifth report of the Standing Committee on Agriculture seeking permission for the subcommittee on the tobacco growing industry to travel to the principal tobacco growing regions of the country. The subcommittee is planning to travel in the fall. We would hope to visit various growing, manufacturing and sales facilities in Ontario, Quebec and on the East Coast. We anticipate receiving many submissions to our committee when we visit each area.

* * *

PETITIONS

CLOSURE OF POST OFFICE—RAVENSCRAG DISTRICT

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, I have the honour to present a petition signed by a number of residents of the Ravenscrag district in southwestern Saskatchewan protesting the closure of their post office. Having recently lost a school and a grain elevator, this closure represents the final nail in the coffin to the community. The people of Ravenscrag request that Canada Post reconsider this hasty decision.

NON-TRADITIONAL JOBS—ABOLITION OF PREFERENTIAL TILT

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I have the honour to present a petition on behalf of several dozen women in Toronto who are attending a training course right now for women in non-traditional jobs. The purpose of their petition is to protest the fact that the federal Government has cut back on the 30 per cent preferential tilt for women entering non-traditional jobs in this country.

REQUEST FOR INQUIRY—ACTIVITIES ON WESTBANK INDIAN RESERVE

Mr. Lorne Greenaway (Cariboo—Chilcotin): Mr. Speaker, on behalf of people of Westbank and Kelowna, British Columbia, I would like to table six petitions. They call upon the Government to appoint a commission of inquiry under the Public Inquiries Act into the well-documented dubious activities which have taken place on the Westbank Indian Reserve with the compliance of the B.C. Region of the Department of Indian Affairs and Northern Development.

I might add that there would be many, many more signatures on these peitions but many people were afraid to sign.

REQUEST FOR COMMEMORATIVE STAMP—CANADIAN FIRE-FIGHTERS

Mr. Allan Pietz (Welland): Mr. Speaker, it is my pleasure to present a petition today on behalf of the fire departments of Welland, Thorold and St. Catharines. The petition has been certified correct pursuant to Standing Order 106.

It calls for the creation of a commemorative stamp as a tribute to the brave and invaluable service provided by Canadian fire-fighters, a tribute which over 21 other countries have already awarded their fire-fighters.

REQUEST FOR INQUIRY—ACTIVITIES ON WESTBANK INDIAN RESERVE

Mr. Fred King (Okanagan—Similkameen): Mr. Speaker, I too present a petition signed by 153 persons in the area of Okanagan—Similkameen which calls upon the Government to seek a full and impartial inquiry under the Public Inquiries Act to investigate fully all matters involving the Westbank Indian Band, most particularly its Chief and Council, and officials of the B.C. Regional Office of the Department of Indian Affairs and Northern Development.

* * *

NON-SMOKERS' HEALTH ACT

MEASURE TO ENACT

Ms. Lynn McDonald (Broadview—Greenwood) moved for leave to introduce Bill C-291, an Act to regulate smoking in

the federal work-place and on common carriers and to amend the Hazardous Products Act in relation to cigarette advertising.

She said: Mr. Speaker, it is my pleasure to introduce for first reading a Bill to regulate smoking in the federal workplace and in transportation at the federal level and to amend the Hazardous Products Act in relation to cigarette advertising.

The Bill would make it a responsibility of employers under federal jurisdiction to provide a smoke-free working environment. The Bill is different from other legislation before the House in that it would introduce an objective criterion for the establishment of what is a smoke-free environment. It would provide protection to the public in places under federal jurisdiction and in transportation.

The second part of the Bill deals with the inclusion of cigarettes and cigarette products in the Hazardous Products Act so that there could be a complete ban on cigarette advertising and promotion of all kinds.

Mr. Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 512 and 580.

[*Text*]

DND—LONG-RANGE NAVIGATIONAL EXERCISE

Question No. 512—**Mr. de Jong:**

1. On Thursday, December 12, 1985 at 11 o'clock a.m., did a Department of National Defence Hercules aircraft leave Canadian Forces Base Edmonton, on a long-range navigational exercise which would land in five Latin and South American cities and, if so (*a*) did the flight depart at the time specified (*b*) how many crew were aboard (*c*) were there any other passengers aboard and if so (*i*) who were they (*ii*) what was their function (*d*) how long will the entire journey take and at what cost?

2. What was on the aircraft's manifest including cargo?

3. What was to be dropped at each of the following locations (*a*) Guatamala City (*b*) Brasilia, Brazil (*c*) Georgetown, Guyana (*d*) Bogata, Columbia and Quinto, Ecuador?

4. What is the maximum cargo capacity of the aircraft involved?

Hon. Harvie Andre (Associate Minister of National Defence): 1. Yes. (*a*) Yes. (*b*) 20 crew members. (*c*) No. (*d*) Twelve days long and consisted of 60.1 flying hours. The incremental costs were estimated at $134,018.

2. Twenty crew members and 376 cubic feet of freight weighing 2,660 pounds, an official External Affairs vehicle and 500 cubic feet of relief supplies weighing 3,000 pounds.

3. (*a*) An official External Affairs vehicle. (*b*) There was no stop over in Brasilia, Brazil. (*c*) 150 cubic feet of freight weighing 1,500 pounds. (*d*) 226 dubic feet of freight weighing 1,160 pounds and 500 cubic feet of relief supplies weighing 3,000 pounds.

4. 45,000 pounds or 35,000 cubic feet.

WILDLIFE TOXICOLOGY FUND

Question No. 580—**Mr. Caccia:**

In establishing the Wildlife Toxicology Fund, were funds transferred from any program, budget or existing fund under the jurisdiction of the Department of the Environment and (*a*) if so (*i*) which program and/or service or operation was affected (*ii*) on what dates did the transfers take place (*b*) if not, in what way is the fund presently funded?

Hon. Tom McMillan (Minister of the Environment): 1. Yes. (*a*) (*i*) Environmental Protection and Environmental Conservation Services (discretionary travel funds for the fiscal year 1985-86); (*ii*) May 22, 1985. (*b*) N/A.

[*Translation*]

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

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

Some Hon. Members: Agreed.

* * *

[*English*]

MOTIONS FOR PAPERS

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the Notice of Motion for the Production of Papers No. 10 in the name of the Hon. Member for Skeena (Mr. Fulton) is acceptable to the Government and the documents will be tabled immediately.

GARLON HERBICIDE RESEARCH TRIALS

Motion No. 10—**Mr. Fulton:**

That an Order of the House do issue for copies of all correspondence, notes, minutes of meetings, reports, documents and other correspondence within the federal Government and its agencies with respect to Garlon herbicide research trials in the Skeena River watershed.

Motion agreed to.

Mr. Lewis: Mr. Speaker, would you be so kind as to call Notices of Motion for the Production of Papers No. 6, in the name of the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano); No. 9 in the name of the Hon. Member for Skeena; No. 18 in the name of the Hon. Member for Glengarry—Prescott—Russell

(Mr. Boudria); and No. 26 in the name of the Hon. Member for Davenport (Mr. Caccia). If Your Honour would do that I have replies to deal with on all four.

FINDINGS OF STUDY TEAM ON SERVICES AND SUBSIDIES TO BUSINESS

Motion No. 6—**Mr. Gagliano:**

That an humble Address be presented to Her Excellency praying that she will cause to be laid before this House the initial findings of the mixed study team on Services and Subsidies to Business to the Ministerial Task Force.

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the Study Team Report on Services and Subsidies to Business, along with all other study team reports, was laid before the House on March 11, 1986. I would therefore ask the Hon. Member to withdraw his motion.

Order discharged and motion withdrawn.

• (1520)

TASK FORCE ON PROGRAM REVIEW

Motion No. 26—**Mr. Caccia:**

That an humble Address be presented to Her Excellency praying that she will cause to be laid before this House copies of all follow-up studies to the Task Force on Program Review.

Mr. Lewis: Mr. Speaker, the Deputy Prime Minister (Mr. Nielsen) indicated in the House on June 6, 1986, that the follow-up study on the environment will be tabled in the House on the same basis as the original reports as soon as translation and printing are completed. I would therefore ask the Hon. Member to withdraw his motion.

Mr. Caccia: Mr. Speaker, I will not withdraw my motion in view of the fact that weeks have gone by since that statement was made and the report is causing anxiety and uncertainty. The report should be tabled now.

Mr. Speaker: Accordingly, pursuant to Standing Order 73, the question is transferred for debate.

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I would ask that you call Motion No. P-9 now.

DATA RESPECTING GARLON HERBICIDE RESEARCH TRIALS

Motion No. 9—**Mr. Fulton:**

That an humble Address be presented to Her Excellency praying that she will cause to be laid before this House copies of all correspondence, notes, minutes of meetings, reports, documents and other communications between the government, the Forest Pest Management Institute and Dow Chemical with respect to Garlon herbicide research trials in the Skeena River watershed.

Mr. Lewis: Mr. Speaker, the Departments of the Environment, Fisheries and Oceans and the Ministry of State (Forestry) have informed us that the documents requested cannot be released pursuant to Section 20(1)(b) of the Access to Information Act. I therefore ask the Hon. Member to withdraw his motion.

Mr. Fulton: Mr. Speaker, I have not had a chance to look at the precise nature of those documents listed in Motion No. 9 but I cannot imagine that they all fall under that Section of the Freedom of Information Act. I would ask that this motion as well be transferred for debate.

Mr. Speaker: Accordingly, pursuant to Standing Order 73, the matter is transferred for debate.

What is the wish of the Parliamentary Secretary with regard to Motion No. P-18?

Mr. Lewis: Mr. Speaker, I do have an answer which would result in my requesting the Hon. Member to withdraw his motion, but in view of the fact that he is not here I do not wish to proceed along those lines.

Mr. Speaker: The Chair has two options. It can stand the motion and wait a while, in which case we could return to it, or else it could simply order it transferred for debate.

Mr. Caccia: Stand.

Mr. Lewis: Mr. Speaker, a member of the Hon. Member's Party has indicated that he feels it is a appropriate that it stand and I would agree with that contention.

Mr. Speaker: We will consider the matter stood until an appropriate time later when the Hon. Member returns.

GOVERNMENT ORDERS

[*Translation*]

PARLIAMENTARY EMPLOYMENT AND STAFF RELATIONS ACT

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-45, an Act respecting employment and employer and employee relations in the Senate and House of Commons, as reported (with amendments) from a legislative committee.

Mr. Speaker: There are thirteen report stage motions on today's *Order Paper* in amendment to Bill C-45, an Act respecting employment and employer and employee relations in the Senate, the House of Commons and the Library of Parliament.

Motions Nos. 1 and 2 appear to go beyond the scope of the Bill and, pursuant to Citation 773(1) of Beauchesne's Fifth Edition, I would propose to rule these motions out of order.

Motion No. 3 will be the object of a separate debate and a separate vote.

Motions Nos. 4, 5, 6, 7, 8 and 9 were all moved and negatived in Committee and will not be selected for debate and will therefore be dropped from the *Notice Paper*.

Parliamentary Employment and Staff Relations Act

[*English*]

Motion No. 10 attempts to give rights to a group of employees specifically excluded in Clause 4(2) and is contrary to the principle of the Bill adopted at second reading stage. I would refer the Hon. Member to Citation 773(2) of Beauchesne's Fifth Edition. Motion No. 11 will be debated and voted on separately.

[*Translation*]

Motion No. 12 gives the Chair some procedural difficulty in that it contravenes the basic principle of the Bill as adopted at the second reading stage and I would refer the Hon. Member to Citation 764(1).

Motion No. 13 will be debated and voted on separately.

[*English*]

To recap, the Chair has procedural difficulty with Motions Nos. 1, 2, 10 and 12. Motions Nos. 5, 6, 7, 8 and 9, having all been moved in committee, are not selected.

If Hon. Members wish to make procedural representations to the Chair, I am disposed to hear them now. If more time is required, I would be prepared to hear arguments at the conclusion of the debate on the motions that are now in order, if that is the choice, and we could begin with Motion No. 3.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, perhaps you would wish to hear procedural argument on Motions Nos. 1 and 2.

Mr. Speaker: The Chair is trying to indicate that it is now ready to hear procedural arguments on the ruling or to hear them at the end and begin with Motion No. 3, whichever is the wish of the House. If Hon. Members wish to make procedural arguments now, that is fine.

Mr. Gauthier: Mr. Speaker, I would rather proceed seriatim if you do not mind, and then we could deal with the others as they come before us.

[*Translation*]

The matter of the admissibility of Motions Nos. 1 and 2, in the name of the Hon. Member for Hamilton East (Ms. Copps), is a rather complicated one.

The Chair will recall that the whole issue of whether employees of the House of Commons were subject to the Public Service Staff Relations Act or came under the authority of the Canada Labour Relations Board was challenged in the courts. The Federal Court handed down a ruling that was disappointing for the employees, who nevertheless persevered and took their case to the Supreme Court. On Monday, June 23, the day before yesterday, the Supreme Court received a request to appeal in connection with the matter now before the House.

Since the Supreme Court has not ruled whether the appeal is admissible, and since the motion in the name of the Hon. Member for Hamilton East says specifically that we should, and I will read the motion:

That Bill C-45, be amended in Clause 2 by adding immediately after line 17 at page 1 the following:

"(*c*) any Supreme Court of Canada decision on certification which shall take supremacy over this Act."

Since the Supreme Court's decision might be affirmative, that is, favourable to the employees, I think we could argue that the motion is admissible in that it anticipates the possibility that the courts might rule that House of Commons employees are subject to the Canada Labour Code.

That is my only argument, and that is all I wanted to say.

As for Motion No. 2, also in the name of the Hon. Member for Hamilton East (Ms. Copps), this amendment proposes to include the legislation now in effect for federal public servants, that is, the Public Service Employment Act and, of course, the Public Service Staff Relations Act. This is mainly an attempt to include in the Bill the various appeal procedures for appointments and everything that implies.

Here again, there is a good point that can be made, and I did so on second reading, Mr. Speaker, namely that the Public Service Employment Act should apply to House of Commons employees, so that people will know there is a staffing system that is fair and equitable for everyone.

Now I fail to understand why the Chair has grouped 1 and 2, when one motion appeals to the Supreme Court and the other asks for inclusion of an existing Act, an Act of Parliament, an Act concerning staff relations and an Act concerning employment. I do not see why the Chair—perhaps it would care to explain why—I fail to see how one can make a connection between 1 and 2. My point is that No. 2 in particular should be seen as distinct from No. 1, since it has no connection at all with the Supreme Court's decision. In any case, I think the Public Service Employment Act should be included as an amendment to Bill C-45.

[*English*]

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I do not propose to make procedural arguments at any great length. I would like to, but time is short as we are near the end of the session. We face a problem choosing between the need to consider an inadequate law and the prospect of no law at all. Under the circumstances I do not propose to challenge or to take issue with Your Honour's ruling, although I might do so at another time.

• (1530)

Mr. Speaker: I thank the Hon. Member for Ottawa Centre (Mr. Cassidy) for his procedural non-intervention.

The Hon. Member is asking the Chair why Motions Nos. 1 and 2 are grouped in the ruling. They are only grouped from the point of view of the Chair that they are both out of order. That is the only way in which they connect in the ruling.

In the case of Motion No. 1, as the Hon. Member clearly indicates and knows, it introduces a concept beyond the concepts adopted at second reading, as does Motion No. 1, which introduces or attempts to introduce into the Bill matters

which go beyond what was originally adopted by the House in principle at second reading.

Clearly, the Hon. Member is making an argument as to the advisability of changing the law, not as to the procedural admissibility of the two motions. I think he will know that the Chair has no option but to find that the amendments cannot be accepted when there is procedural inadmissibility. On that basis we will call Motion No. 3.

Mr. Mike Cassidy (Ottawa Centre) moved:

Motion No. 3

That Bill C-45, be amended in Clause 4 by striking out lines 11 to 42 at page 6 and lines 1 to 5 at page 7.

He said: Mr. Speaker, the purpose of this amendment is to ensure that this law, which provides collective bargaining and certain other rights to employees of the House of Commons, the Library of Parliament, and the Senate, will also apply to the staff of Members. We are talking about some 1,000 or more employees, since each Member generally has about three employees. The parts which would be diluted according to the amendment are the parts in subclause 4(2) which exclude application of the vast bulk of the Bill to anyone who works for a Member, a Minister of the Crown, a member of the Senate, a Leader, a Whip, or research services connected to any particular caucus.

Throughout debate in committee on Bill C-45, and prior thereto, I did not hear any particularly good reason put forward as to why the House of Commons and the Parliament of Canada should in fact exclude totally or almost totally from any kind of employee rights people who work for Members and people who work in the other capacities defined in subclause 4(2). Nor have I heard an explanation of why it is that Members' staff are treated as particularly crucial and yet, for instance, large portions of Ministers' staff are already unionized because they are departmental staff seconded to Ministers' offices. They are doing many of the same jobs which are done by the staff in my office or in the offices of other Hon. Members. Despite the fact that those staff even have the right to strike under certain circumstances, Ministers seem to get by with unionism in their midst in terms of their particular staff.

During the course of the discussion we heard representations based upon the Charter of Rights and Freedoms. It was pointed out that very few workers in the entire country were totally excluded from collective bargaining rights. Farm workers and domestic workers in Ontario, or certain categories like those, perhaps hearken back to the days of the domestic servitude. However, in general, working people in every jurisdiction have the acknowledged right to form themselves into unions, to bargain collectively, or to seek to bargain collectively with their employers.

As we have seen in the case of the Gainers strike in Alberta, those rights can be truncated. They can be inadequate, and workers who seek to exercise those rights can be cruelly victimized or very cruelly treated. Nonetheless, in general our Parliaments across Canada have granted those rights.

Employees in positions with the Legislature of Ontario were pointed out as an example. One assumes that those positions are just as crucial as the positions of employees of Members of the House of Commons and the other designated positions excluded in subclause 4(2). Those Ontario employees have the right to form a union and have formed a union. In the case of the employees of the Ontario NDP caucus in the Ontario Legislature, they have in fact had and exercised collective bargaining rights on an amicable basis for some 18 years or 20 years and now have a mature bargaining relationship. Somehow the NDP caucus has been able to continue to move on from one year to the next and has been able to do its job. Occasionally there have been some angry bargaining sessions and some dispute, as there will be between any group of employees and employers. At the same time, difficult situations have very often been resolved in a more equitable and fairer way because of the existence of the union.

For example, after the 1981 provincial election in Ontario, the NDP suffered a set-back and had to cut staff in its bargaining unit. The NDP was able to reach a much more amicable solution to a very difficult situation because it could deal with the staff on a collective basis rather than staff who happened to work for a defeated Member and found themselves out on the street, while other people with perhaps far less seniority and far less experience were able to keep their jobs.

Since Your Honour has ruled other motions out of order, I think I can comment generally without straying from the purpose of the motion before us now. When we looked at the question of the status of Members' staff, it was clear that that status was somewhat different from the status of some other employees in the House of Commons. The reason was that Members of Parliament—and I will speak to them, as the largest group—direct, supervise, hire, can fire, and certainly discipline any employees in their offices. The House of Commons pays the cheques, does the administrative work and that kind of thing, but that is all. Therefore, the situation is rather different from that of a supervisor, a foreman or forewoman in a plant or office. They direct, hire, and fire people working for them in a particular section of the plant or in a typing pool or something of that nature. The difference is that in a plant or an office the supervisor, foreman, or forewoman is an employee himself or herself. Members are not employees; they owe their employment to election by their electorate in their individual ridings. They may be accountable within their caucus or under certain rules to you, Mr. Speaker, but basically Members of Parliament are not employees of the House of Commons and are not exercising delegated authority. Even when we admit that, however, it does not stop the fact that as far as the employees are concerned, they tend to be linked not only to the Member but to the caucus to which the Member belongs.

To a greater or lesser extent the employees of different caucuses work as a unit. For example, training is provided in the three caucuses to employees if there is some caucus priority or campaign on; let us say, the task force on taxation which the current Solicitor General (Mr. Beatty) led effectively when his Party was in opposition two years or three years ago. When some priority like that comes into force, Members' staff are pressed into service, working toward some common goals.

It is also the case that the job is stressful and high pressured. People tend to burn out. The present situation is an extremely difficult one for employees if they are given no rights at all. This situation will prevail if the presently proposed form of Bill C-45 goes forward and no change is made. There is still time to make that change.

The only protection provided—and it is an unusual one—is under the unjust dismissal provisions of Part III or Part IV of the Canada Labour Code. That is the only protection being given to Members' staff and to other designated staff in subclause 4(2), the clause which we are discussing right now. Therefore, those employees are supposedly guaranteed a 40-hour week with no more than eight hours of overtime. They are also guaranteed a certain number of holidays and that they will at least be paid the federal minimum wage. They are not paid adequately in most cases for the work they do. Nonetheless, their pay tends to exceed by a significant margin the federal minimum wage, so it is not an issue.

• (1540)

In terms of working hours, there may be certain cases where a Member's employee might decide to seek the protection of the Canada Labour Relations Board, through the Ministry of Labour's inspectors or however, because the individual is being asked to work 50, 55 or 60 hours a week, not just for one or two emergency weeks but on a continuous basis. I think we better be realistic about what that recourse really means for a Member's employee.

Suppose the employee feels that he or she is not being adequately paid for over-time or not being paid at all for overtime, yet is expected to work eight or ten hours extra a week on a continual basis? Suppose that person complains, what happens then? Does someone from the federal Department of Labour or the Canada Labour Relations Board come in to find the Member saying: "You have no right to come in to find out what is happening because this is Parliament and my privileges are being interfered with". That could well occur.

Second, what happens to the employee if an inspector comes in, reads the riot act to the Member, gets the Member to agree that he or she has been working the Member too hard and in future will only work that employee for 40 or 48 hours a week? What happens then, Mr. Speaker? In the first place the Member is free to do it all over again. Second, the Member is also free to take action which will make it extremely difficult for the employee to want to continue. For example, the Member could discipline the employee; suspend the employee without pay or could demote the employee and give that employee the most menial job of the three or four jobs in the Member's office. The Member could possibly demote the employee in terms of pay as well. While case law would indicate that that amounts to constructive dismissal, and is something that could be debated or disputed in the courts, nonetheless the employee is in a situation where if that employee really wants to fight he or she has to keep on complaining until the Member decides to fire the individual. If an employee is fired, then he or she has the right to go to the Canada Labour Relations Board under the jurisdiction of the unjust dismissal clauses. I am not sure how effective those clauses have been, but it is certainly very flimsy protection for Members staff.

I suggested during the course of the committee hearings that if the Government was not prepared to give collective bargaining rights to employees, at the very least the Government should allow grievances to go to arbitration in the event of discipline, demotion or dismissal. That seems to me to be the very least protection we should give employees who do a vital job on behalf of Members and on behalf of others in other defined areas. I regret very much there was no give at all as far as government Members were concerned on that particular front and that we could take no action there.

I plead with Members opposite in this instance to agree to this amendment which will have the effect, as far as collective bargaining rights are concerned, of bringing into the Bill staff of Members and other staff in the designated areas who are now excluded. The Government pretends it is giving collective bargaining rights to all House of Commons employees but, in fact, the Government is excluding something like one-third of them because of this section, unless it is removed.

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, I would like to take the opportunity to speak on this item. My colleague has outlined many of the difficulties that can be experienced by employees in the House of Commons. We are all aware of a litany of problems over the years that have come up because those employees have not had the protection of bargaining rights and the protection of a collective agreement.

I would urge the House to consider strongly and seriously the resolutions put forward by my colleague, the Hon. Member for Ottawa Centre (Mr. Cassidy).

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 3 standing in the name of the Hon. Member for Ottawa Centre (Mr. Cassidy). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The next motion to be debated will be Motion No. 11 standing in the name of the Hon. Member for Hamilton East (Ms. Copps).

[*Translation*]

Mr. Gauthier: A point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier) on a point of order.

Mr. Gauthier: Mr. Speaker, in the absence of the Hon. Member for Hamilton East (Ms. Copps), I should like to move the motion in her name.

[*English*]

Mr. Deputy Speaker: Is there unanimous consent to allow the Hon. Member for Ottawa Vanier (Mr. Gauthier) to move the motion standing in the name of the Hon. Member for Hamilton East (Ms. Copps)?

Some Hon. Members: Agreed.

[*Translation*]

Mr. Jean-Robert Gauthier (for Ms. Copps) moved:

Motion No. 11

That Bill C-45, be amended in Clause 69 by striking out lines 36 to 46 at page 38 and lines 1 to 27 at page 39 and substituting the following therefor:

"69. Where expenses are incurred in the adjudication of any dispute, provisions similar to those in the Public Service Staff Relations Act apply."

Mr. Gauthier: Mr. Speaker, I am pleased to take part in this debate on the amendment which proposes that adjudication expenses be equitably distributed. The way the Bill is now drafted, if there is a dispute with respect to an appointment, a position or a demotion, in other words if an individual learns all of a sudden that he no longer holds his position because he has been demoted, if for one reason or another the individual is the object of an appointment other than the one he holds, Bill C-45 provides that the adjudication expenses are to be shared by the parties involved, namely the employer and the employee.

The amendment put forward by the Hon. Member for Hamilton East, as I said, seeks to restore a certain degree of fairness. It is mainly based on the Public Service Employment Act, which now applies to some 275,000 public servants and under which unfair or improper appointments may be appealed.

Whenever the Public Service Commission is called upon to appoint an appeal panel, of course the Commission pays the costs; it pays for the services provided in connection with that appeal. Being different, the Labour Code allows employees, through their labour unions, to negotiate matters that are non-negotiable in the public sector; there is a difference there, and I would like to deal with that, Mr. Speaker, in the few minutes at my disposal.

[*English*]

We are dealing here with a system that borrows from two pieces of legislation. Under the Canada Labour Code we know that the employees through their unions can negotiate classification standards and procedures. They can also negotiate appointments and promotions, all that affects one's standing in his or her job.

Under the Public Service Employment Act that is not the way it operates. Under the Public Service Employment Act, as I said before, which prevails for approximately 275,000 public servants, the process is different. There is no negotiating of the classification standards between the union and the employer, although the Government promised to bring that in some day. We have not seen any of that yet. You cannot negotiate classification standards and you cannot negotiate nominations or appointments. You cannot make a deal with the employer as to process with regard to such important things as where you stand in the organization, what kind of work you will be doing and what remuneration you will get. It stands as a system by itself distinct from the Canada Labour Code.

• (1550)

Clause 69 of Bill C-45 is the same as Section 97 of the Public Service Staff Relations Act, except for one paragraph which I would like to draw to the attention of the House. Paragraph (4), which was an amendment brought in through committee, says:

Where a grievance respecting a matter referred to in paragraph 63(1)(d), (e) or (f) is referred to adjudication, the adjudicator's remuneration and expenses shall be borne equally by the parties.

Let us take an example of subsection (f) where an employee finds himself retrograded, that is—

[*Translation*]

He is being demoted in his own job. The employee could be told by his or her employer, supervisor or office manager; "I am sorry, but you no longer hold the position of a security corporal. You are now holding the position of a junior officer or a simple security guard". The supervisor does not have to provide any reason or any explanation—that is that.

The employee feels hurt and shocked and wants to fight his or her employer's decision, and the only way to do so under Bill C-45 is to ask that the grievance be submitted to arbitration. The arbitrator's expenses and salary will all be payed for by both the employee and the employer. And only when the arbitrator has been appointed is the employee entitled to know

the reasons for his or her demotion, and this, Mr. Speaker, I find unfair.

I want it to be on record that this clause of Bill C-45 seems unfair to me. It is not a clause that we are ready to support. We firmly believe that if our employees are to have a positive, modern, and progressive system, it must be recognized that they have a right to be heard, that they are entitled to a certain degree of job security, that they are also entitled to know beforehand why they are demoted or appointed to a less favourable position.

[*English*]

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I think this is a good amendment and I support the arguments made by my hon. friend, the Member for Ottawa—Vanier (Mr. Gauthier). The concept of this amendment was discussed in committee. The amendment was not put forward in these particular terms, but I hope it is acceptable to and accepted by the Government.

On a number of occasions opposition Members in the committee, which was a constructive committee, sought to make improvements to the Bill and to be helpful. However, this is not now a Bill which we feel comfortable supporting because of the problems which I will talk about at third reading stage. I think that this idea which came from our side of the House should have been seriously considered by the Government. I hope this amendment will be accepted.

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I would like to explain briefly the Government's position on this. The Member for Ottawa Centre (Mr. Cassidy) and others in the House who served on the committee will know that as a result of representations by employees the Government did move on amendments to allow for the adjudication of classification issues. The Government provided for an adjudicator to be selected from outside the Public Service Staff Relations Board. For that reason, it is necessary for the costs to be picked up by both parties. The Public Service Staff Relations Board does not presently deal with the adjudication of classification matters. It does not have any experts on staff who could do the job. Therefore, we must go outside the Board, as stipulated in the Bill, and the cost will have to be picked up by the employer and employee.

[*Translation*]

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 11. Mr. Gauthier (for Ms. Copps), seconded by Mr. Frith, moves:

That Bill C-45, be amended in Clause 69 by striking out lines 36 to 46 at page 38 and lines 1 to 27 at page 39.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Pursuant to the provisions of Standing Order 114(11), the recorded division stands deferred.

[*English*]

Mr. Mike Cassidy (Ottawa Centre) moved:

Motion No. 13

That Bill C-45, be amended in Clause 73 by striking out lines 29 and 30 at page 41.

He said: Mr. Speaker, this is the section of the Bill put forward by the Government which we thought was the most effective to raise the issue of the denial of the right to strike to people working on Parliament Hill. Clause 73 is a short clause which quite specifically prohibits the right to strike.

During committee stage of the Bill I sought to put forward a number of amendments which essentially would have paralleled the situation that prevails in the Public Service of Canada. It is not a perfect arrangement but it is the provision by which the people in the Public Service have the right to either seek conciliation on the right to strike or, in the event of negotiation breakdown, have their dispute sent to an arbitrator.

There are also provisions within the Public Service which allow for the designation of certain employees as being so essential that they do not enjoy the right to strike. While I regret that those are defined in far too broad a manner, the protection to allow Parliament to continue its work is in that pattern of amendments. For the purposes of this debate, and since the Government has made its position very clear, we have simply asked that Clause 73 of the Bill be deleted. Clause 73 states:

No employee shall participate in a strike.

I presume that means a strike here on Parliament Hill. I suppose they can strike on their part-time job if they must have a part-time job in order to make ends meet.

If the House accepts this amendment, as I hope it will, I hope it will also very quickly agree to put in the other necessary pieces of legislation which can be borrowed from the Public Service Staff Relations Act in order to ensure that members of the staff of the House of Commons and Parliament in general will have the same collective bargaining rights as those which exist right now for people working elsewhere in the Public Service of Canada. Obviously, the first step is a step of principle, whether we agree on this issue.

We are asked why employees on Parliament Hill should have the right to strike. The answer is, "Why not?". This is a free society. It has always been accepted that in a free society employees should have the right to withdraw their labour in order to arrive at a better version of equality between employers and employees. A strike is a highly orchestrated form of job action. Except in Alberta, employees who strike have their old employment guaranteed for a certain period of time. They do not lose touch completely with their job as they would in an organized workplace if they decided to collectively get together and hand in their resignations. A strike is a way of putting pressure on the employer and dramatizing a situation which has become so crucial that the employees have no other way of getting reasonable consideration of the problem troubling them.

● (1600)

I think Members know that the problem on Parliament Hill is not essentially one of wages or the number of hours per year people are asked to work. It is a matter of job rules, staff classification, and alleged nepotism in appointments to certain positions. If collective bargaining for a couple of years does not start to sort these problems out, then what will happen where employees are told they cannot bargain over classification and staffing because it has been excluded in the Bill? The answer is: I do not know.

Members know that in other jurisdictions, where employees are so incensed at their treatment by employers, the sole effect of a law which says strikes are illegal is that illegal strikes take place. I do not anticipate that that will be the situation here, at least in the near future. Nonetheless, it has been known to occur elsewhere. The Gainers strike in Alberta is perhaps a case in point. If the employees strike for more than 24 hours they effectively lose their jobs. The employer has the right to hire scab workers and is not required to take the employees back and kick the scab workers out when the strike is settled. In the circumstances that is almost a recipe for what is happening out there where the employees feel they have no other recourse.

On Parliament Hill one has to ask whether the people who fix the furniture are essential to the day-to-day operations of Parliament. That is true also of the people who prepare the coffee on the fourth floor of the Wellington Building where almost no Members are located. If there were only two buses running instead of six, would that impede in a material way the work of Parliament for a brief period of time? The record of committee hearings are already several weeks in arrears. If they were to be delayed for a further week or so I would regret it, but if we are not getting them in 24 hours right now and we are still doing our job, then is a strike which delayed them a little longer going to materially affect our ability to do our jobs?

In other words, even on Parliament Hill it should be possible for working people to have the same kind of collective bargaining rights which exist elsewhere. The same kind of disciplines as well. Arbitration is not a particularly good response. Among other things, any arbitrator who comes to resolve a problem here is going to have great difficulty understanding the very unusual environment. It is a very unusual workplace. The people who know best are those who work here all the time, the employees and management.

If a strike is the ultimate recourse, then it very much concentrates the mind when people get down to the nitty-gritty of negotiations. We have seen too many examples in the Public Service of Canada where the employer simply drags his feet, and will not bargain in a meaningful way and in good faith. The attitude is that if they tough it out then it will go to the arbitrator and they will get what they want. They may or may not get what they want, but certainly as far as employees are concerned it is extremely frustrating because they have to leave these issues, on which they are looking for a constructive compromise, in the hands of an arbitrator. On the other side, the employer runs the risk of decisions such as that in Toronto some years ago involving the Metropolitan Toronto Police where it was decided they always had to have two constables in a patrol car. That was something which surely should have been settled by negotiation and not by arbitration.

My time is running short so I hope a few other Members of my caucus will contribute to this debate as well. I do not see why we have to put a glass cage around the Houses of Parliament. We should be an example of progressive, not regressive legislation. Unfortunately, Bill C-45 is the latter. I am quite prepared to admit that it is better than having no Bill at all, but it could have shown quite concretely what the Government meant when it said it wanted to have progressive labour relations across Canada. Clearly that is not the intention of the Government. By denying the right to strike and the other restrictions in this Bill, the Government has created a situation where the employees are getting some bargaining rights but will basically be 20, 30 or 40 years behind where they should be.

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I want to respond to the Hon. Member because this is one of the issues where the Government did not move. As I said earlier, there was considerable movement at committee stage with respect to independent arbitration. I think I speak for all Members when I say we feel we improved the Bill that way. However, there is no question in our minds that the unfettered ability of Parliament to function is too important to put at risk through the possibility of a strike. Whether it be a strike by any one particular section of the employees on the Hill, the problem remains the same. The Parliament of Canada cannot be put at risk. We do not feel it would be correct for us to put in place a law which may put at risk a Member trying to serve his constituents on the one hand, fulfil his or her oath of office, and at the same time have to decide whether or not to cross a picket line. For that reason there was no movement whatsoever on this particular issue. I would also point out that the Hon. Member made no stipulations with respect to essential

services. For that reason as well we are not prepared to support this amendment.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I simply want to make a few comments because the position of our spokesperson, the Hon. Member for Hamilton East, and of our Party generally has been that indeed the last words of the Parliamentary Secretary are the key to the argument, namely that no service has been designated as being essential. Perhaps this is where we would have liked the Government to accept amendments to clear up the situation.

In our view it is neither essential nor necessary to eliminate or take away the right to strike of employees who are not essential to the operations of Parliament. In this respect we also acknowledge the existence of the major academic question of parliamentary privilege: where does it begin and where does it end? We also know full well that this is not an easy question—it is a very complex question—and that many people who are much more intelligent and much more conversant with the matter than we are have been giving serious consideration to it for a number of years.

I remember a citation from *Beauchesne*'s which I looked up and which in my opinion very neatly defines the position of many Members on the right-to-strike provision, and I would like to read it, Mr. Speaker, because I think this puts it very clearly—it is a quote from Beauchesne's *Parliamentary Rules and Forms*—and it reads as follows:

> The control and management of the officers of the Houses are as completely within the privilege of the Houses as any regulation of its own proceedings within its own walls. These officers are under the guidance of certain rules and orders of the House which are among the regulation of its proceedings and as essentially matters of privilege as the appointment of committees, the conduct of public business and the procedure of the Houses, generally, including the acts of the Speaker himself in the Chair. Neither the Government nor any other authority has the power to deal with the staff of the House of Commons unless specially authorized to do so by statute or resolution of the House.

Mr. Speaker, I think Beauchesne comes fairly close to a definition of parliamentary privilege, that employees of the House of Commons are with us in these Parliament buildings and that it is difficult to take a group and say: these people are not essential and those are. This has always been a very difficult matter. We cannot agree entirely with the Government's decision to drop the right to strike from this Bill and decide against giving certain individuals the right to withdraw their services. Considering the wisdom of the people who sat on this committee, I would have thought, and I said so at second reading, that it would be possible to find a definition of what constitutes an essential service: one whose withdrawal jeopardizes either the safety or the well-being of the organization. And that is how it is defined in the Public Service Staff Relations Act. It is also pretty clearly defined in the legislation covering public servants in general, the employees of the Public Service of Canada, which says that a person in a given position is essential and thus excluded from the collective bargaining process and therefore does not have the right to strike, and that others do have the right to strike.

So I would have thought we could have been flexible about this, and I think the employees themselves would also have liked a distinction made between what is essential and what is not. My point is, Mr. Speaker, I am somewhat reluctant to have to admit that with all the assistance we got, we were unable to convince the Government that it was possible to make a distinction between essential and non-essential. We lost on that score, and I must admit that I find this amendment a step backward.

• (1610)

[*English*]

Mr. Deputy Speaker: The question is on Motion No. 13 standing in the name of Mr. Cassidy.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 114(11) the recorded division stands deferred.

• (1620)

[*Translation*]

The House will deal now with the deferred recorded divisions at the report stage of the Bill which is now before the House.

Call in the Members.

Mr. Deputy Speaker: The question is on motion No. 3. Mr. Cassidy, seconded by Mr. Skelly, moved:

> That Bill C-45 be amended in clause 4 by striking out lines 11 to 42 at page 6 and lines 1 to 5 at page 7.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

The House divided on the motion which was negatived on the following division:

(*Division No. 278*)

YEAS

Members

Althouse
Benjamin
Blaikie
Cassidy
Deans
de Jong
Fulton
Heap
Hovdebo
Jewett
Keeper
Langdon
Manly
McCurdy
McDonald (Broadview-Greenwood)
Mitchell
Nystrom
Orlikow
Parry
Riis
Rodriguez
Skelly
Waddell
Young—24.

NAYS

Members

Allmand
Andre
Attewell
Baker
Beatty
Belsher
Berger
Bernier
Bertrand
Binns
Blackburn (Jonquière)
Blais
Bouchard
Boudria
Bourgault
Boyer
Bradley
Brightwell
Brisco
Browes
Caccia
Caldwell
Cardiff
Champagne (Saint-Hyacinthe-Bagot)
Chartrand
Clark (Brandon-Souris)
Clinch
Cochrane
Comeau
Cook
Cooper
Cossitt
Côté (Lac-Saint-Jean)
Crofton
Crosbie (St. John's West)
Crosby (Halifax West)
Daubney
de Corneille
de Cotret
Della Noce
Desjardins
Dick
Domm
Dorin
Duplessis
Edwards
Ellis
Fennell
Fontaine
Forrestall
Foster
Fraleigh
Frith
Gagliano
Gass
Gauthier
Gérin
Girard
Gormley
Graham
Gray (Bonaventure-Îles-de-la-Madeleine)
Gray (Windsor West)
Grisé
Guilbault (Saint-Jacques)
Guilbault (Drummond)
Gustafson
Halliday
Hamilton
Hardey
Hawkes
Hees
Hicks
Hockin
Holtmann
Hopkins
Horner
Howie
Hudon
Isabelle
Jardine
Jelinek
Jepson
Johnston (Saint-Henri-Westmount)
Jourdenais
Kempling
Kilgour
King
Ladouceur
Landry
Lawrence
Leblanc
Lesick
Lewis
MacDougall (Timiskaming)
MacLellan
Malépart
Malone
Mantha
Marin
Martin
Mayer
Mazankowski
McCain
McCrossan
McCuish
McDermid
McDougall (St. Paul's)
McKenzie
McKinnon
Merrithew
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oostrom
Ouellet
Pépin
Peterson
Pietz
Plourde
Porter
Ravis
Redway
Reimer
Ricard
Robichaud
Rossi
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton-Wentworth)
Scowen
Siddon
Speyer
Stackhouse
Stevens
Stewart
Suluk
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Vankoughnet
Vézina
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Winegard
Wise
Witer—157.

● (1650)

[*English*]

Mr. Deputy Speaker: I declare the motion lost.

The next question is on Motion No. 11 standing in the name of the Hon. Member for Hamilton East (Ms. Copps). All those in favour please rise.

The House divided on Motion No. 11 (Ms. Copps) which was negatived on the following division:

(*Division No. 279*)

YEAS

Members

Allmand
Althouse
Baker
Benjamin
Berger
Blaikie
Boudria
Caccia
Cassidy
Deans
de Corneille
de Jong
Foster
Frith
Fulton
Gagliano
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Isabelle
Jewett
Johnston (Saint-Henri-Westmount)
Keeper
Langdon
MacLellan
Malépart
Manly
McCurdy
McDonald (Broadview-Greenwood)
Mitchell
Nunziata
Nystrom
Orlikow
Ouellet
Parry
Pépin
Prud'homme
Riis
Robichaud
Rodriguez
Rossi
Skelly
Waddell
Young—47.

NAYS

Members

Andre
Attewell
Beatty
Belsher
Bertrand
Binns
Blackburn (Jonquière)
Blais
Bouchard
Bourgault
Boyer
Bradley
Brightwell
Brisco
Browes
Caldwell
Cardiff
Champagne (Saint-Hyacinthe-Bagot)
Chartrand
Clark (Brandon-Souris)
Clinch
Cochrane
Comeau
Cook
Cooper
Cossitt
Côté (Lac-Saint-Jean)
Crofton
Crosbie (St. John's West)
Crosby (Halifax West)
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Dorin
Duplessis
Edwards
Ellis
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Gass
Gérin
Girard
Gormley
Gottselig
Graham
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gustafson
Halliday
Hamilton
Hardey
Hawkes

Parliamentary Employment and Staff Relations Act

Members

Hees
Hicks
Hockin
Holtmann
Horner
Howie
Hudon
Jardine
Jelinek
Jepson
Jourdenais
Kempling
Kilgour
King
Ladouceur
Landry
Lawrence
Leblanc
Lesick
Lewis
MacDougall (Timiskaming)
Malone
Mantha
Marin
Martin
Mayer
Mazankowski
McCain
McCrossan
McCuish
McDermid
McDougall (St. Paul's)
McKenzie
McKinnon
Merrithew
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oostrom
Peterson
Pietz
Plourde
Porter
Ravis
Redway
Reimer
Ricard
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton-Wentworth)
Scowen
Siddon
Speyer
Stackhouse
Stevens
Stewart
Suluk
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Vankoughnet
Vézina
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Winegard
Wise
Witer—138.

The House divided on Motion No. 13 (Mr. Cassidy), which was negatived on the following division:

(*Division No. 280*)

YEAS

Members

Allmand
Althouse
Baker
Benjamin
Berger
Blaikie
Boudria
Caccia
Cassidy
Deans
de Corneille
de Jong
Foster
Frith
Fulton
Gagliano
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Isabelle
Jewett
Johnston (Saint-Henri-Westmount)
Keeper
Langdon
MacLellan
Malépart
Manly
McCurdy
McDonald (Broadview-Greenwood)
Mitchell
Nunziata
Nystrom
Orlikow
Ouellet
Parry
Pépin
Prud'homme
Riis
Robichaud
Rodriguez
Rossi
Skelly
Waddell
Young—47.

NAYS

Members

Andre
Attewell
Beatty
Belsher
Bertrand
Binns
Blackburn (Jonquière)
Blais
Bouchard
Bourgault
Boyer
Bradley
Brightwell
Brisco
Browes
Caldwell
Cardiff
Champagne (Saint-Hyacinthe-Bagot)
Chartrand
Clark (Brandon-Souris)
Clinch
Cochrane
Comeau
Cook
Cooper
Cossitt
Côté (Lac-Saint-Jean)
Crofton
Crosbie (St. John's West)
Crosby (Halifax West)
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Dorin
Duplessis
Edwards
Ellis
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Gass
Gérin
Girard
Gormley
Gottselig
Graham
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gustafson
Halliday
Hamilton
Hardey
Hawkes
Hees
Hicks
Hockin
Holtmann
Horner
Howie
Hudon
Jardine
Jelinek
Jepson
Jourdenais
Kempling
Kilgour
King
Ladouceur
Landry
Lawrence
Leblanc
Lesick
Lewis
MacDougall (Timiskaming)
Malone
Mantha
Marin
Martin
Mayer
Mazankowski
McCain
McCrossan
McCuish
McDermid
McDougall (St. Paul's)
McKenzie
McKinnon
Merrithew
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oostrom
Peterson
Pietz
Plourde
Porter
Ravis
Redway
Reimer
Ricard
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton-Wentworth)
Scowen
Siddon
Speyer
Stackhouse
Stevens
Stewart
Suluk
Thacker

• (1700)

Mr. Deputy Speaker: I declare the motion lost.

[*Translation*]

The Hon. Member for Bourassa (Mr. Rossi) on a point of order.

Mr. Rossi: A point of order, Mr. Speaker. I believe the vote of the Hon. Member for Beauce (Mr. Bernier) was recorded. He voted and left the House immediately after.

Mr. Deputy Speaker: The Hon. Member for Bourassa is right. The Hon. Member's name will be striken off the record.

[*English*]

Mr. Deans: Mr. Speaker, if you were to check, I believe there might be disposition to allow the vote just taken, whatever it was, to be applied—

Mr. Gauthier: What do you mean? It was on my amendment.

Mr. Deans: It was a good amendment; it is just that I did not know what the vote was. In any event, I think Your Honour might find disposition to apply the vote just taken to Motion No. 13.

Mr. Deputy Speaker: Is there unanimous consent to apply the vote just taken to Motion No. 13?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Therefore the next question is on Motion No. 13, standing in the name of the Hon. Member for Ottawa Centre (Mr. Cassidy).

Members

Towers
Tremblay
(Québec-Est)
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa-Carleton)
Vankoughnet
Vézina
Vincent
Warner
Weiner
White
Wilson
(Swift Current-Maple Creek)
Winegard
Wise
Witer—138.

Mr. Deputy Speaker: I declare the motion lost.

Hon. Robert de Cotret (for President of the Privy Council) moved that the Bill, as amended, be concurred in.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Mr. Gauthier: On division.

Motion agreed to.

Mr. Lewis: Mr. Speaker, I rise on a point of order. There have been discussions among the Parties and if Your Honour were to seek unanimous consent to proceed immediately to third reading I think it would be agreed to by all Parties.

Mr. Deputy Speaker: Is there unanimous consent to proceed to third reading of the Bill at this time?

Some Hon. Members: Agreed.

Mr. de Cotret (for President of the Privy Council) moved that the Bill be read the third time and passed.

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, in this third reading debate of Bill C-45 there are a couple of matters I should like to put on record. We think this is an important occasion, one for which parliamentary employees have waited with utmost patience. Perhaps I will exhibit a little patience and let the House clear.

Mr. Deputy Speaker: Could we have order, please, so that we can listen to the Hon. Parliamentary Secretary. I ask those Members who wish to continue conversations to do so outside the House.

Mr. Lewis: Mr. Speaker, as I was about to say, this is the first time in history that parliamentary employees will be able to enjoy the benefits of contemporary and progressive labour relations legislation which we have tailored to the special circumstances of Parliament. We have given them the ability to enter into collective bargaining. They will also be protected, for the first time ever, under Part III and Part IV of the Canada Labour Code.

I should also like to say that this was my first experience with the legislative committee system. I must say that it is a very satisfactory method by which the House can consider legislation. Our committee operated in the exact way which the McGrath committee planned. There was no partisanship on that committee. There was no time wasted. There was a concern exhibited by all Members for the employees on the Hill. Also there was a concerted effort by all Members to improve the Bill and to respond to employee concerns.

The members of the committee listened, as did the President of the Privy Council (Mr. Hnatyshyn). We achieved considerable progress and responded on the part of the Government with a package of concrete amendments. It is fair to say that the progress made was due to the representations by committee members as a result of some very helpful testimony from organizations such as NABET, PSAC, the security service, and parliamentary employee groups. In fact, the committee heard from individual employees on the Hill.

There was one message which came through loud and clear, and that was a crucial need on the Hill for the provision of a route of redress on staffing matters and on the question of employee classification. The Government brought forward amendments to address those problems. Matters such as the termination of employment of the employee, the demotion of the employee, and the employer's evaluation of an employee's skill, fitness and ability where an employee has been denied an appointment, will now become adjudicable.

These amendments allow for the representatives of both parties, that is the employer and the employee, to select the adjudicator in the case of staffing and classification grievances. In instances where the two parties are unable to agree on the selection of the adjudicator, the amendment would provide for the Chairman of the Public Service Staff Relations Board to select an independent third party adjudicator to resolve the grievance.

The amendments also provide for independent third party adjudication of classification matters, subject to a provision that there would be a one-year grace period provided in which the administration of the House of Commons, the Library of Parliament, and the Senate will be expected to establish classification standards and procedures and to deal with classification grievances. If the circumstances surrounding the original grievance are still in existence one year after the Bill comes into force, then the employee will have access to adjudication.

Another matter raised in committee was the question of the recognition of cards already signed by employees which must be resubmitted to the Public Service Staff Relations Board. After considering the very reasonable suggestions put forward by the employees, the Government brought forward an amendment which allows the Public Service Staff Relations Board to recognize the union membership cards which were signed by various employee groups on the Hill. This will save the employees a great deal of time in that they will not be forced to obtain new evidence. This will also allow them to embark upon the collective bargaining process that much sooner.

Parliamentary Employment and Staff Relations Act

• (1710)

In fact, Mr. Speaker, if you were to examine the Committee's deliberations and the points put forward by various witnesses, six concerns were raised. Two, namely, third party adjudication on staffing and classification issues and the question of recognizing the union membership cards, were addressed by the Government in committee. Three others, the question of making classification issues and staffing issues negotiable; technological changes and the allowing of union grievances to be presented were considered by the Government. There was a commitment given that if these were to form any part of the forthcoming amendments to the Public Service Staff Relations Act these amendments would be brought forward simultaneously to the Parliamentary Employment and Staff Relations Act.

The last item, the right to strike, was rejected by the Government as it was considered inappropriate to our parliamentary concept.

It is the Government's belief that these amendments go a long way toward giving parliamentary employees a right of redress for staffing and classification issues. It has taken a long time, but parliamentary employees will finally begin to have a say in the determination of their working conditions. We feel this Bill is an important and an historic starting point in this process. I urge the Members to give speedy passage to this Bill at third reading so that our employees on the Hill can begin to enjoy the modern labour management relationship on Parliament Hill which they so richly deserve.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): As I rise on third reading, Mr. Speaker, I think it is appropriate to emphasize that the debate on Bill C-45 has been both constructive and non-partisan. I suggest it is to the credit of all Hon. Members of the House to stress that it was a substantive debate, and at no time did I hear partisan remarks about this Bill, and I am pleased about that.

Mr. Speaker, Bill C-45 is Parliament's response to the need of its employees to form unions to defend their rights as workers. This is not a new issue by any means. I have been in the House for 14 years and practically every year, or every second or third year, the question of a Bill came up. Since the adoption of the Charter in 1982—as Hon. Members are aware, it acknowledges the right of Canadians to form associations—this question has become more urgent and the employees of the House of Commons saw fit to take action.

When we consider the Government's decision to introduce Bill C-45, a piece of legislation that is both complex and important, "An Act respecting employment and employer and employee relations in the Senate, the House of Commons and the Library of Parliament", I think the subject of this legislation and the way it was dealt with is first of all, to the credit of the employees themselves, who, as we know, promoted the concept of organizing and obtained the support of their colleagues at work. Mr. Speaker, today it is recognized that the cards signed by the employees before the Bill was tabled had the effect of advancing and promoting the concept of union organizing on Parliament Hill.

Mr. Speaker, it is also a fact that these cards and this initiative were the result of work done by people at all levels, people who were concerned about employee-employer relations and about instances of unfairness to employees which were sometimes impossible to remedy.

We were unable to include the right to strike in the Bill, Mr. Speaker, and as I said earlier when we were considering the amendments, I would have preferred to see employees designated or identified according to whether they were essential or non-essential to parliamentary operations. I quoted Beauchesne because, whether we like it or not, parliamentary privilege prevails, and I am convinced that all employees are part of the parliamentary unit and as such, we are all dependent on and bound to one another by the concept of parliamentary privilege. The majority won. Perhaps one day, we might be able to do something else.

The major provisions of the Bill, as the Parliamentary Secretary said a while ago, deal mostly with the right of appeal to a third party about matters as serious as dismissal, demotion, refusal of a promotion or misapplication of norms of classification. We must clearly understand, Mr. Speaker, that, in Bill C-45, the Government is not agreeing to the negotiation of norms of classification, because there will be no negotiation about what people will do, only about application of the norms to determine whether the work done by the employee corresponds with the classification level, which will naturally have been determined by the employer.

There is a difference and I hope that it is clear. The norms of classification will not be negotiable; what will be negotiable will be their application. Staffing will be negotiable, but I imagine that the job description will be determined by the employer and it is how the position will be filled that will be negotiable, which I believe to be a good thing. In any case, it was because of these two problems, staffing and classification, that the employees worked persistently for many years to obtain the right to unionize so that there would be some fairness in the system, so that their rights as employees would be guaranteed, and so that, if they deem it appropriate, they would be able to obtain redress in case of an injustice or an unfair treatment.

Mr. Speaker, amendments to certain terms in the French text were put forward in committee, as well as a number of minor technical amendments which I shall not be dealing with.

But I would like to return to the matter I consider important, important enough to warrant an amendment—arbitration to resolve grievances.

It is quite clear to me that all that was sought was a requirement for the employer to pay for the expenses incurred with respect to appeals or grievances that might be lodged by employees. The Government has deemed fit not to support that amendment, and it will be saying in Bill C-45 that the

expenses relating to grievances shall be borne by both employer and employee. The people in charge, that is the third parties, incur expenses of course, and this will be borne by both the employer and the employee. In other terms, where there is a conflict or grievance concerning a staffing decision, promotion or demotion, dismissal or lay-off, such matters will henceforth be referred to a third party, but the employee shall bear half of the expenses, his share of the expenses incurred by the arbitrator, the conciliator or the person who will be in charge of resolving the grievance.

Mr. Speaker, we on this side of the House believe that such a practice is not what we are accustomed to. At the federal level we operate differently with our 250,000-odd federal civil servants. What we have there is an appeal procedure that is identical to the grievance procedure put forward in C-45, except that under the appeal procedure, which is administered by the Public Service Commission of Canada, expenses are entirely paid for by the general public, the public Treasury through the Commission. This means that employees can appeal without having to spend money.

This is why we introduced the amendment. It was turned down, which admittedly is a defeat, but the idea was good. It was worthwhile in my view.

• (1720)

[*English*]

I do not want to speak too long on this Bill but I would like to state clearly that I believe Bill C-45 provides the House of Commons, the Senate, and the Library of Parliament with a framework of representation which is, I hope, in the interests of all employees. Issues of concern included provision in the Bill for grievance procedure, job classification, staffing, appointments, appraisals, promotions, demotions, transfers and lay-offs which could not be subject to an arbitral award. The exclusion of political staff and the denial to employees of the right to strike has been addressed by everyone in the House, and the conclusions are quite evident.

During committee hearings a number of amendments were proposed by the Government which have, at least in part, met the concerns of employees. The stronger grievance procedure which I just described will come into force after one year. This can be dealt with positively and will be a step in the right direction. With the introduction and acceptance of some amendments the legislation is better. It improves the process with regard to justice and equity. Bill C-45 does not allow for the transfer of certification orders without a vote of the members of the union. NABET believes that this will add to the delay for the union.

I would like to put some of the concerns of the Public Service Alliance on the record. PSAC believes that the grievance procedure is an improvement but does not go far enough. It will act as a basis for future negotiations but does not meet with PSAC approval. PSAC would like the union to be able to take policy issues to grievance. This is not allowed under the amended legislation. PSAC is concerned about the one year the employer has been granted to reorganize classifications. Until the one year is up, the unions cannot grieve anything regarding classification.

In conclusion, I would like to say that my colleague, the Member for Hamilton East (Ms. Copps), has participated in debate on this issue, was in committee, and did her utmost to improve this Bill. Speaking in her name and the name of my colleagues I would like to join with all other parliamentarians in hoping that Bill C-45, an Act respecting unionization on the Hill, will meet the hopes and expectations of our employees. Anything can be improved, as I am sure this Bill can be.

I believe we are today taking a historic step in the right direction. I know that the employees are anxious to operate effectively under this legislation. I know there will be some wrinkles to be ironed out. We have taken a non-partisan approach on this Bill. Canadians have a commitment to giving employees' organizations the right to get the best deal possible with the employer. I join all of my colleagues in telling the employees that we are happy and proud that they pushed us into doing this. We are very happy and proud that they have succeeded in getting something which they have wanted to obtain for a long time. We wish them the best.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, we are all pleased that the process on Bill C-45 is coming to an end because it has been long and time consuming. I am not sure what position the Liberal Party is taking on third reading of the Bill, but although we have acted this afternoon to expedite the Bill in order to ensure that it will receive approval by the Senate before the end of this week, we will oppose the Bill at third reading because my Party feels that, although it is a step forward to have some form of labour relations legislation for employees on Parliament Hill 120 years or so after Confederation, it is bad to have a Bill as flawed as this one. We regret that some fundamental changes have not been made in the Bill in order to recognize that Members' staffs should have the same bargaining rights as employees in the private sector and elsewhere in the Government of Canada.

When this process began we were told that the aim was to give employees on Parliament Hill the same bargaining rights which they would enjoy if they worked for the Public Service of Canada. There is a bit of a con game being played because what is provided in Bill C-45 is considerably less than that. One reason is that the Public Service of Canada has a long history of labour relations behind it now. There is a very intricate and elaborate network of consultation on many subjects which cannot be bargained under the Public Service Staff Relations Act. There is the Public Service Commission, nominally responsible to Parliament, which is in place to ensure that the merit principle is respected. There is a well-established process under which employees who feel they have been badly treated in staffing actions can appeal to the PSC. There is a similar process by which classification decisions can be subject to a review outside of an employee's particular department, although still granted by management. What that

means is that the negotiated portion of what goes on in the Public Service of Canada is part of a complex of labour relations mechanisms and institutions, and simply to take a stripped down version of the negotiation part and say that the employees on the Hill are getting it all is to seriously mislead those who look to see what is happening.

• (1730)

The Government erred fundamentally in not understanding that, because of the independence of Parliament from the Government of Canada, it was not possible to put the House of Commons under the Public Service Staff Relations Act or something close to it. It was not possible to give the PSC direct oversight on actions taken by the administration of the House of Commons on behalf of MPs and senators. Therefore, it seems more creativity was needed in coming up with an acceptable Bill to give our employees what they do not have. Of course, I do not comment on the fact that the Government has quite specifically refused to grant the right to strike even though it has been available to people in the Public Service for 20 years.

I would remind the House that in 1966 the Special Joint Committee of the Senate and House of Commons, which was then studying Bill C-170, which ultimately became the Public Service Staff Relations Act, stated that consideration should be given to introduction of legislation to amend the Senate and House of Commons Act and the Library of Parliament Act to extend to the employees the advantages and rights similar to those of public servants under Bill C-170. It is now 18 years later and we are just about to conclude debate on Bill C-45, yet we still have not gone as far as what was proposed by that committee then. I think it was understood at that time that there would be early action, but unfortunately it has been deferred. One has to blame the Liberal Government because it could have done this but did not. For all its faults one has to recognize, and I do, that the Conservatives have gone forward with a Bill which gives a form of bargaining, not to all but to many employees on Parliament Hill. Even if it has defects, it will at least ensure that employees will be able to talk over issues, be consulted and make representations to the administration, something they have not been able to do before.

That said, I would point out that while certain changes were made during the committee process, a process which was relatively positive, nonetheless, when it came to looking at solutions to problems, the Government cracked the whip and undue restrictions were put on a number of amendments which we were able to make to the Bill, even though those that were made were welcome. One unchanged area was the scope of arbitration. As people who have studied these matters are aware, that effectively governs the scope of bargaining. If you do not have the right to strike and only have recourse to arbitration to resolve disputes, then those matters which go to arbitration are the only ones on which you can have meaningful negotiations. The other matters will not be capable of adequate negotiation because the employer will say that there is no requirement on him to discuss them. They can simply be allowed to sit on the table without response and the union will not be abled to get any satisfaction through arbitration because the arbitrator will note be able to touch it. For example, Clause 55(2) says:

> No arbitral award shall deal with the standards, procedures or processes governing the appointment, appraisal, promotion, demotion, transfer, lay-off or release of employees, or with any term or condition of employment of employees that was not a subject of negotiation between the parties during the period before arbitration was requested in respect thereof.

Clause 55(3) says:

> An arbitral award shall deal only with terms and conditions of employment of employees in the bargaining unit in respect of which the request for arbitration was made.

In other words, very little can be bargained. As well, Clause 5 limits that even further. That clause is a management's rights clause which is much stronger than you find in the private sector. Clause 5(3) says:

> Nothing in this Part shall be construed so as to affect the right or authority of an employer to determine the organization of the employer and to assign duties and classify positions of employment.

In other words, there is no way employees can directly get at many of the problems which provoked them into all the effort which has preceded the introduction of this Bill.

This Bill is technically not an expansion of rights, it is a diminution of rights. For a period of six months the Canada Labour Relations Board had certified some 1,000 employees on Parliament Hill. Those employees therefore enjoyed the full collective bargaining rights available under the Canada Labour Relations Code which is as ample a code as exists in Canada. That has now been taken away. On the pretext that the Government's rules for its employees shall be followed, the Government has gone forward with a set of rules which take away the certifications granted by the Board. That fails to recognize the efforts the unions put into getting that certification. The Government then applies a number of other restrictions.

It should be clear that there were other reasons for which the workers formed unions than that of wages and benefits. They were concerned because their dignity as workers was being threatened. They were concerned because they felt there were a lot of injustices in things such as classification and staffing. They were concerned that there was no meaningful grievance process on Parliament Hill. Grievances could be lodged but the final stage was with management and there was no outside arbitration. When that is the case, of course, a grievance process can never work particularly effectively. They were concerned about arbitrary management action. They were concerned about what they felt was evidence of nepotism in various places. They were concerned about documented instances of sexual harassment. They were concerned about the fact that there were substantially different salaries being paid to workers who were doing essentially the same job. They were concerned that health and safety was not being respected for employees on Parliament Hill. They were concerned that, almost alone among employees under federal jurisdiction, or what they thought was federal jurisdiction, they did not have

the fundamental right to form a union, freely associate, bargain collectively, and enforce collective bargaining by recourse to a strike.

What has come down the pipe? Bill C-45. It does not grant the right to strike. It restricts collective bargaining. It totally excludes Members' staff, apart from the question of their being able to seek adjudication on unjust dismissal. If they do so, they will have no union representative at their side in order to help them fight that particular case. They will either have to get grace and favour assistance from the union, which is doing it because it believes that the Members' staff should be represented, or they will have to hire a lawyer at great expense in order to fight that particular case.

• (1740)

I am sure you know that the staff of the Members of the House of Commons are not that well paid, and for many of them that will be a further hardship and sacrifice if they have to use legal counsel in order to take a case before an outside arbitrator in the event of unjust dismissal. If they complain in public, they will be liable to dismissal.

I was disappointed that the Liberals, when we came to the vote just a few minutes ago on my amendment, which would have extended collective bargaining rights to Members' staff, were no more progressive on this issue than the Progressive Conservatives. They agreed with the Government's stand that next to no rights should be given to Members' staff.

What progress was there during the course of the committee hearings? Well, three things occurred. We broadened the title of the Bill to include the Library of Parliament. I think that was my contribution as the Librarian of Parliament is a constituent and I was simply acting on behalf of an elector in my riding.

The Government brought forward amendments, which were accepted, to extend grievance rights to allow grievances to go to arbitration respecting discipline, demotion and dismissal, and respecting the questions of classification and staffing. The Parliamentary Secretary in committee indicated publicly—and I have just checked this with him and confirmed it—that although the Government has not been prepared to agree to the negotiation of issues of staffing or classification for parliamentary staff, the Government is prepared to use its good offices, through the Board of Internal Economy, to ensure that the administration of the House of Commons will consult with the staff through the unions which have been formed on issues of classification and staffing. I will be watching, as one Member who, among other things, has many of the affected employees in my riding, to ensure that that particular commitment is respected.

During the hearings, there was real concern, which I think was felt by Members on all sides, including my friend for Nepean—Carleton, the Member for Gatineau (Mrs. Mailly) and the Member for Ottawa West (Mr. Daubney), Conservative Members who took part in the hearings, and I think we all felt real misgivings about the quality of the labour relations administration at the House of Commons. It was symbolized by the fact that the House was extremely reluctant to agree to any participation on paid time by the presidents of the three unions, who got certification so they could see what was going on and as well help Members in the work. At the same time, the House saw nothing at all wrong with having as many as 15 or 20 management staff from the House of Commons sit in on many of our hearings. That kind of inequity spoke to us about an attitude within the House of Commons which helps to account for the fact that the workers have unionized. They have been very unhappy about what has been going on, and the House of Commons does not yet appear to have learned very much.

I have already commented on whether or not the rights that have been granted are the same as those that Public Service workers have. I would comment on the fact that the concession with respect to certification is a very minor one. These three unions were already recognized. It would have been perfectly easy for the Bill to have extended the CLRB recognition to those three unions, the Alliance, NABET and the security staff, without the people having to go and get certification again.

In passing I want to say a very sincere thank you for the very constructive and helpful participation from the Alliance, from the Parliament Hill local of the Alliance, and also to Mr. Jacques Audette and Allan Piché, who were particularly helpful to me, and to all of the other people from the other unions who took part, gave us information and were extremely helpful. I am afraid that their help was not repaid in this particular area because the concession on certification is a very minor one. For reasons of certainty I have been advising the unions that it may make sense for them to get new cards, because they can get automatic certification, we were told, if they get 51 per cent of their bargaining unit with new cards.

I regret the fact that, given the peculiar circumstances in the House of Commons, the Government was not prepared to grant policy grievances to the unions on Parliament Hill. This is a different place from the Public Service. In the Public Service there is a network of consultation mechanisms, which I mentioned before, which has taken 40 years to build up. We have not got the time to do all of that catching up. Allowing what are called policy grievances or union grievances to be taken collectively would have anticipated problems and helped to sort things out much more quickly, and I think would have been an appropriate way of dealing with some of the special conditions that are here, particularly since most workers across the country have it.

I welcome—even if I am dismayed at the delay—the assurance from the Parliamentary Secretary that the issues of technological change and negotiation of staffing will be incorporated in this Bill if they become part of the Public Service Staff Relations Act. I believe they should have been included now, but it is better to have them later than not to have them at all. I have already stated my disagreement with

the Government in terms of its antediluvian view on the question of the right to strike.

I have two final comments to make on this particular Bill, which, as I said before, we are opposing. We are opposing it on principle because it still is inadequate labour legislation. What has been done during the course of the hearings—and everyone did contribute positively to them—is to turn a Bill, which was totally unacceptable to the workers involved, into a Bill which they perforce feel they have no choice but to accept. It is the only game in town. Nonetheless, the amendments put forward by the Government that allow grievances through arbitration by individuals on matters of classification and staffing and that kind of thing are the barest minimum to make the Bill barely tolerable to the unions. While we do not have to go along with that, I understand the desire to get the Bill through.

I feel very strongly personally about the total exclusion of Members' staff from this Bill. I think that is wrong and I think we are going to discover it is wrong when sometime in the next year or two we get some staff members from different Members' offices—hopefully not the New Democratic Party—who feel compelled to go to the public and make a public issue of some complaint or some problem because they have no redress and no recourse, having been left out of Bill C-45.

I feel particularly strongly over the fundamental denial of collective bargaining rights because of the denial of the right to strike. I feel that the limitations on bargaining are such that it makes this a very bad Bill. I would say in conclusion that good labour relations are very important. I hope that the Speaker, the acting Administrator of the House of Commons, and the Board of Internal Economy members who are not listening will see these comments in *Hansard*.

The House of Commons is back in the dark ages in terms of its labour relations. It must take Bill C-45, inadequate as it may be, seriously. It must seek harmony in labour relations, accepting fully that workers who have chosen to form trade unions are exercising a right available to all Canadians, and not a begrudging kind of attitude that has gone on until now when the House is trying to take those rights away.

If that were to be the spirit in which Bill C-45 is administered by the House of Commons, then it has some prospects of working. If the current attitude persists, it has no opportunity to work at all. I hope it will work for the sake of the employees affected. I am sorry the Bill could not have been a better one.

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, I am happy to rise this afternoon on behalf of my constituents in Nepean—Carleton, many of whom are employees in the parliamentary precinct, to offer comment about Bill C-45. The legislation before us this afternoon is long overdue. The House and the Government are to be congratulated for the introduction and hopefully the passage of this Bill. I have been most impressed, since my arrival in the parliamentary precincts some 22 months ago, by the quality of employees who work here. I have been impressed by their dedication, their goodwill, their skills, their talents and, most important, their enthusiasm and willingness to help people like myself and my colleagues. I thank them for those many wonderful contributions.

• (1750)

The original introduction of this Bill many months ago was a positive step forward. I thought it was useful legislation at the time since it was designed to give employees who work on the Hill essentially the same rights as public servants, with certain caveats. One of those caveats was that there was no right to strike. Another was that it did not apply to members of political staff.

In contrast, various features of the Canada Labour Code, particularly Part III and Part IV, were to apply to all employees, including those in Members' offices.

The Bill proceeded to committee after a thorough debate at second reading. It was not only a privilege but a very positive experience for me to sit on that legislative committee. I must congratulate my colleagues from all sides of the House on their participation, their goodwill, their contributions and the manner in which the committee was conducted.

The legislative committee received many excellent briefs, all of which were realistic and sincere in their attempt to improve the legislation with which the committee was dealing. I congratulate those individuals who appeared before the legislative committee as well as those who represented organizations or associations, for their positive contributions and helpfulness in assisting members of the committee to improve this legislation. A number of concerns arose while hearing evidence in that legislative committee. I was disturbed to learn that the adjudication or grievance process that exists on the Hill was not working well. I was concerned about internal nepotism, although I am pleased to report that I heard no evidence about political nepotism.

There was much evidence to suggest that the personnel management within the human resources division is not what it could or should be. We heard about many types of harassment, including sexual harassment, which caused us great concern.

We heard many concerns from a wide variety of sources about job classification and job description. Following the presentation of those briefs, the committee had a thoughtful and progressive discussion about how to improve the legislation. As a result, a number of amendments were introduced; some by the Government, some by my opposition colleagues, and some by individual members. There were two amendments of particular importance to me. The first concerned the merit principle that is now adopted and inherrent in this proposed legislation. I believe this was an important consideration from the early stages of the legislative process and one which was lacking in the original Bill. I compliment the Government House Leader for introducing such a provision in Clause 63(1)(e) of the legislation. I would like to read it so that it will be on the record. The clause reads:

> where the employee has been denied an appointment, the employer's evaluation of the skill, fitness and ability of the employee with respect to the employee's qualification for the appointment—

It goes on to note that this relates to grievance and eventual adjudication if necessary. This merit principle is a very important addition to the legislation.

The second principle that I find important is the third party adjudication. During the legislative hearing process we heard about many cases where the existing grievance and adjudication process in the internal adjudication system has not worked. It is vitally important to establish a procedure whereby our employees can go through a third party grievance and adjudication process for an independent review of matters of concern to them. I am delighted that this is included in the legislation.

It is important for us to understand that the Government House Leader has given his strong assurances that as bargaining rights and privileges are extended to members of the public service in the future, they will also be extended to employees here on the Hill. That is a very important principle for us all to understand because it sets the tone for what will happen to our employees in the future.

This is good and progressive legislation, and gives our employees an array of rights and privileges which they so richly deserve. I hope all Members will support this Bill.

Mr. Deputy Speaker: Questions or comments? Debate.

• (1800)

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I would like to comment briefly on this Bill and recall that this is a historic piece of legislation.

In fact, Parliament is at last responding to the wishes of its employees to organize for the purpose of defending their rights.

I remember, in the last months of the last Parliament, that a parliamentary committee consisting of representatives of all three political groups, had been trying to reach agreement on a Bill that would get unanimous consent before the last election, a Bill that would have given our employees on the Hill the right to organize a union and defend their interests in a more direct and orderly fashion from then on.

The Canadian Charter of Rights and Freedoms recognizes the right of any group of workers to organize in order to defend themselves against any abuse of authority by the employer, and since we in Parliament adopt legislation to set certain standards for Canadian companies in their relations with their employees, the fact that Parliament had yet to give its employees the right to organize was becoming an altogether embarrassing and anachronistic situation.

I think the Government's Bill is a step in the right direction. Of course, it does not go as far as I personally would have liked, but I must admit the Government has made some progress. I understand that I am to continue my speech after Private Members' Business, at seven o'clock.

Mr. Deputy Speaker: I am sorry to interrupt the Hon. Member for Papineau.

* * *

BELL CANADA ACT

MEASURE TO ENACT

The House resumed consideration of Bill C-19, an Act respecting the reorganization of Bell Canada, as reported with amendments from the Standing Committee on Communications and Culture.

Mr. Deputy Speaker: It being 6 o'clock, pursuant to Standing Order 13(5), the House will now proceed to the taking of the deferred divisions on the report stage motions on Bill C-19, an Act respecting the reorganization of Bell Canada.

Call in the Members.

• (1810)

[*English*]

And the division bells having rung:

Mr. Speaker: The House will now proceed to the taking of the deferred divisions on Bill C-19. The first question is on Motion No. 3A. Mr. Masse moved:

Motion No. 3A

That Bill C-19, be amended in Clause 6 by striking out line 3 at page 3 and substituting the following therefor:

"(c) if the Commission has not otherwise specified, the Company has not received therefor".

The House divided on the motion No. 3A, which was agreed to on the following division:

(*Division No. 281*)

YEAS

Members

Attewell
Belsher
Bertrand
Binns
Blackburn (Jonquière)
Blais
Bourgault
Boyer
Bradley
Brightwell
Brisco
Browes
Caldwell
Cardiff
Carney
Champagne (Saint-Hyacinthe-Bagot)
Chartrand
Clark (Brandon-Souris)
Clinch
Cochrane
Comeau
Cook
Cooper
Cossitt
Côté (Lac-Saint-Jean)
Crofton
Crosbie (St. John's West)
Crosby (Halifax West)
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Dorin
Duplessis
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Gass
Gérin
Gormley
Gottselig
Graham
Greenaway
Grisé
Guilbault (Drummond)
Gustafson
Halliday
Hamilton
Hardey
Hawkes

Bell Canada Act

Members

Hicks
Hockin
Holtmann
Horner
Howie
Hudon
Jacques
Jardine
Jelinek
Jepson
Jourdenais
Kempling
Kilgour
King
Ladouceur
Landry
Lawrence
Layton
Leblanc
Lesick
Lewis
MacDougall (Timiskaming)
Malone
Mantha
Marin
Masse
Mayer
Mazankowski
McCain
McCrossan
McDermid
McDougall (St. Paul's)
McKenzie
McKinnon
Merrithew
Minaker
Moore
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oostrom
Paproski
Peterson
Pietz
Plourde
Porter
Ravis
Redway
Reimer
Ricard
St. Germain
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton-Wentworth)
Scowen
Siddon
Speyer
Stackhouse
Stewart
Suluk
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Vankoughnet
Vézina
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Wise
Witer—136.

NAYS

Members

Allmand
Althouse
Baker
Benjamin
Berger
Blaikie
Caccia
Cassidy
Deans
de Corneille
de Jong
Finestone
Foster
Frith
Fulton
Gagliano
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Isabelle
Jewett
Keeper
Langdon
MacLellan
Malépart
Manly
McCurdy
McDonald (Broadview-Greenwood)
Mitchell
Nunziata
Nystrom
Orlikow
Ouellet
Parry
Pépin
Prud'homme
Riis
Robichaud
Rodriguez
Tardif (Richmond-Wolfe)
Tobin
Waddell
Young—46.

● (1820)

Mr. Speaker: I declare the motion carried.

Mr. Gray (Windsor West): Mr. Speaker, I rise on a point of order. If you would inquire of the House, there might well be a disposition to have the remaining votes dealt with by applying this vote in reverse to the following motions: Nos. 5, 8A, 9, 10 and 12.

Mr. Speaker: Does the House consent to that suggestion?

Some Hon. Members: Agreed.

Mr. Speaker: Therefore, the next vote is on Motion No. 5 standing in the name of Mr. Orlikow. Mr. Orlikow moved:

Motion No. 5

That Bill C-19, be amended in Clause 6 by striking out lines 3 to 5 at page 3 and substituting the following therefor:

"(c) a financial guarantee of payment by the customer or a third party or such provisions in respect to advance payments that may be established by the CRTC both of which shall not amount to more than one month's advance payment of the subscriber's normal monthly charge."

The House divided on Motion No. 5, which was negatived on the following division:

(Division No. 282)

YEAS

Members

Allmand
Althouse
Baker
Benjamin
Berger
Blaikie
Caccia
Cassidy
Deans
de Corneille
de Jong
Finestone
Foster
Frith
Fulton
Gagliano
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Isabelle
Jewett
Keeper
Langdon
MacLellan
Malépart
Manly
McCurdy
McDonald (Broadview-Greenwood)
Mitchell
Nunziata
Nystrom
Orlikow
Ouellet
Parry
Pépin
Prud'homme
Riis
Robichaud
Rodriguez
Tardif (Richmond-Wolfe)
Tobin
Waddell
Young—46.

NAYS

Members

Attewell
Belsher
Bertrand
Binns
Blackburn (Jonquière)
Blais
Bourgault
Boyer
Bradley
Brightwell
Brisco
Browes
Caldwell
Cardiff
Carney
Champagne (Saint-Hyacinthe-Bagot)
Chartrand
Clark (Brandon-Souris)
Clinch
Cochrane
Comeau
Cook
Cooper
Cossitt
Côté (Lac-Saint-Jean)
Crofton
Crosbie (St. John's West)
Crosby (Halifax West)
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Dorin
Duplessis
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Gass
Gérin
Gormley
Gottselig
Graham
Greenaway
Grisé
Guilbault (Drummond)
Gustafson
Halliday
Hamilton
Hardey
Hawkes
Hicks
Hockin
Holtmann
Horner
Howie
Hudon
Jacques
Jardine
Jelinek
Jepson
Jourdenais
Kempling
Kilgour
King
Ladouceur
Landry
Lawrence
Layton
Leblanc
Lesick
Lewis
MacDougall (Timiskaming)
Malone
Mantha
Marin
Masse
Mayer
Mazankowski
McCain
McCrossan
McDermid
McDougall (St. Paul's)
McKenzie
McKinnon
Merrithew
Minaker
Moore
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oostrom
Paproski
Peterson
Pietz
Plourde
Porter
Ravis
Redway
Reimer
Ricard

Members

St. Germain
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton-Wentworth)
Scowen
Siddon
Speyer
Stackhouse
Stewart
Suluk
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Vankoughnet
Vézina
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Wise
Witer—136.

Mr. Speaker: I declare the motion lost.

The next vote is on Motion No. 8A standing in the name of Mrs. Finestone. Mrs. Finestone moved:

Motion No. 8A

That Bill C-19, be amended in Clause 11

(a) by adding immediately after line 9 at page 4 the following

"(2).1 No person shall directly or indirectly acquire control of the Company without the prior approval of the Commission."

(b) by striking out line 18 at page 4 and substituting the following therefor:

"(1),(2).1 or (3) may be specific or general and".

The House divided on Motion No. 8A, which was negatived on the following division:

(*Division No. 283*)

YEAS

Members

Allmand
Althouse
Baker
Benjamin
Berger
Blaikie
Caccia
Cassidy
Deans
de Corneille
de Jong
Finestone
Foster
Frith
Fulton
Gagliano
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Isabelle
Jewett
Keeper
Langdon
MacLellan
Malépart
Manly
McCurdy
McDonald (Broadview-Greenwood)
Mitchell
Nunziata
Nystrom
Orlikow
Ouellet
Parry
Pépin
Prud'homme
Riis
Robichaud
Rodriguez
Tardif (Richmond-Wolfe)
Tobin
Waddell
Young—46.

NAYS

Members

Attewell
Belsher
Bertrand
Binns
Blackburn (Jonquière)
Blais
Bourgault
Boyer
Bradley
Brightwell
Brisco
Browes
Caldwell
Cardiff
Carney
Champagne (Saint-Hyacinthe-Bagot)
Chartrand
Clark (Brandon-Souris)
Clinch
Cochrane
Comeau
Cook
Cooper
Cossitt
Côté (Lac-Saint-Jean)
Crofton
Crosbie (St. John's West)
Crosby (Halifax West)
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Dorin
Duplessis
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Gass
Gérin
Gormley
Gottselig
Graham
Greenaway
Grisé
Guilbault (Drummond)
Gustafson
Halliday
Hamilton
Hardey
Hawkes
Hicks
Hockin
Holtmann
Horner
Howie
Hudon
Jacques
Jardine
Jelinek
Jepson
Jourdenais
Kempling
Kilgour
King
Ladouceur
Landry
Lawrence
Layton
Leblanc
Lesick
Lewis
MacDougall (Timiskaming)
Malone
Mantha
Marin
Masse
Mayer
Mazankowski
McCain
McCrossan
McDermid
McDougall (St. Paul's)
McKenzie
McKinnon
Merrithew
Minaker
Moore
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oostrom
Paproski
Peterson
Pietz
Plourde
Porter
Ravis
Redway
Reimer
Ricard
St. Germain
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton-Wentworth)
Scowen
Siddon
Speyer
Stackhouse
Stewart
Suluk
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Vankoughnet
Vézina
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Wise
Witer—136.

Mr. Speaker: I declare the motion lost.

The next vote is on Motion No. 9 standing in the name of Mrs. Finestone. Mrs. Finestone moved:

Motion No. 9

That Bill C-19, be amended in Clause 11 by striking out line 27 at page 4 and substituting the following therefor:

"of not less than ninety per cent of the total".

The House divided on Motion No. 9, which was negatived on the following division:

(*Division No. 284*)

YEAS

Members

Allmand
Althouse
Baker
Benjamin
Berger
Blaikie
Caccia
Cassidy
Deans
de Corneille
de Jong
Finestone
Foster
Frith
Fulton
Gagliano
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Isabelle
Jewett
Keeper
Langdon
MacLellan
Malépart
Manly
McCurdy
McDonald (Broadview-Greenwood)
Mitchell
Nunziata
Nystrom
Orlikow
Ouellet
Parry
Pépin
Prud'homme
Riis
Robichaud
Rodriguez
Tardif (Richmond-Wolfe)
Tobin
Waddell
Young—46.

Bell Canada Act

NAYS

Members

Attewell
Belsher
Bertrand
Binns
Blackburn
(Jonquière)
Blais
Bourgault
Boyer
Bradley
Brightwell
Brisco
Browes
Caldwell
Cardiff
Carney
Champagne
(Saint-Hyacinthe-Bagot)
Chartrand
Clark
(Brandon-Souris)
Clinch
Cochrane
Comeau
Cook
Cooper
Cossitt
Côté
(Lac-Saint-Jean)
Crofton
Crosbie
(St. John's West)
Crosby
(Halifax West)
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Dorin
Duplessis
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Gass
Gérin
Gormley
Gottselig
Graham
Greenaway
Grisé
Guilbault
(Drummond)
Gustafson
Halliday
Hamilton
Hardey
Hawkes
Hicks
Hockin
Holtmann
Horner
Howie
Hudon
Jacques
Jardine
Jelinek
Jepson
Jourdenais
Kempling
Kilgour
King
Ladouceur
Landry
Lawrence
Layton
Leblanc
Lesick
Lewis
MacDougall
(Timiskaming)
Malone
Mantha
Marin
Masse
Mayer
Mazankowski
McCain
McCrossan
McDermid
McDougall
(St. Paul's)
McKenzie
McKinnon
Merrithew
Minaker
Moore
Nicholson
(Niagara Falls)
Nickerson
Nielsen
Nowlan
Oostrom
Paproski
Peterson
Pietz
Plourde
Porter
Ravis
Redway
Reimer
Ricard
St. Germain
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Hamilton-Wentworth)
Scowen
Siddon
Speyer
Stackhouse
Stewart
Suluk
Thacker
Towers
Tremblay
(Québec-Est)
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa-Carleton)
Vankoughnet
Vézina
Vincent
Warner
Weiner
White
Wilson
(Swift Current-
Maple Creek)
Wilson
(Etobicoke Centre)
Winegard
Wise
Witer—136.

Mr. Speaker: I declare the motion lost.

The next vote is on Motion No. 10 standing in the name of Mrs. Finestone. Mrs. Finestone moved:

Motion No. 10

That Bill C-19, be amended in Clause 12 by adding immediately after line 39 at page 4 the following:

"(2) The CRTC may, of its own motion or on any matter before the Commission, examine the dividends paid, or proposed to be paid, by Bell Canada to Bell Canada Enterprises, as well as any loans, royalties, contracts, management fees, or other inter-corporate transactions and, if the Commission finds that any of these has resulted in, or is likely to result in, rates to customers of Bell Canada which are not reasonable and just, the Commission may set aside such transaction in whole or in part and may make such other order as it deems necessary to compensate or protect customers of Bell Canada."

The House divided on Motion No. 10, which was negatived on the following division:

(Division No. 285)

YEAS

Members

Allmand
Althouse
Baker
Benjamin
Berger
Blaikie
Caccia
Cassidy
Deans
de Corneille
de Jong
Finestone
Foster
Frith
Fulton
Gagliano
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Heap
Hopkins
Hovdebo
Isabelle
Jewett
Keeper
Langdon
MacLellan
Malépart
Manly
McCurdy
McDonald
(Broadview-
Greenwood)
Mitchell
Nunziata
Nystrom
Orlikow
Ouellet
Parry
Pépin
Prud'homme
Riis
Robichaud
Rodriguez
Tardif
(Richmond-Wolfe)
Tobin
Waddell
Young—46.

NAYS

Members

Attewell
Belsher
Bertrand
Binns
Blackburn
(Jonquière)
Blais
Bourgault
Boyer
Bradley
Brightwell
Brisco
Browes
Caldwell
Cardiff
Carney
Champagne
(Saint-Hyacinthe-Bagot)
Chartrand
Clark
(Brandon-Souris)
Clinch
Cochrane
Comeau
Cook
Cooper
Cossitt
Côté
(Lac-Saint-Jean)
Crofton
Crosbie
(St. John's West)
Crosby
(Halifax West)
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Dorin
Duplessis
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Gass
Gérin
Gormley
Gottselig
Graham
Greenaway
Grisé
Guilbault
(Drummond)
Gustafson
Halliday
Hamilton
Hardey
Hawkes
Hicks
Hockin
Holtmann
Horner
Howie
Hudon
Jacques
Jardine
Jelinek
Jepson
Jourdenais
Kempling
Kilgour
King
Ladouceur
Landry
Lawrence
Layton
Leblanc
Lesick
Lewis
MacDougall
(Timiskaming)
Malone
Mantha
Marin
Masse
Mayer
Mazankowski
McCain
McCrossan
McDermid
McDougall
(St. Paul's)
McKenzie
McKinnon
Merrithew
Minaker
Moore
Nicholson
(Niagara Falls)
Nickerson
Nielsen
Nowlan
Oostrom
Paproski
Peterson
Pietz
Plourde
Porter
Ravis
Redway
Reimer
Ricard
St. Germain

Members

Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton-Wentworth)
Scowen
Siddon
Speyer
Stackhouse
Stewart
Suluk
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Vankoughnet
Vézina
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Wise
Witer—136.

Mr. Speaker: I declare the motion lost.

The next vote is on Motion No. 12 standing in the name of Mr. Orlikow. Mr. Orlikow moved:

Motion No. 12

That Bill C-19, be amended in Clauses 13 by striking out lines 25 to 43 at page 5.

The House divided on Motion No. 12, which was negatived on the following division:

(*Division No. 286*)

YEAS

Members

Allmand
Althouse
Baker
Benjamin
Berger
Blaikie
Caccia
Cassidy
Deans
de Corneille
de Jong
Finestone
Foster
Frith
Fulton
Gagliano
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Hopkins
Hovdebo
Isabelle
Jewett
Keeper
Langdon
MacLellan
Malépart
Manly
McCurdy
McDonald (Broadview-Greenwood)
Mitchell
Nunziata
Nystrom
Orlikow
Ouellet
Parry
Pépin
Prud'homme
Riis
Robichaud
Rodriguez
Tardif (Richmond-Wolfe)
Tobin
Waddell
Young—46.

NAYS

Members

Attewell
Belsher
Bertrand
Binns
Blackburn (Jonquière)
Blais
Bourgault
Boyer
Bradley
Brightwell
Brisco
Browes
Caldwell
Cardiff
Carney
Champagne (Saint-Hyacinthe-Bagot)
Chartrand
Clark (Brandon-Souris)
Clinch
Cochrane
Comeau
Cook
Cooper
Cossitt
Côté (Lac-Saint-Jean)
Crofton
Crosbie (St. John's West)
Crosby (Halifax West)
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Dorin
Duplessis
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Gass
Gérin
Gormley
Gottselig
Graham
Greenaway
Grisé
Guilbault (Drummond)
Gustafson
Halliday
Hamilton
Hardey
Hawkes
Hicks
Hockin
Holtmann
Horner
Howie
Hudon
Jacques
Jardine
Jelinek
Jepson
Jourdenais
Kempling
Kilgour
King
Ladouceur
Landry
Lawrence
Layton
Leblanc
Lesick
Lewis
MacDougall (Timiskaming)
Malone
Mantha
Marin
Masse
Mayer
Mazankowski
McCain
McCrossan
McDermid
McDougall (St. Paul's)
McKenzie
McKinnon
Merrithew
Minaker
Moore
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oostrom
Paproski
Peterson
Pietz
Plourde
Porter
Ravis
Redway
Reimer
Ricard
St. Germain
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton-Wentworth)
Scowen
Siddon
Speyer
Stackhouse
Stewart
Suluk
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Vankoughnet
Vézina
Vincent
Warner
Weiner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Wise
Witer—136.

Mr. Speaker: I declare the motion lost.

[*Translation*]

Hon. Marcel Masse (Minister of Communications), seconded by Mr. Nielsen, moved that Bill C-19 as amended be concurred in.

Mr. Speaker: Is the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to on division.

Mr. Speaker: When shall the Bill be read the third time? With leave of the House, now?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: At the next sitting of the House.

Mr. Prud'homme: On a point of order, Mr. Speaker.

Mr. Speaker: The Hon. Member for Saint-Denis (Mr. Prud'homme) on a point of order.

Mr. Prud'homme: I would like to ask whether the House would agree, in view of the importance of the Bill which we shall be considering in a few moments and which stands in the name of the Hon. Member for Hull—Aylmer (Mr. Isabelle)—It is now 6:28 p.m.. In its generosity, maybe the House—

[*English*]

—maybe the House in its generosity will accept going on until 7.26 so that the Hon. Member for Hull—Aylmer (Mr. Isabelle), who has been waiting quite a long time to debate this very important Bill, may be given permission to do so. It is simply a question of being generous to the Hon. Member.

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: It being 6.28 p.m., the House will now proceed to the consideration of Private Members' Business.

PRIVATE MEMBERS' BUSINESS--PUBLIC BILLS

[*Translation*]

AIRPORTS

MEASURE TO CHANGE THE NAME OF OTTAWA INTERNATIONAL AIRPORT

Mr. Gaston Isabelle (Hull—Aylmer) moved that Bill C-208, an Act respecting the international airport at Ottawa, be read the second time and referred to a Legislative Committee.

He said: Mr. Speaker, I am pleased to speak to Bill C-208 whose purpose is to change the name of Ottawa Airport to National Capital Airport, for we can say that the airport serves the region of the capital of Canada which is located in the Province of Ontario and the Province of Quebec.

In my opinion, Mr. Speaker, the federal Government might clear up an anomaly which now exists in the air transport sector in the National Capital Region. As I said a moment ago, this anomaly is that the airport is located in the National Capital Region and this is why the purpose if this Bill is to change the name to National Capital International Airport.

If we go back in history, Mr. Speaker, and I do not want to prolong the debate on this question, we have to remember that symbols should be displayed so that Canada's capital may become the National Capital Region of Canada, not located only in Ottawa which, for all practical purposes, is an Ontario city. Local residents must identify with the national capital of Canada, and this kind of symbol is the only way to make it into a real capital for all Canadians. It has to be the soul of the Canadian nation. Canadians must develop this kind of nationalist spirit which is so sorely lacking. For all practical purposes we are a new country, hardly a few hundred years old.

For merely 20 years or so, we have had a flag which is a national symbol and a source of pride for many Canadians, but I suggest we should do something to enhance this pride by making our national capital the true heart and soul of the Canadian nation.

Mr. Speaker, we would be well-advised to remember that in Book V of the report of the Royal Commission on Bilingualism and Biculturalism entitled "The Federal Capital", on page 88, the commissioners wrote, and I quote:

—we recommend that the question of convenient access to transportation and communication services for the various parts of the capital area be given greater consideration in the future by the federal government and provinces of Ontario and Quebec. Only in this way can certain disparities between the two sectors be overcome—

—the two sectors of the national capital region which, for all practical purposes, as was indicated by the Premiers in Toronto in 1969, is the national capital of Canada—

—and real freedom of choice of residence made meaningful in the capital area.

We should emphasize the benefits both from a symbolic and practical point of view of changing the designation from Ottawa International Airport to National Capital Airport.

Mr. Speaker, I need not add anything. I am aware that the Ottawa Airport do not service only Ottawa residents, but also the residents of the whole national capital region, both on the Ontario and Quebec sides. For this reason, I ask, hopefully with the support of the House, that the name Ottawa International Airport be changed into National Capital Airport.

The Acting Speaker (Mr. Paproski): Debate, the Hon. Member for Ottawa Centre (Mr. Cassidy) has the floor.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I should like to take part in the debate on Bill C-208 which is sponsored by my colleague from the riding of Hull—Aylmer and whose purpose is to change the name Ottawa International Airport to Ottawa-Hull International Airport.

Mr. Speaker, this Bill cannot be considered as being very important since it involves a minor name change for the airport which serves us all in the national capital. But still it is a name change which is rather symbolic, and we ought to know that symbols are really important, and perhaps they have more significance when they have to do with the very nature of our country. This is why I support the Bill of my colleague from Hull—Aylmer.

• (1830)

[*English*]

We recently had an example of what can happen when the symbolism goes wrong in terms of the relationship between the two major municipalities in the national capital. Regardless of the growing size of Gatineau or of the importance of the cities of Nepean and Gloucester in terms of population, it is still the case that the two major municipalities in the National Capital Region are the cities of Ottawa and Hull.

One very refreshing and encouraging development of the last six years while Marion Dewar was Mayor of Ottawa was the *rapprochement* between the City of Ottawa and the City of Hull. There were meetings between municipal councillors Mayor Dewar was on very good personal terms with Michel Légère, who has now been the Mayor of Hull for three years

or four years. They communicated on upcoming issues and sought to come up with a common position.

One fine symbolic example of the friendshp which exists between the City of Ottawa and its sister city on the other side of the river was that on Canada Day the Mayor of Ottawa led a group of citizens and councillors across the Interprovincial Bridge where they met in the middle with the Mayor of Hull and a group of his councillors and citizens.

Just a few weeks ago the Canada's Capital Visitors and Convention Bureau voted that in future the tourist publicity for Ottawa-Hull, which has used the proposed name for the airport in the Bill of my hon. colleague, should in fact only use the name of Ottawa. It said that in marketing terms this might make some sense. The move was supported by the new Mayor of Ottawa, Mr. James Durrell.

I am afraid that single gesture did terrible damage in terms of harming the constructive and mature relationship which has developed between Ottawa and Hull and between Ottawa area municipalities and those of the Outaouais. It is clear that personal relationships between the two mayors have been deteriorating, I suspect largely because of actions by the Mayor of Ottawa. Shortly thereafter the Mayor of Ottawa announced that rather than take the citizens of this community across the river to meet with their counterparts in Hull on Canada Day, he would have brunch with senior citizens at Lansdowne Park. No one objects to him having brunch with senior citizens; it is a good thing to do. However, there is no reason that he could not have brunch with them at ten o'clock and then meet with the Mayor of Hull and the citizens of Hull at twelve o'clock or something like that. Once again it looked like and it was a slap in the face, not only to the Mayor of Hull but to all citizens on the Quebec side.

We have a community in the National Capital Region which is heavily bilingual. If we look at the proportions of the population in the National Capital Region on both sides of the Ottawa River, we are just about a microcosm of the country. Some 25 per cent are French-speaking in the National Capital Region. Obviously it is a higher proportion in Hull than it is in Ottawa. Nonetheless, this city more than any other city in Canada, with perhaps the exception of Moncton, is a city in which one grows accustomed to the fact that one hears French and English side by side, wholly accepted and used commonly by people on the buses, people in the stores, people in offices and everywhere else.

In marketing terms it might be difficult for people to think of Ottawa-Hull rather than only Ottawa. Yet, the reason for doing it is that this is an awkward country and we should somehow make it survive. We are French and we are English. We are stretched right across 4,000 miles. We should have a name which reflects in tourist literature the bicultural identity which we have here.

The Mayor of Ottawa said that Hull does not reflect the ethnic composition of the people who live on that side. Well, Ottawa does not do so either. If it did, we would all be native peoples; we would be from Canada's first peoples, not from second or third generations by way of immigration in the last 200 years or 300 years.

In supporting this particular Bill, I think it is a symbolic way of indicating the nature of the national capital. If one wanted to find a name upon which people could agree, we could use as an example the name of the airport at Toronto. It might be a good idea too. However, if we are to call it by the name of the city or cities served, I suggest that the House of Commons should in fact take the lead, particularly after the slights by a politician at another level of government who does not seem to understand the symbolic importance of ensuring that our duality—our dual cultures and our dual languages—is reflected in all things we do in the nation's capital. Of course, this is not just in Ottawa nor just in the Regional Municipality of Ottawa-Carleton. The nation's capital includes as large an area on the Hull side as it does in Ottawa, and certainly Hull is very much an integral part of the national capital. Thanks to developments of the last few years, it has a substantial proportion of the public servants who work in the national capital.

I hope Hon. Members will join with the Hon. Member for Hull—Aylmer (Mr. Isabelle) and myself in supporting the measure and ensuring that it is adopted today.

Mr. David Daubney (Ottawa West): Mr. Speaker, it gives me pleasure to speak in the debate on Bill C-208. As the only member on the Government side whose riding and boundaries are entirely within the City of Ottawa, I feel obliged to do so, just as I did when the Hon. Member for Hull—Aylmer (Mr. Isabelle) introduced his perennial Bill to rename the national capital as Ottawa-Hull. The Bills are similar in purpose, Mr. Speaker. I realize we are on shortened hours because of the nature of today's business, so I will try to keep my remarks as brief as possible in order to give my colleague, the Hon. Member for Ottawa—Carleton (Mr. Turner) an opportunity to speak as well.

• (1840)

I think the interaction between people in the City of Ottawa, people in the City of Hull, people in the adjoining municipalities of Quebec and in other municipalities on the Ontario side of the river is an integral and vital part of our life here in the nation's capital. But the interactions which form our characters, as individuals, as groups, as cities has no limit. If we are to follow the logic behind this Bill, which is to rename the airport the Ottawa-Hull International Airport, we recognize only the additional importance of the City of Hull.

Mr. Benjamin: What do you mean, "only"?

Mr. Daubney: Were we to accept the Hon. Member's Bill today and rename the airport the Ottawa-Hull International Airport, what about the day after? Where do we stop? It might be and logically should be the Ottawa-Hull-Nepean-Gloucester-Vanier-Aylmer-Gatineau Airport.

Ottawa International Airport

An Hon. Member: And what about Cumberland?

Mr. Daubney: And Cumberland. I shudder to think what the luggage tags would look like.

Mr. Benjamin: Come up with a better argument.

Mr. Daubney: I want to touch briefly as someone interested in the history of aviation and this region on the rather colourful history of the airport in Ottawa. The site of the airport is linked with the history of early aviation in Canada which I believe is much overlooked. I am delighted our Government is recognizing that with the construction of a brand new Museum of Aviation History, which I visited recently, and which is located in the riding of my colleague from Ottawa—Carleton. It will be a first-class showcase for Canadian aviation.

The site of the present airport was first established in the 1920s when a number of aircraft were operated from what was then known as the Hunt Club Field. These operations were random and were conducted solely for pleasure. It was not until Colonel Charles Lindbergh's visit to Ottawa in 1927 that the majority of the people of Ottawa became aware of the location of the landing field. In commemoration of his visit, the site was named Lindbergh Field. My father told me when he was a young boy that he was at the airport that day along with my grandfather, who worked in the City of Ottawa at that time. As you may know, Mr. Speaker, there was a terrible crash, and one of the visiting American aviators was killed in a tragic accident that day.

Regular flying activity at the site began with the incorporation of the Ottawa Flying Club on January 14, 1928. The landing field was leased from Uplands Realty and the club began operations with two Moth airplanes, one of which I understand is presently in the collection of the National Aviation Museum. There were no runways and operations were carried out from the natural sod and sand dune surface of the field.

In 1935 the airport, then known as Uplands Field, was operated by the Ottawa Flying Club with refueling by Imperial Oil. Facilities included a clubhouse, an office and three small hangars. In 1935, an official of what was then the civil aviation branch, part of National Defence, expressed some concern about the condition of the airport. In 1937 that branch, which had then been incorporated by the new Department of Transport, reported the field was still rough but that it would be easy to improve it, that two 5,000 foot landing strips could be constructed if necessary. The Department built three runways of approximately 900 metres in length and two of 1,000 metres in length by approximately 60 metres in width. The airport was formally opened on August 20, 1938.

Mr. Benjamin: Mr. Speaker, I rise on a point of order. I am enjoying the history of the airport in Ottawa going back to 1937. The Bill in front of us has to do with the name of the airport and nothing else, not whether people flew in Tiger Moths or mothballs.

The Acting Speaker (Mr. Paproski): That is a point of debate.

Mr. Benjamin: No, it isn't. It has to do with the name of the airport.

The Acting Speaker (Mr. Paproski): I would hope that Hon. Members would try to allow other Members to speak during Private Members' hour. We have only 15 minutes. If I take up any more time, there will be less than that.

Mr. Benjamin: He is faking it.

The Acting Speaker (Mr. Paproski): The Hon. Member for Ottawa West (Mr. Daubney).

Mr. Benjamin: What do you think of the name of the airport? Call it Tiger Moth Airport.

Mr. Daubney: In December, 1939 the airport was designated to be used for military purposes and a service flying training school was established by the RCAF. This was the first such school in Canada. When airport lighting was installed in 1940, a permanent airport licence was issued.

Mr. Benjamin: Were they gas lights or candles?

Some Hon. Members: Oh, oh!

Mr. Daubney: In addition to training pilots for military service, Ottawa Airport was used extensively at the beginning of the war for testing aircraft manufactured by Ottawa Car and Aircraft Ltd., located in my riding of Ottawa West. That factory produced a lot of war armaments.

In 1944, the Department of Transport had made numerous improvements and extensions to the land area. In July 1954 the airport was designated as an international alternate for North Atlantic operations.

In 1959 the new terminal was scheduled to open. An unfortunate collision of a U.S. airforce jet, however, postponed it. The official opening by the then Prime Minister, the Right Hon. John G. Diefenbaker, did not take place.

It was not until August, 1964 that the designation of the airport was changed to its present name, the Ottawa International Airport, the subject matter of this Bill. That was done on August 24, 1964 by the then Minister of Transport, who I believe was the Hon. Lionel Chevrier, a government headed by the Hon. Lester Pearson.

It is an interesting history and I wish I had more time to enlighten the Hon. Member for Regina West (Mr. Benjamin) about it. If we are going to consider a name change, because Ottawa-Hull leaves out so many important municipalities in this area, why do we not consider renaming it something easier to say, easier to remember and perhaps more significant in our parliamentary history. We already have a precedent for this in the naming of the Toronto Airport after one of the two great Canadian political figures of the 1950s and 1960s, namely, Pearson International Airport. I think the job is just half done

because there were two great Canadians who engaged in national debate and in the direction of our country during that time. Just as it was appropriate that Mr. Pearson should be remembered in this fashion, so too should we name the airport that served Canada's capital after a great Canadian who served and cherished our parliamentary institutions, another great Prime Minister, the Right Hon. John George Diefenbaker.

Some Hon. Members: Hear, hear!

Mr. Benjamin: He already has a bridge, a dam and a highway named after him.

Mr. Daubney: Rather than begin the hyphenation of our airport's name, we should do something useful and remember a man who meant so much to Canada, to Parliament and to millions of individual Canadians. I invite the Hon. Member for Hull—Aylmer to join with me in an effort to rename the Ottawa International Airport the John Diefenbaker International Airport.

The Acting Speaker (Mr. Paproski): We have 12 minutes left. I hope the Hon. Member will judge himself accordingly. The Hon. Member for Regina West (Mr. Benjamin) has the floor for debate.

Mr. Les Benjamin (Regina West): Mr. Speaker, I have two things to say. First, the airlines themselves already recognize Ottawa-Hull in their schedules. The Hon. Member for Hull (Mr. Isabelle) wishes to change the official name to Ottawa-Hull. That is all.

Mr. Turner (Ottawa—Carleton): Wrong.

Mr. Benjamin: Who said wrong?

Mr. Turner (Ottawa—Carleton): I did.

Mr. Benjamin: You are wrong and you have a right to be.

Mr. Turner (Ottawa—Carleton): Mr. Speaker, I rise on a point of order. If I may just clarify for the record the initial Bill introduced by the Hon. Member for Hull—Aylmer (Mr. Isabelle) last year indicated that he wanted to rename the airport Ottawa-Hull. That is not correct, at this point in the debate. He wishes to rename—

The Acting Speaker (Mr. Paproski): That is debate and it is not a point of order.

Mr. Turner (Ottawa—Carleton): The House is wrong, Sir.

The Acting Speaker (Mr. Paproski): The Hon. Member for Regina West (Mr. Benjamin) has the floor.

Mr. Isabelle: Mr. Speaker, I rise on a point of order. There is some confusion in the House. I am pretty sure an error has been made by the Table.

• (1850)

Mr. Turner (Ottawa—Carleton): Agreed.

Mr. Isabelle: Last year, when I thoroughly discussed this Bill, I asked permission of the House to make a very simple change. I wanted to change the name of the Ottawa International Airport to the Ottawa-Hull International Airport. However, with unanimous consent of the House, I would change that to be the National Capital Airport. That is the object of today's discussion. The purpose of the Bill is simply to change it to the National Capital Airport, which is a much more logical approach. However, I believe the House made a mistake in reprinting. I have a photocopy of what I wanted and what I approved, and what was printed is not completely the same.

The Acting Speaker (Mr. Paproski): If that has happened it is unfortunate, but the Hon. Member will probably have another opportunity to submit the same Bill later.

Mr. Forrestall: Point of order, Mr. Speaker.

Mr. Benjamin: I thought I had the floor.

Mr. Forrestall: I am not sure how my hon. friend from Regina had the floor, but the point being made by the distinguished gentleman from Hull is quite correct. The Bill was not presented in its proper form. Because the debate remains the same, we did not at any time file an objection, preferring to hear the debate.

The Acting Speaker (Mr. Paproski): The Hon. Member for Regina West (Mr. Benjamin) had the floor in debate.

Mr. Benjamin: I thought so.

The Acting Speaker (Mr. Paproski): I call them as I see them. I think each Party should have the opportunity to speak during Private Members' hour. I am sorry we only have a few more minutes left in this debate and the way we are carrying on we are not even going to have that. If the Hon. Member for Regina West is finished, I would like to call on the Hon. Member for Ottawa—Carleton (Mr. Turner). Since the airport is in his riding, I think it is only fair that we listen to him.

Mr. Benjamin: Is he on a point of order?

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): I thought the Hon. Member was finished.

Mr. Benjamin: I thought I had the floor and I was interrupted on a point of order.

The Acting Speaker (Mr. Paproski): The Hon. Member for Regina West would like to debate?

Parliamentary Employment and Staff Relations Act

Mr. Gray (Bonaventure—Îles-de-la-Madeleine): Point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The Hon. Member for Bonaventure—Îles-de-la-Madeleine (Mr. Gray).

Mr. Gray (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, I regret the fact that we have to take time from the debate for this. However, I believe it is only right that everyone concerned have the right to stand in debate on a Private Members' Bill. We are talking about the Ottawa-Hull Airport and we all have the right to talk about it, regardless of what part of the country we are from. Coming from Quebec, Sir, I will never tell you that I will not defend the Province of Quebec—

The Acting Speaker (Mr. Paproski): Order, please. That is not a point of order, it is debate. I appreciate what the Hon. Member is saying.

The Hon. Member for Regina West (Mr. Benjamin) has the floor in debate and I know he will allow the Hon. Member for Ottawa—Carleton (Mr. Turner) to say a few words before we close off the debate.

Mr. Benjamin: Mr. Speaker, all the Hon. Member wants to do is change the name of the airport. We now have it before us as the National Capital Airport, or words to that effect. The airlines already recognize it as Ottawa-Hull. The Hon. Member has agreed to amend his Bill. It is already in front of us. What the hell are we wasting time for? I will sit down and shut up and so should everybody else and let's pass it.

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, I am almost embarrassed at this point in this so-called Private Members' hour to talk briefly about this proposal. I think we have it straight now that we are talking about changing what is currently known as the Ottawa International Airport to the National Capital Airport. There is not much time left and I had prepared a number of comments on this issue.

Mr. Benjamin: Mail them.

Mr. Turner (Ottawa—Carleton): My colleague from Regina West has talked about it being so simple. It is not that simple. I wish I could unfold this map—

Mr. Gauthier: No displays, just unfold your thoughts.

Mr. Turner (Ottawa—Carleton): Ottawa—Vanier, just keep cool. I have a map here of the National Capital Region which has been magnificently put together by the National Capital Commission.

Mr. Gauthier: A friend of yours?

Mr. Turner (Ottawa—Carleton): Sometimes.

[*Translation*]

It depends—

[*English*]

Let me underline that in this National Capital Region we have 26 municipalities, two regions and two provinces. Never has any piece of real estate been managed by so many. I would love to unfold this map and show it because Ottawa International Airport is situated for the most part in the great City of Gloucester. Gloucester has about 90,000 residents, all of whom live in my great riding of Ottawa—Carleton. I would love to see the airport called the Ottawa-Gloucester International Airport. That is where it is located. It is in my riding.

Mr. Benjamin: That is not the issue.

Mr. Turner (Ottawa—Carleton): Of course it is the issue. Mr. Speaker, Shakespeare said a rose by any other name would smell as sweet. I tried to get a simple little project at the Ottawa Airport going. They wanted to call it Delta Park. I said no, let's call it Gloucester-Delta Park because it's in Gloucester. This involves the tremendous work going on at the airport right now. What did we settle on? Gloucester Industrial Park Ottawa International Airport. That is what the Department of Transport wants to call it.

The Acting Speaker (Mr. Paproski): The time provided for the consideration of Private Members' Business has now expired.

[*Translation*]

Pursuant to Standing Order 42(1) this item will be dropped from the Order Paper.

• (1900)

GOVERNMENT ORDERS

[*Translation*]

PARLIAMENTARY EMPLOYMENT AND STAFF RELATIONS ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. de Cotret that Bill C-45, an Act respecting employment and employer and employee relations in the Senate, the House of Commons and the Library of Parliament, be read the third time and do pass.

Hon. André Ouellet (Papineau): Mr. Speaker, at six o'clock when I stopped to let the Hon. Member for Hull—Aylmer (Mr. Isabelle) discuss his Private Member's Bill, I was saying that Bill C-45 was a historic piece of legislation and that by introducing this Bill, the Government had taken a step in the right direction, although I thought it had not fully met the expectations of the employees of the House of Commons.

In fact, for many months, our House of Commons employees have been demanding not only the right of association but also all the rights of employees covered by the Canada Labour Code. That is why they went before the Canada Labour Relations Board to apply for certification.

The entire process before the courts, and especially before the Federal Court, to try and prevent parliamentary employees from obtaining their union certification and the right to be covered by the Canada Labour Code instead of the Public Service Employment Act was most regrettable, in my opinion. I say this because the courts are not the best way to settle labour disputes. I think that negotiations and the process of free discussion between parties are the best way to achieve mutual respect between employees and the employer and to set up the ideal labour relations system.

I am sorry the present Conservative Government did not see fit to desist from its proceedings before the courts and that it even appealed a decision that initially seemed to favour parliamentary employees, in order to have the decision quashed before the Federal Appeal Court, so that it could introduce the kind of collective bargaining the Progressive Conservative Party wanted to force on parliamentary employees.

Some of the amendments proposed by my hon. colleagues from Hamilton East (Ms. Copps) and Ottawa—Vanier (Mr. Gauthier) should have been accepted by the Government. I think it is really too bad the Progressive Conservative Party did not deal more generously with our parliamentary employees, because this group of men and women who work for the Parliament of Canada have always shown great respect for the institution in the past and have always shown a special concern for a job well done, and I would even say a great respect for authority.

I therefore fail to understand why the amendment giving them the right to strike like any other employee in Canada who obtains the right to strike through a collective bargaining agreement, why that amendment could not have been accepted for our employees.

I know the Government is hiding behind the absolute concept of Parliament, the argument that Parliament, whatever happens, must continue to operate, and that a strike, either by employees attached to the political Cabinet or by support staff of the House of Commons and the Library of Parliament, could obstruct the normal course of our proceedings. I find this argument rather farfetched, because both at Westminster and in the U.S. Congress, a certain number of employees who are not judged to be essential to the operations of the U.S. Congress or the Mother of Parliaments do have the right to strike.

My colleague from Hamilton East (Ms. Copps) had introduced an amendment which should have been adopted, for the Government would have had to designate a certain number of employees as being people whose work is considered to be essential and who therefore would not have the right to strike. As to the others, however, be they elevator operators, messengers, parliamentary cafeteria employees or even our staff in the library, I do not think that these people, who might on some occasions but not necessarily all the time exercise their right to strike, would in fact have paralysed the Parliament of Canada.

I would suggest that the Conservative Government has taken an overly paternalistic and defensive approach to this issue. I think it should have had more faith in the sound judgment of Parliament Hill employees. Giving them the right to strike would not have been tantamount to a crime of lese-majesty. I do not think that giving them the right to strike would have led to a total paralysis of the Canadian Parliament, quite the contrary. Most of these employees have been here for years, they have given us outstanding service for a long time, we know most of them by their first name, and I think they would have shown judgment and discretion in the use of this useful and ultimate mechanism which is the right to strike of any Canadian worker.

Needless to say, the Official Opposition greatly deplores the Government's decision to turn down the amendment which we had moved precisely to make Bill C-45 a little more acceptable to Parliament Hill employees.

I must say that our Party had moved another amendment which has also been turned down by the Government, something for which I am very sorry. I refer to motion No. 11 which had been moved by my colleague the Hon. Member for Hamilton East (Ms. Copps) and which would have made it possible, where expenses are incurred in the adjudication of any dispute, to apply provisions similar to those in the Public Service Staff Relations Act.

If this amendment had been adopted, the expenses incurred in the adjudication of any dispute would have been paid by the employer, as is the case now for employees governed by the Public Service Staff Relations Act. When an employee of the Department of Labour, the Secretary of State or the Department of Consumer and Corporate Affairs is involved in a dispute, the union representative will take up the case of the employee who, in its opinion, has been unfairly laid off, and when this case is submitted for adjudication, the expenses are fully paid by the employer who has laid off this Government employee.

Since the Government is willing to accept this provision in the case of a federal civil servant, why does it want to implement a special scheme for Parliament Hill employees?

Because the Government has rejected our amendment, the employee himself or his union will have to pay all the costs incurred in the adjudication of a dispute.

I was listening to the Parliamentary Secretary to President of the Privy Council (Mr. Lewis) as he stood up for a few seconds to reply to my colleague the Hon. Member for Ottawa—Vanier (Mr. Gauthier) on this amendment. He said that it would be necessary to choose outside adjudicators who are not normally acting as adjudicators under the Public

Service Staff Relations Act and who therefore would have to be paid, and that it would only be fair for these adjudicators to be paid by the Government and the employee. As though the Government did not pay the salary of the adjudicator who is called upon to adjudicate in a dispute between a Department and one of its employees.

In my view, the Parliamentary Secretary's argument is very moot indeed, and I am concerned that the amendment was not accepted, all the more so because we are still in the dark as to the number of emloyees who will be excluded from the collective agreement process, that is the number of management staff who cannot join an employee organization and are excluded from the collective bargaining process. This means there may be a significant number, several hundred employees who will not get union protection and probably will not have their grievances upheld by the union because they will not be unionized and who, if ever they are unfairly dismissed or unfairly treated by their House of Commons employer, will have to pay their own share of the expenses if they refer their grievances to arbitration.

A hypothetical case could involve a member of the Table staff because, unless I am greatly mistaken, these people will not be joining the union. We are one of them to be unfairly dismissed, he or she would have to assume his or her defence and pay for his or her share of the cost of compensating the arbitrator who will have to determine who is right, the employer or the employee. This is a status without any counterpart in any other government employee group, and I find that absolutely unfair. I feel the Government erred when it turned our amendment down. I believe the Government should pick up the tab, as it does with all Government employees—there should be one standard for disputes sent to arbitration, all expenses should be paid by the Government, as is now the case with the public servants.

Finally, I would like to suggest in the few remaining minutes that this legislation that will be passed by Parliament is a historic one. For the first time, employees on Parliament Hill will have their employee organization. Many of them have worked very actively and very strenuously to have that organization finally recognized on Parliament Hill. I do hope no resentment will be felt either on the part of the Government or on the part of the House of Commons management against those who led that union movement.

I think that Jacques Audette was one of the very first to defend the rights of employees on Parliament Hill, along with Andrée St-Jean, René Saumure, Debbie Brown, Francine Gauthier, Jeannine Perras and many others that I forget, and I am sorry if I cannot name all of those who have been the true champions of unionization to defend and protect the interests of the men and women who work on Parliament Hill.

In closing, I would like to salute and congragulate them for what they have accomplished because, while this Bill might not be perfect, it is nevertheless a first step forward. It will always be possible to improve this piece of legislation in the future.

Finally, I would like to say that these people should not be the victims of persecution. I can assure them that we, of the Official Opposition, will be vigilant and that we will keep an eye on things to ensure that this process of unionizing workers on Parliament Hill will take place in as orderly a manner and with as much co-operation and mutual understanding as possible.

I hope that, with time, the Government will come to understand that this first timid gesture can be followed by something more generous, more liberal and more acceptable for all the employees of the Canadian Parliament.

I shall close by saying that this represents half a success for us. We Liberals would have preferred a stronger Bill. The Government did not want to go any further. That is its position and we have to accept it because of its overwhelming majority.

The Acting Speaker (Mr. Paproski): Questions and comments? Debate. The Hon. Member for Gander—Twillingate (Mr. Baker).

• (1910)

[*English*]

Mr. George Baker (Gander—Twillingate): Mr. Speaker, I wish to say a few words on this Bill which we will be passing tonight by agreement of all Parties in the House. As other Members have mentioned, this perhaps could be considered an historic moment as far as the House of Commons and Senate are concerned because the House of Commons will be passing a Bill for which the employees on the Hill have been asking. As the Hon. Member for Papineau (Mr. Ouellet) pointed out, while the Bill is not perfect and does not go as far as the employees would like, at least everyone agrees that it is a step in the right direction.

I want to point out to the House during my remarks that the Government of Canada is not being consistent with its legislation and the representations made by the Government as far as the effects of this Bill on the employees are concerned. One need only to recall the Bill on Employment Equity that went through this chamber to see the exceptions that were granted under Clause 3 or Clause 4 of that Bill which excluded the House of Commons and Senate from the provisions of that Employment Equity legislation. On the one hand, the Government agrees with this step in the right direction while, on the other hand, the Government takes a major initiative in legislation as far as employees and employers are concerned in this country but excludes from the Bill the very employees we are concerned with in this legislation.

It is not really a matter that the Government of Canada has really thought out. As I mentioned, it is not a perfect Bill. People in the Public Service Alliance of Canada speak of the Canada Labour Code, which is not perfect, either. Yes, it would be a good thing to have as many employees as possible under the jurisdiction of the federal Government, whether in direct employment or through another federal agency, like the House of Commons or through a private employer on federal

property. Yes, it is fine to say that they would be covered under the Canada Labour Code, but then, as many Hon. Members of the House know, that, in itself, is a very confusing matter.

• (1920)

The Government of Canada, in considering this new measure, should really rethink its entire policy of the past two years concerning all employees, whether employed directly by a federal Government Department or agency or by private employers. There is a tremendous amount of confusion as to the classification of work and the wages to be paid. We need only look at the Bill before this Chamber to see that it raises the very interesting question in the employees' minds as to where one would be classified in the workforce; in other words, concerning the description of the employment. Then the question arises as to the wages that would be paid to these particular employees.

We have seen the policy of the Government of Canada evolve over the past two years, relating to payments to employees of the federal Government or to those employed by an agency under its control, whether or not they are employees that are contracted to a federal Government Department. There has been an awful lot of confusion. We have seen the Charter of Rights brought in. The equality provision came into effect last year, 1985. We have seen the equality of employment legislation introduced into the House and passed through this Chamber; yet one sees an attitude on the part of the Government that it is somehow still legal and possible for the Government of Canada to pay differing wages to people in exactly the same job classifications.

One need only look at the City of Ottawa compared to an area just outside of the city. Look at the federal Treasury Board today and what has been approved, mostly with regard to designated employees. One sees wage differences. One might be a messenger, a carpenter or a tradesman with the federal Government. One is doing exactly the same job; one has the same classification. Here lies the problem in this particular Bill as to how the classifications will be determined. Employees could have the same classification but be paid different wages by the same employer.

Employees' unions, branches of the Public Service Alliance of Canada, look at a new measure like this coming into this Chamber, and these kinds of questions come to mind: How will the employees be classified? On what basis will they be treated for wage increases or for work performance and work duties? We know they are excluded from the only Bill that passed in this Chamber relating to equity in employment. We know that. However, we do not know anything else. We do not know if they will be treated and classified in the same manner as a person in similar employment in the private sector or in another branch or Department of the federal Government. We do not know if the Treasury Board guidelines would apply in the classification stage for those particular employees.

While the Bill is in its final stages, I would strongly recommend to the Government of Canada, as would, I am sure, all of the unions interested in this Bill, that the Government take a very serious look at the implications with regard to classification of the federal Government, the Treasury Board, or an agency of the federal Government, of people employed directly or indirectly by the federal Government, relating to the Charter of Rights and Freedoms, to the section that came into effect on equality of employment.

The Human Rights Commission sets forth what we all agree, that there should be no discrimination involving people who perform work of equal value, not even in wages. The legislation should at least state that someone placed in a certain classification should receive wages equal to those received by someone in the same classification but in another branch of the federal Government. Unfortunately, then the problem is compounded because the federal Treasury Board and the Government of Canada state it is perfectly legitimate to pay differing wages although the classification is exactly the same. Therefore, it does not only affect those who are employed directly by the federal Government, but also those employed indirectly through the federal Government, through its agency or Department. That appears in the Estimates under which the federal Budget is allocated. There is contained the amount of money set aside for that particular Department or agency. In other words, it goes even further than classifications of federal employees, as we understand them. It has even reached, in recent months, into the area of what actually governs the wages, classifications and labour laws of people who work on what is known as federal property.

There is a very serious problem in this country today. We look at the Canada Labour Code that the unions and employees were discussing with regard to this legislation. There is a very serious problem that is arising; that is, concerning the definition of what law applies to a particular worker who is on federal property and comes within federal jurisdiction. In other words, if one considers federal property close by, for instance, Montreal airport or Mirabel airport, federal property, then—

Mr. Bouchard: St. John's.

Mr. Baker: Well, yes, the Hon. Minister is very interested in Mirabel, very interested in Dorval, so his ears perked up. I think he knows, in the back of his mind, what I am about to say relating to classifications by the federal Government and how determination is made under the Canada Labour Code. I am simply referring to the matter of a 67 per cent wage decrease for certain workers on federal property. Both Hon. Members opposite know the subject very well.

• (1930)

Let us say that this is a group of employees who work on federal property and who perform jobs on behalf of a private individual, for example, an airline. The Minister knows about what I am talking. These employees who come under federal

labour jurisdiction are suddenly told that their wages will drop by 67 per cent. That is what happened.

Mr. Tobin: Impossible.

Mr. Baker: That is what happened.

Mr. Foster: A Tory Government!

Mr. Baker: Yes. That is what happened to all the refuellers of aircraft. The problem is who will protect these people.

First, there is the fact that they are working on federal property. Second, the provincial Governments will say that these workers cannot be classified and paid according to provincial laws because they work on federal property. They will say: "If you have a problem, go to the Canada Labour Code. Go to the federal Department of Labour. Go to the Minister who is so interested in Mirabel and Dorval".

Mr. Bouchard: And St. John's.

Mr. Baker: The Minister says: "and St. John's". They have gone to this particular Minister, which raises an interesting question as it relates to this Bill. How can we classify and protect workers and the wages they receive if they are not direct employees of the federal Government? That is to say how can we protect them if they are employed by an agency of the federal Government as opposed to being employed by the federal Government? Therein lies the problem. The Government will have to address it, and address it very quickly.

As I said earlier, there is the Charter of Rights and Freedoms which does not allow a distinction to be made on the basis of where one lives. The present situation today is that if one is a Newfoundlander and works for the federal Government on a federal boat and when one crosses the 102 longitude, one's wages increase by $300 a month. That is the present policy of Treasury Board. As I also mentioned before, if one lives in Ottawa and is a carpenter, a messenger or a federal employee under General Trades and Labour, then one receives a different salary from someone working in Toronto doing exactly the same job. The fact of the matter is that for the first time the legislation which is before the House would give employees the right to say: "All right, we are represented by a bargaining unit". I think the federal Government has a duty to examine just where it is going and just what the impact of the Charter of Rights and Freedoms is or should be.

The Human Rights Commission and the Bill which passed the House recently on employment equity should also be considered in this context. I am afraid that is something that is not being done by the Government. However, members of the Official Opposition will hound the Government until these wrongs are corrected. We will hound the Government until the present legislation is brought up to par, in other words, until the employees of the House of Commons and the Senate receive what they so rightfully deserve.

The Acting Speaker (Mr. Paproski): Are there questions or comments? The Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin).

Mr. Tobin: Mr. Speaker, it is always a great pleasure to sit and listen to the Hon. Member for Gander—Twillingate (Mr. Baker). In addition to being one of the most articulate Members of this House and one of the most entertaining speakers in this House, he is also one of the most knowledgeable whenever he addresses the House on any particular Bill.

I think that Members of Parliament would sit in anger in their seats after being informed, as we just were by the Hon. Member for Gander—Twillingate, that there are people who are working indirectly under contract for the federal Government who have experienced a 67 per cent reduction in their salaries. As the Hon. Member indicated, that type of action is being allowed to take place under the nose of the Government and on federal property. As it relates to this Bill, it does not provide for employees to grieve in a substantial way under the normal collective bargaining process classification.

This is a 67 per cent reduction in an individual's salary—a 67 per cent chop, a chunk, a piece taken out of his ability to provide for himself and his family. It represents 67 per cent of his shelter and his food, 67 per cent of his ability to clothe and school his children and 67 per cent of his recreation moneys. In relation to this type of brutal and Draconian measure occuring under the nose of the federal Government on federal property and the type of problem we now see in Alberta with the Gainers strike, does the Hon. Member believe that the private sector is looking to the federal Government in the final analysis for leadership when it sees this type of activity occuring with the silent consent of the federal Government on federal property? In the final analysis, does the private sector seek to emulate that type of practice which causes ugly and trying situations such as the one we see as a result of the Gainers strike in Alberta?

Mr. Baker: Mr. Speaker, without referring to any particular strike that is happening, let me answer the Hon. Member's question in a general way as it relates to the responsibilities of the federal Government. With regard to the 67 per cent wage decrease, I was referring to a whole group of people who work on federal property in this country. This is a situation which started at Dorval and Mirabel, as the Minister knows. However, the decision to pay 67 per cent less—to reduce salaries from $15 per hour to $8 per hour—was made because of a contract with Air Canada. Not only was it with Air Canada, it was with all our major airlines—those great corporate citizens of Canada. These are the people who put out flyers which state that they are great Canadian citizens. They carry the Canadian flag.

All the airlines which operate in Canada used the device of employing an agency in order to get a job done on federal property at those kind of prices. However, they made one mistake. The companies they asked to tender on the contracts were all companies in the United States. I tell that to the

Minister as a fact. Yet when the Minister of Labour (Mr. McKnight) was in the House he said that it was a matter of contracts open to public tender. What he did not say, and probably what he did not know, was that those invited to tender were all American companies. Here we have people who were indirectly employed through a Crown corporation working on federal property who are at the whim of the invitation to tender of four American companies out of New York. When the company about which I am speaking which employs these people on federal property turned around and said: "We will have to reduce your wages by 67 per cent," there was nothing the federal Government could do about it, as far as the Minister of Labour mentioned in this House.

Mr. Tobin: Or would do.

Mr. Baker: Or would do. However, the Minister who is in the House is now attentively listening to my remarks. I wish to assure the Minister that my interest in this particular subject is because of the fear I have that what happened at Dorval and Mirabel will spread to Gander, Stephenville and St. John's, Newfoundland. That is what I was concerned about. I would not like to see employees working on federal property and coming under federal law in terms of wages and hours of work have their wages reduced by 67 per cent. Because the company in Dorval and Mirabel is owned by the same people who have the same contracts in Newfoundland, Nova Scotia, New Brunswick and right across this country, I was afraid that it might catch on. The company would say: "Well, you know, we asked for invitations to bid without telling anyone but those in the United States of America and then we reduced everyone's salary by 67 per cent". An employee comes to me and says: "Well, look, the labour laws of Newfoundland or Quebec do not apply to us because we are on federal property". There are federal laws governing the way these employees are treated, not directly by the federal Government but indirectly by an agency of the federal Government. They are governed by federal law because they are on federal property.

• (1940)

It appears that this is a spreading phenomenon. It has got down to the work sheet. Let us take a look at the bottom line, everyone. Crown corporations and the Government of Canada treat their employees by looking at the bottom line and erasing deficits. They lay people off or reduce their wages arbitrarily. They take away their benefits and they do whatever they can to keep the Minister of Finance (Mr. Wilson) happy until he brings down his next Budget so he will tell the business world and the so-called good corporate citizens like the ones I just mentioned a few moments ago that he will keep them happy and content.

Mr. Riis: But at what price?

Mr. Baker: The hon. gentleman asks at what price. We can see that price being paid today from Newfoundland to British Columbia. We can see the unfairness of the Treasury Board in every single contract it negotiates or refuses to negotiate or when it designates employees and tells them to take it or leave it. It tells employees that they do not have the right to strike or to walk out. It tells the ship workers in Newfoundland and Nova Scotia that they are going to receive $400 a month less than those who work west of 102 degrees longitude. The federal Government can get away with that, and that is what is really disturbing.

In its responsibilities to Canadians for federal property and indirect federal employees, the Government is being absolutely outrageous. Yesterday the Minister of Transport (Mr. Mazankowski) said that he could not help the deficit of the Newfoundland Railway, that Newfoundland should solve its own deficit problem but keep on with the railway. In other words, there will be lay-offs, reductions in benefits and more costs to the consumers. That is the attitude of the Government.

We are saying that the Bill before the House is a good Bill, a great Bill. It takes at least one step, but it does not go all the way. When the Government is in the process of classifying these people and allocating their wages, which is the first job it will have to do, it should, for goodness' sake, look at what it is doing to other federal employees or, more correctly, to employees who are indirectly employed by the federal Government, either on federal property or by Crown corporations. This is the sector for which the Canada Labour Code is supposed to function in an honourable way.

Mr. Tobin: Mr. Speaker, I have a short question for the Hon. Member. All Hon. Members are suffering from a collective mania. We are suffering because of a misunderstanding. The Hon. Member for Gander—Twillingate (Mr. Baker) rose in his place and told Hon. Members that Air Canada, which flies airplanes displaying Canadian flags, has tendered to American companies but not to Canadian companies to do refuelling for Air Canada. We also misunderstood and obviously misheard the Hon. Member when he said that the contract went to an American company which is servicing in Canada a Crown corporation and paying Canadian workers 67 per cent less.

Would the Hon. Member tell us that we are all having a bad dream? Would he pinch us and wake us up?

Mr. Baker: Mr. Speaker, the Hon. Member is absolutely incorrect. He did not misunderstand me at all. He heard me absolutely correctly, and I defy anyone to tell me that I am wrong because I have gone into this matter. Not only that but I have gone to the registry of companies to find out just who is involved both in the United States and in Canada.

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member but questions and comments are now terminated.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I was not intending to rise in my place to take part in debate on Bill C-45. However, the spindles in my brain were well greased as I listened to the eloquent plea of the Hon. Member for Gander—Twillingate (Mr. Baker) on behalf of

federal civil servants directly affected by Bill C-45 and civil servants elsewhere in Canada who suffer from the kind of federal discrimination which has become institutionalized since the election of this Government some 18 months ago.

A moment ago, I rose to ask the Hon. Member if he could assure me of the accuracy of the report he made to Parliament indicating that an extremely visible and perhaps the most visible Crown corporation actually offered a tender opportunity to four American companies to do the refuelling of Air Canada jets and did not offer that opportunity to Canadian companies. He said it did this in order to reduce the costs of refuelling services because it knows American companies pay vastly lower salaries than Canadian companies. When the Hon. Member said that and when he reconfirmed that the Crown corporation that carries the flag of Canada would engage in such an activity, the spindles in my brain became lubricated and I decided I had to rise to my feet.

That kind of preying on Canadian workers, that kind of manipulation of Canadian labour law, that kind of exploitation of federal property and federal labour jurisdiction which could otherwise not occur if a worker were to be classified under provincial labour laws has to come to an end. The whistle has to be blown on that kind of abuse of our citizens.

When Members of Parliament from all three Parties make comments about what is happening in Alberta with the Gainers strike, when Hon. Members shake their heads and wonder if that kind of confrontation is really necessary, when Hon. Members collectively recognize that the seeds of that confrontation arose out of a basic perception that workers are nothing more than company assets, and when Hon. Members regret that kind of development, they ought to remind themselves that the example followed by the Peter Pocklingtons of the world is not found in the shadows of their minds but in pieces of legislation like Bill C-45.

Bill C-45 denies the employees of Parliament Hill normal collective bargaining rights and federal labour law classification codes. As my colleague, the Hon. Member for Gander—Twillingate has pointed out, this is the kind of legislation that allows an employee on a federal ship in Newfoundland to be paid $400 per month or up to $6,000 per year less than someone in British Columbia with exactly the same classification working on exactly the same kind of ship and doing exactly the same kind of job. That is possible under federal legislation and it has happened.

Hon. Members opposite who are looking at me and saying to themselves that this simply cannot be true will have either received a visit from the union representing these employees in the last few weeks or will receive one. The action taken by a union recently on Parliament Hill was unique and almost unprecedented. Representatives of that union, including those who come from the privileged area of British Columbia and those who come from the underprivileged area of Atlantic Canada, the area of disparity in respect of wages, came to Parliament Hill. For example, a representative from British Columbia told Members of Parliament that he was here to fight for his colleagues in Nova Scotia, New Brunswick and Newfoundland. He said that he was paid $400 more for the same job as his colleagues in Nova Scotia, New Brunswick, and Newfoundland. He thought that was wrong. That case is being made today to the Minister of Transport (Mr. Mazankowski) and to the President of the Teasury Board (Mr. de Cotret). Thus far institutionalized discrimination has not been addressed.

• (1950)

Why am I concerned about Bill C-45? I agree with the Hon. Member for Gander—Twillingate that it is a step in the right direction. It begins to take Hill employees down the road toward the ability to represent themselves and to negotiate on their own behalf. It is not collective bargaining, and it does not go far enough. I am not only talking about the right to strike which is the final weapon in any collective negotiation, a weapon which most other Canadians have. The Bill was improved because it was amended to provide for a grievance procedure. As I said, it does not go far enough; it does not include the right to strike for non-essential employees, those people who are not deemed essential for the operation of these premises.

The Bill would prevent the PSAC from taking policy issues to grievance. The Government has been granted a one-year period to reorganize classifications. During that period, PSAC cannot file any grievances whatsoever. The Bill should set an example for the private sector, for the country in general. It purports to allow employees of the Hill to organize and to represent themselves. It is shameful, not because it is a total failure, but because it should be setting an example for the people of Canada. It is Hon. Members, who have been elected to fill these seats, who should be setting an example of the kind of society we can create and build. When we as Members of Parliament, who hold positions of responsibility, cannot organize ourselves to set up an arrangement with our own employees which allows them the dignity of collective bargaining and the normal rights afforded to other federal employees, we are like all those people who say: "Yes, but not in my back yard".

As we forsake the employees of Parliament Hill, as we deny employees of Parliament Hill normal collective bargaining rights which accrue to any other worker in the country, so too do we forsake and deny our right to speak with a conscience and with effect about the kind of labour abuse we see going on today in respect of the Gainers strike in Alberta. This kind of legislation gives comfort to the Peter Pocklingtons. This kind of legislation draws a map for the Peter Pocklingtons. This kind of legislation flowing from this Chamber wipes out whatever moral authority parliamentarians have to make a positive contribution in a world too often filled with labour strife.

I urge the Government to consider withdrawing the Bill—not to have it defeated forever—for two reasons. The first reason is that Hill employees have launched an appeal of the

court decision which refused to acknowledge their right to be recognized under the Canada Labour Code. The court stood by the federal Government, but the employees have now served notice of an appeal of that judgment in the Supreme Court of Canada. Passage of this legislation will automatically annul the appeal action which has been launched; the court will not hear the case. In a preliminary decision the court set aside and reserved judgment on hearing that appeal. If this legislation is approved in the House, we will have denied Hill employees the most basic right of any Canadian citizen—the right to take his or her case to the highest court in the land. Surely that is no example for the Government of Canada to set. Even if the Government is convinced it is right, in the final analysis due process must be followed, and due process is not followed when an appeal to the Supreme Court of Canada is ignored by Parliament in passing legislation in advance of the court's decision on the appeal which has been launched.

The second reason the piece of legislation should be set aside, even though it is a step in the right direction, is the implications, the Government of Canada will see when it has examined the situation. For example, what about the implications of Air Canada going to an American contractor rather than a Canadian contractor because it knows that Americans pay 67 per cent less and therefore it can get its service cheaper? What are the implications of that kind of activity increasing? What are the implications of the situation like the Gainers strike in Alberta? It is not a dispute between Peter Pocklington and a group of employees in that particular plant. It has become a symbol. If it is not resolved in a civilized and responsible manner, where both sides compromise, as should always occur in any negotiation, that strike will mark the beginning of terrible labour strife in Canada.

In that environment the federal Government should make a statement which sets a responsible example and shows the importance it places upon the value of its employees. Let the federal Government make a statement which recognizes that its employees are more than just widgets in the inventory of the federal Government's resources. Let it show that they are more than just part of the equipment around here. Let it make a statement which recognizes that its employees are Canadian men and women who deserve the dignity of a collective bargaining process similar to that being offered to employees elsewhere in the country.

I pray Hon. Members opposite will heed these words of brilliant wisdom which I have uttered on behalf of employees who have quietly and unashamedly asked that they be treated no better or no worse than any other citizen of Canada.

Mr. Baker: Mr. Speaker, I should like to ask the Hon. Member a question. It concerns people who come under the Public Service Alliance of Canada and have contracts with the federal Government. If they are covered by a union, one would expect that employees of the federal Government, either directly or indirectly, would have some rights. However, in the case of Cyril Pynn in Grand Falls who had a federal contract and came under PSAC, he was laid off with two weeks' notice. I realize the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) represents Corner Brook. The name I just mentioned was that of a gentleman in my riding who had an agreement with the Government under the Public Service Alliance of Canada. It is what the Government calls a term employee contract. Such contracts are always renewed after six months under the PSAC. I just tossed out that name. I should like to ask the Hon. Member if he has received any such telephone calls. I have not alerted him to the fact that I would ask this question, but I would bet my bottom dollar that he knows what I am talking about. Has he received any such notification from a constituent working for the federal Government in Corner Brook, coming under the Public Service Alliance of Canada, and being heaved out the door with two weeks' notice because of a slippery little clause in the contract? I should like to ask him whether he has any such people in his riding. If so, will he inform the House under what branch of the federal Government was this PSAC employee employed?

• (2000)

Mr. Tobin: Mr. Speaker, it appears the Member when he was speaking earlier said that this mentality of the federal Government of treating people like widgets is spreading at an alarming rate. Not only has the Member heard from Cyril Pinn in the community of Grand Falls but I have heard from several individuals in the community of Cornerbrook who have been treated in a similar fashion. I have heard from one individual who had been employed in a term position with the federal Government for the better part of two decades who was summarily dismissed by the Government of Canada from his job as a cleaner, cleaning federal buildings, because the Government decided that, under the same escape clause, it could get under contract an employee for slave wages to do the same job as did this gentleman, who had a family and a household to support. The Government summarily dismissed him and tendered the cleaning job out to contractors who hire people at a salary of about 40 per cent less. They were kind enough to tell the gentleman as he was on the way out of the door that he could always apply for the job at 40 per cent less wages.

The other case I have heard about is that of someone who was summarily dismissed, effective on July 1, the day we celebrate Canada Day, the day we take pause from our work and labours to contemplate the riches, the generosity and the values of this country, that day that has been set aside as appreciation day for all that this country has offered us. On that day, Mr. Speaker, an employee of Employment and Immigration, the job creation branch in my riding—think about it and imagine the irony—told an employee that effective the day on which he would normally celebrate, normally ponder, normally give thanks for all this country has given him, he is summarily, on a few weeks' notice, picked up and, as we say in Newfoundland, by the scruff of his neck and the slack of his pants flung out the door—a unionized employee. The Member asks whether the problem is spreading. The answer is yes.

Parliamentary Employment and Staff Relations Act

I must admit that I brought to the attention of the Minister of Employment and Immigration (Miss MacDonald) this particular case, not because I was concerned that the employee was being picked up by the scruff of his neck and slack of his pants and flung out the door effective July 1, Canada Day, not because I was concerned with him as an individual—and I am concerned with him as an individual—but because this particular employee was responsible for administering 70 federal job creation projects. He is one of only three or four in the Corner Brook office who manage an area 500 miles long with about 70,000 people and 300 projects. When he goes, effective July 1, by the scruff of his neck and the slack of his pants out the door there will be only three people left, which means that each of them will be responsible for administering 90 programs over an area 500 miles long. I was protesting his dismissal not only and not even because it was a terrible treatment to a human being but because in the process of doing it the federal Government was destroying its own job-creation program.

I brought the matter to the attention of the Minister, not on behalf of the employee but on behalf of the proper and rational expenditure of federal job creation programs and because by getting rid of this employee in Newfoundland the federal Government was making it impossible for the employment development branch to do its work. I still have not heard from the Minister, but I am patiently and hopefully, let me say, waiting.

Mr. Baker: Mr. Speaker, I have a supplementary question. I want to say, because the Minister of Employment and Immigration (Miss MacDonald) is in the House—I do not know whether the hon. gentleman is aware of this, but I believe he is—that yesterday the Minister said that she was going to re-examine what was happening. In fact, she extended the time of the employees for two weeks. In this case I have to take my hat off to the Minister of Employment and Immigration for intervening—

Mr. Tobin: For two weeks.

Mr. Baker: —for that two week period. I have to do that. The Minister is going to deny that she intervened. She is going to deny and say: "No, I let my Department do what it had to do". I have the official record. I even know when the phone call was made. The Minister personally intervened.

However, I want to ask the hon. gentleman a simple question. What would he like this Minister to do now, now that she has extended the employment time of these people for two weeks? Would he like the Minister to have additional information? Perhaps people work harder in Newfoundland than in a lot of other areas of Canada, the United States and around the world.

Mr. Tobin: Mr. Speaker, that was both an informative and extremely thought-provoking question. I will attempt to answer it in the short time the Speaker will allot me.

First, I also take off my hat to the Minister of Employment and Immigration. It points out that Members of Parliament who do their jobs sincerely, honestly, with a good heart, a good mind and a good soul can make a difference. The Minister listened to Members over here. Our hat is off for two weeks, Mr. Speaker. In two weeks if you see me with my hat back on, that is fair warning to the Minister.

What would I like the Minister to do? I have told the Minister privately that administering 70 projects over 20,000 or 30,000 square miles of territory is not like administering projects in downtown Toronto. The Minister knows that. She knows the difference. I would like to see those people reinstated but, more important, I would like to see them made permanent employees of the federal Government. This overuse of term employees is wrong. We have had employees in Newfoundland who have been term employees for 10 years. That is an abuse of the individual and it is time the overextended, overused term employee concept is picked up by the scruff of the neck, the slack of the pants and flung out the window.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Resuming debate. The Hon. Member for Hamilton Mountain (Mr. Deans).

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I have listened with some patience, not a lot I must admit, to speeches in the last little while. I must confess to some confusion.

I took the opportunity to talk with those who are employed on Parliament Hill and who will be affected by this legislation. I spoke at some length over a number of months to a variety of individuals who represent what I would consider to be a good cross-section of the employment opportunities and the employment that would generally be affected by this legislation. They told me two things, and I think I owe it to the House to relay what I consider to be an important message.

They said that they felt the legislation as it was proposed was unsatisfactory. They said that it did not adequately reflect either the scope necessary to deal with the problems that they themselves believe they faced on an ongoing basis, and neither did it represent a sufficiently broad cross-section of the total occupational population of Parliament Hill. I will come back to that in a moment because the second thing they told me is of some importance when juxtaposed against the most recent two or three speeches. These people told me that the legislation goes much further than the Liberals ever went, but the one thing that disappointed them was that, after years and years and years of a Liberal Government, they had been unable to get that Government and that Party to move toward the recognition of the need for collective bargaining as a right for public servants who worked on Parliament Hill. I find it passing strange, in fact somewhat aggravating, that after years of forming the Government members of the now Official Opposition have the unmitigated gall to rise in this House of Commons and attempt to appear to defend the rights of the people who work for Parliament.

• (2010)

Some Hon. Members: Hear, hear!

Mr. Deans: I can well understand the political requirements. I can well appreciate the need to suck up long after the date for atonement has passed. I can well appreciate the desire on the part of the Official Opposition to make it appear that somehow or other, by virtue of some massive transformation, they now represent the best interests of the people who work for the Parliament of Canada. However, I find it unbelievable. I suspect that the overwhelming majority of people who asked the Liberal Government over the years for the right to organize, who for years sought from the Liberal Government a nod or even a wink which would have indicated some desire of some kind to allow them the right to bargain collectively, feel the same way.

It is not often that I find myself at odds with my good friend and colleague, the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin). However, I must confess that this evening he has taken me beyond the pale. He has driven me to my feet, which as you can understand, Mr. Speaker, is no easy task. It is rare that I rise in the House of Commons. However, on this rare occasion I want to say that I find his arguments to be absolute and utter nonsense.

Some Hon. Members: Hear, hear!

Mr. Deans: Not the content, let me say, concerning the way his constituents are treated. I say to him that his constituents have been badly treated by Government for as long as they have been his constituents.

Mr. Tobin: Even before?

Mr. Deans: Even before. When we represented them it was bad even, let me tell you. However, for him to attempt to leave the impression here tonight that somehow or other, by virtue of the result of the September, 1984 election those constituents now within the Public Service, who were there before, are worse off than they were under the Liberal Government is total nonsense if one considers it in the collective bargaining context. I know he is a fair and honourable soul and will want to correct the record.

Some Hon. Members: Oh, oh!

Mr. Deans: I know he will because I can see in his eyes that sense of shame he feels having made these extravagant statements which, no doubt, under normal circumstances he would never have made. He was driven to it. By what I am not sure but he was driven to it nevertheless.

What is contained in this legislation is unsatisfactory. On that count my friend from Humber—Port au Port—St. Barbe is absolutely correct, as was his colleague.

Mr. Lewis: You are starting to lose me now.

Mr. Deans: The legislation is not nearly adequate. He is absolutely correct when he says that many of the problems confronted by people who work in the Public Service, particularly on Parliament Hill, and who up until this point in time, notwithstanding many years of Liberal Government, have not been given the opportunity to bargain collectively, are not dealt with within this legislation. It does not afford those people the opportunity to correct the ills perpetrated on them over many, many years by a regime, Liberal though it may have been, with minor interruptions by the Conservative Party, which did not recognize their rights or the obligation of Government to its employees. I can understand that. He is right in that regard. He is also right in saying that it may well be that the vast majority of those covered by this legislation could, under normal circumstances, be given that the right to withdraw their services, given from time to time that may be deemed necessary.

Maybe we should have spent more time or should now spend more time trying to determine if there are classifications of employees that fall within the general definition of essential services. We could do that. We should. I have said so before and I say it again. However, frankly, I find that when the now Official Opposition, the Liberal Party, represented by 39 or 40 people at the moment, barely more, I must admit, than us, when they sit there and pontificate on how, if they were only the Government, things would be different, I cannot believe it. My colleague from Beaches looks at me and, in his normal earnest Scottish way, says "Not true". You know something? He is right. If I were to ask my other colleagues, or my friend from the Conservative Party who is sitting here giving us advice on pensions, they and he would tell us, I am sure, that had he the opportunity he would alter the legislation to conform with what we believe is necessary. I can see it in his eyes.

What I am trying to get at is that enough is enough. We have the legislation before us. It is all we are going to get. We think it to be inadequate. We consider that it could be altered somewhat marginally to reflect the realities. I do not understand why both the Liberal and Conservative Members want to deny their staffs the right to belong to a bargaining unit. If the Liberal Party is so determined that more rights should be extended to those who work on Parliament Hill, I do not understand why they do not voluntarily extend that right, as we have, to their staff. Give them the right to bargain collectively now rather than say they cannot do so because it is not in the Bill.

We in this Party recognized many years ago the right of individuals to come together in a collective bargaining unit, whether by law or by choice. We recognized that you could sign a collective agreement with your employees and that collective agreement would afford them certain protections and benefits. We did it. We did not wait for the law to change. We did not sit back and say that the law does not permit it so we cannot do it. We did it voluntarily. I challenge the Liberal caucus to sign up their staffs in a collective agreement

structure. Let them sign a voluntary collective agreement such as we have for years accepted as the right of our employees in the NDP. Put your money where your mouth is. Well, maybe you do not have that much but do the best you can.

Mr. Blaikie: Money, that is.

Mr. Deans: Try to show by example, not by rhetoric. Idle rhetoric is available here on a daily basis from every side of the House.

Mr. Tobin: We can hear it now.

Mr. Deans: Put your money where your mouth is. Demonstrate by example that the Liberal caucus believes in the collective bargaining process. Invite representatives of the group who represents our employees to come in and sign up your employees, organize them into a unit and bargain on their behalf. Provide them with benefits, and let us together prove to the Government, albeit with difficulty, I do not deny, that collective bargaining can work for employees of Members of Parliament. Demonstrate by example that it can be done, notwithstanding the classification or category that an employee falls into.

There is the challenge. I say to my friend from Humber—Port au Port—St. Barbe, if his colleague from Montreal—Sainte-Marie or his colleague from Gander—Twillingate do not want to join with him, that is a different matter altogether. I suppose they will have to answer to their own constituents for that. Here we have the three of them, a wonderful group no doubt. Let me ask them a question: are you individually prepared to allow your staff to join in a collective bargaining arrangement? Will you allow them to join with our staff and become part of a union and bargain collectively with you? Are you prepared to do that? Are you prepared to stand up and say tonight that your staff is free to join a collective bargaining arrangement with an agent on your behalf? If so, I will make sure that the union representative is in your office in the morning.

● (2020)

Beyond that I want them to explain to me why it was that over all these years, this good labour-type group, so-called, the Liberal Party, did not bring forward any legislation like this, or even, let me say, legislation that would have allowed members of that caucus and all of the employees on Parliament Hill to have a collective bargaining agreement. I would like to hear the answers to those questions. I have taken enough time other than to say I very much appreciate the opportunity, as you know, and since I rise infrequently I thought it a good idea that I should put on the record my frustration with some of the members of the caucus from the Liberal Party who have just spoken.

Mr. Tobin: Mr. Speaker, let me say to the Member for Hamilton Mountain (Mr. Deans) who has just spoken that I have enjoyed his comments tremendously, not because they were necessarily accurate or particularly informative, but they were entertaining in the normal course of events as they are whenever the Member gets to his feet.

Let us examine what he said. What the Member said in addressing his remarks to the Member for Humber—Port au Port—St. Barbe, who so humbly stands upon his feet in this House, is that the legislation is not adequate. He said the Member is absolutely correct when he points out the inadequacies in the legislation. He said the Member is absolutely correct in pointing out some of the problems from which his constituents are suffering. That is what the Member said.

That is the substance of his remarks. All the rest of his remarks were remarks that were borne out of frustration that I, as the Member from Humber—Port au Port—St. Barbe, stood behind the Member for Gander—Twillingate, who is a Liberal Member, and when I saw that no other Member would stand to defend the interests of Hill employees, because no NDP Member was going to stand, because no Conservative Member was going to stand, I stood.

In examining what the Member said I find that it was not that he disagreed with my analysis of the Bill, in fact he said it was absolutely correct. What he was saying was that he was unhappy that two Liberals in a row rose to speak, because no other Member stood, and that was more than he could bear. Two Liberals stood to defend the basic and fundamental collective bargaining rights of any employee and, more particularly, those employees who serve Members of Parliament.

What the Member was really venting was not disagreement with my analysis but,rather some discomfort that the Liberal Party has had to fill here tonight the role of defender of those employees who could find no other voice in Parliament because no other Member but myself would stand behind the Member for Gander—Twillingate to contribute to this debate.

Having said that, let me say to the Member that my employees are free in my office, because I do not regard them as my employees. I regard them as employees who serve the people of Canada, primarily my constituency, but all the people of Canada are free to associate with whom they want. That is understood in the office that I work in.

The second thing I want to say to the Member is that as a Member of Parliament who takes seriously this reform that is supposed to imbue this place, let us find our conscience and our tongue to speak our minds. I have never failed to stand and to speak my mind notwithstanding history, the present or the future. If the Member finds that offensive, then offend I shall on many occasions.

Mr. Deans: It will be interesting to see my colleagues speak of history as it affects the future, I am not sure how he does that. My upset was not with the fact that he said things that might make sense, he always says things that make sense, I never denied it. What I find strange is that after half a century of Liberal Government the Liberal Members rise and expect us to believe that somehow or other they do not like the legislation because it does not go far enough, when after all the

opportunities they have had over years and years of government they never once brought forward a piece of legislation themselves. Never once. The Member for Humber—Port au Port—St. Barbe was here for the four years when the Liberals were in office from 1980 to 1984. I do not remember him once rising to defend the rights of Parliament Hill employees to organize as a union, to bargain collectively. I do not remember it. I ask him if he can find it in the record, to put it back on the record now. When, between 1980 and 1984, did he ever rise in his place and demand of the Government that it afford to the employees of Parliament Hill the right to collective bargaining? I say frankly to my other colleague who is desperately bobbing up and down hoping to get the floor, that I do not remember his doing it either.

It is not whether individually the Liberal Members might say that if the Hill were organized their staff could join. What I want to know is this: is the Liberal caucus committed to collective bargaining for its employees? Is the Liberal caucus prepared to say to its employees without hesitation, without equivocation, that the Liberal Members would be very pleased if the staff were to join with other people on Parliament Hill and form a union to bargain collectively with us? Let me help you out, lest you cannot find the words, I know what they are, the word is no.

The Acting Speaker (Mr. Paproski): Order, please. I always thought that questions and comments were for Members to ask of the person who was speaking, and not for the person who is speaking to be asking the questions. Maybe I am wrong. I am pretty sure that this is the way it was structured. Nevertheless, we will let it go.

Mr. Tobin: Mr. Speaker, I would only say to the Member that my employees are free to do as they wish. When he asks me whether I would let them know that it would please me greatly if they would all do a certain thing, I want to ask him, where does he find that model of democracy that says to employees, that I would be pleased if you would do a certain thing, therefore, I would be displeased if you do not do what I want you to do? That is the politburo, commissar type of relationship that one has with one's employees. I do not ever threaten my employees. I do not tell them I am pleased or displeased about decisions they take about their personal life. There are intelligent employees in my office, freely able to express themselves and to think for themselves.

Mr. Deans: I am certainly pleased to hear that. I can, therefore, assume that the answer to my question is no. On the one hand the Member is not prepared to indicate that he would be not displeased if his staff were to join a union, that he would be happy to deal with them. More important, since obviously a one-on-one thing is not going to be terribly satisfactory, is he prepared to tell me that the Liberal caucus meeting one Wednesday morning made a decision that it would find it acceptable if the workers decided to become part of a union?

• (2030)

Mr. Baker: Mr. Speaker, perhaps I can put it into context. This Bill will pass soon and no one need worry about that.

When the Hon. Member for Hamilton Mountain (Mr. Deans) asks a question about unionized employees, he is putting it to the wrong people when he asks the Member for Humber—Port au Port—St. Barbe (Mr. Tobin) or myself, the Member for Gander—Twillingate. Let me explain why. The employees in my colleague's office and my office would break every union agreement every day because they do not work eight hours a day, they work 12 and 14 hours, of their own volition. They do that because we deal with welfare cases, unemployment insurance cases and Canada Pension cases. The phone bills will prove that the member from the New Democratic Party is speaking to the wrong people when he asks: "Will you allow your employees—", of course we will allow our employees. Perhaps I should not say this, but I think we have the best employees on Parliament Hill.

The other point concerns criticizing a government Member. Today, a Progessive Conservative Member does his job in his caucus. That is why some people who occasionally watch the House of Commons unfairly judge a Conservative Member today when they ask that Member why he did not speak when a very topical subject came before the House. The chances are that nine times out of ten that Member was speaking in his caucus, or speaking behind the scenes to his Minister.

The Hon. Member for Hamilton Mountain is living in the past. It is like back to the future, he believes that the Government is behaving the same as the Liberals behaved—those free-wheeling spenders who created all those Crown corporations, threw money at problems, would not lay anyone off, and created employment. That is the difference. The Government is obsessed with the deficit. When the Member for Humber—Port au Port—St. Barbe and myself see lay-offs, we talk about them because we are concerned.

The Acting Speaker (Mr. Paproski): The Hon. Member for Hamilton Mountain (Mr. Deans) on a short rebuttal. I hope that people are watching this performance this evening so they can see how Parliament really lives and how it really works.

Mr. Deans: I must say, Mr. Speaker, that I do not often make gratuitous comments about the Chair. However, let me make two comments in answer to my colleague. I do not know why he is now sucking up to the Conservatives. Second, is he suggesting that because people work on welfare cases and unemployment insurance cases and work 12 hours a day, that they somehow ought not to belong to a union?

Mr. Baker: Mr. Speaker, I am simply suggesting that I am sure there is not one Member of Parliament who would refuse any such request from their employees. I am suggesting to the Hon. Member that one is not a very good union employee if one agrees to work an extra four hours a day for nothing.

Mr. Deans: Well, pay them overtime like I do.

Parliamentary Employment and Staff Relations Act

Mr. Baker: They would soon be booted out of that union. But they do this because they want to. They are under no obligation.

The Acting Speaker (Mr. Paproski): Questions and comments have now terminated. Debate.

[*Translation*]

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, after listening to what was said by the Hon. Member for Hamilton Mountain (Mr. Deans), I have to conclude that this House has nothing to learn from the Hon. Member and certainly not from the New Democratic Party.

The Hon. Member's speech reminded me of the time when I was a Member of the Quebec National Assembly, when the Opposition Members, at the time it was the *Parti Québécois*, the great defenders of the unions, would rise and condemn the Government. But as soon as the Parti Québécois came to power, they were the people who kept passing repressive legislation and breaking collective agreements. Mr. Speaker, I find that the New Democratic Party has much in common with those *Parti Québécois* Members. When they are in the Opposition, they make a lot of speeches, but as soon as they come to power, they do the exact opposite.

I remember the people in the New Democratic Party when they had the balance of power. And I never heard a Member of the New Democratic Party demand that the then Liberal Government, as a condition for staying in power, allow employees of the House of Commons to organize. As usual, the Hon. Member for Hamilton Mountain (Mr. Deans) just gave us one of his marvelous performances that go over so well on the TV screen, while the Hon. Member disappears as soon as he has finished his show.

Mr. Speaker, I would rather get back to Bill C-45. I think all Members of this House should rejoice today because it is a step forward towards union organizing. Not so long ago, Members of all political parties could say and hide behind these words: the Queen does not negotiate with her subjects. All these people used a lot of high-sounding phrases and dragged the Queen into their eloquent speeches to stop employees on Parliament Hill from getting the right to organize and defend their rights and have a collective agreement.

Mr. Speaker, these employees, including messengers and the people who make the transcripts and operate the television cameras and drive our mini-buses, these people, when they work outside normal working hours, have no arrangement for time and a half or double time. They are literally at the mercy of our parliamentarians, and let's face it, we are not easy to get along with. It isn't easy to work for Members because they are busy working for the well-being of their fellow citizens. I am convinced that most Members of Parliament are anxious to respond as efficiently and as quickly as possible to the requests they receive from their constituents, be they about unemployment insurance problems, employment problems, problems related to old age security pensions, every time Members want to respond quickly so they want answers from the library staff, from messengers, from ministerial office personnel, Members want quick and efficient responses to be able to serve their constituents intelligently.

Mr. Speaker, it stands to reason that because they want to give good service to all Canadians Hon. Members always expect a little more from Parliament Hill employees. Mr. Speaker, it is important and I think it would have been better had most Members agreed to give those people the right to strike after negotiating a collective agreement.

Mr. Speaker, police officers do not have the right to go on strike. There are many places where people do not have the right to strike, but they do go on illegal strikes. Provocation is as bad and as serious as allowing somebody to exercise a right in self-defence, but it makes it possible for both parties to show maturity and negotiate in good faith. Mr. Speaker, we could have allowed that, in adjudication cases, the expenses incurred by the union be paid by the employer. We have to keep in mind that these people are newly unionized, roughly 2,000 of them. There again I think it would have been better for the Government to accept these amendments concerning employee collective bargaining and unionization.

Mr. Speaker, I was listening to the Hon. Member for Hamilton Mountain earlier, and I must say that I have no lesson to learn from him. As I have already mentioned, at the age of 12, I organized a strike of choir boys, and I must say that, contrary to the kind of union work carried out by the New Democratic Party, I had not asked for one cent in union dues since we were getting five cents, and we immediately got 30 cents.

Mr. Speaker, I can show you evidence that I still pay my union dues. I am affiliated with the Quebec Federation of Labour. I am still a member of my union and I have no lesson to receive from any NDP Member. I may not be a trade unionist, but I am a union member. A permanent trade unionist is paid from union dues while a union member relies on his union leader and his boss. He is caught between the two and he is always the one to pay. I think that we have different views of what makes a trade unionist.

I shall now come back to Bill C-45.

As I have already mentioned, it is a step forward in the process to democratize and unionize our system. The example given by Parliament employees will perhaps appease the fears of businessmen who think that unionization is dangerous and harmful. If they have a good employer, the employess will not try to unionize, they will not try to revolt, and if there is negotiation and agreement between the two parties, there will necessarily be harmony, a good plan of work and improved conditions for working men and women.

Mr. Speaker, the Conservative Government never goes as far as it could in what it offers, whether in social programs, as we saw in the case of pension reform, or in collective agreements, as in the case of this Bill, or in the case of security measures at the airports. There had to be a disaster, a strike of

security employees in Dorval and Mirabel, and a reporter who clearly showed that the safety of the public was in jeopardy because of an unclear situation respecting wages, collective agreements, the way the employees were treated and fairness of the system. As we know, at the Dorval and Mirabel airports, certain security officers in charge of supervising the parking lots were getting $6.45, while those in charge of passenger safety being were paid much less. Mr. Speaker, I must say that last Friday, there was a meeting in the basement of the Saint-Pierre-Apôtre Church of the members of the Quebec Labour Federation, and I imagine that the Hon. Member for Argenteuil was invited to attend because of the victory won by that union. Mr. Speaker, this shows once again that unions are not always negative. These organized steelworkers paid only minimum wages have demonstrated that the lives of the passengers leaving Mirabel and Dorval were endangered because of the absence of equal treatment and justice for all. If organized labour and unions have negative sides, they can have positive sides too, Mr. Speaker. Like the Hon. Member for Ottawa—Vanier (Mr. Gauthier) and the Hon. Member for Papineau (Mr. Ouellet), I feel that Parliament Hill employees should have been given the right to strike. As mentioned by the Hon. Member for Papineau, everybody knows most of these employees: they are here to serve the Canadian public. For instance, there are the messengers who respond quickly and efficiently to the requests made by Hon. Members; there are the many minibus drivers; there are the people responsible for recording the official proceedings of the House for *Debates*; there are the television employees; all of them are serious people who are never absent, who never refuse to work and never do their jobs improperly. Granting these people the right to strike, a right which other civil servants enjoy, would have shown that we recognize their sense of responsibility.

As I mentioned earlier, Mr. Speaker, these people, in spite of their irregular hours, are paid straight time. Are there many employees across the country who, because of a change of schedule, are forced to work beyond a certain number of hours, will accept to be paid straight time? I do not think there are very many. I suggest we should have recognized the services these people have provided for so many years by granting them the right to strike or, at least, by ensuring that any legal expenses incurred in the adjudication of a dispute were paid by the Government.

Mr. Speaker, I think the time has come for the Minister of Employment and Immigration (Miss MacDonald), a person who at the time she was sitting on opposition benches had demonstrated a rather strong moral conscience, to exert pressures on her Cabinet colleagues, especially those with rightist tendencies—we know some of them—to accept at least the amendment as moved, so that the legal expenses incurred in the adjudication of a dispute can be paid for by the employer.

• (2040)

Mr. Speaker, there are not millions of dollars involved. We have heard about expenses in the order of $800 000 for three trips made by the Prime Minister (Mr. Mulroney). But that was for just one or two persons. We know about $35,000 spent on selling his image in the United States. We saw today a magazine with a circulation of over 100,000 in which there were 17 pictures of him—and this morning he suggested that was still not enough—but as yet we do not know how much that has cost!

Mr. Speaker, there is not that much money involved where these employees are concerned. Employees of the House of Commons do not ask for that much. They only ask that the Government accept to cover their legal expenses, when they need to have lawyers to defend their cases in the arbitration process. Mr. Speaker, it seems to me this is simple, logical and sensible.

As suggested by my colleague for Saint-Denis (Mr. Prud'homme), certainly no one here feels this is an irresponsible request made by the employees. As suggested by my colleague for Saint-Denis, I say this is not unreasonable. If as individuals they find that request to be most reasonable, most responsible, why then do they, as the Conservative Party, turn it down as unacceptable?

Mr. Speaker, the Prime Minister has promised changes. Members of Parliament would have more power, they would have more freedom! We realize this is not the case, nothing has changed! There is increasing doubt as to who is leading that party. All we know is the Government is a huge voting machine. Conservative Members are a bunch of men and women who are playing musical chairs. But when the time comes to defend substantial issues, issues in which they believe, and certainly those people do defend that in their caucus, but it would seem there is an extraneous force that is not part of the Government but that makes those decisions, and those decisions fly in the face of what I believe is the philosophy of some of the Members. I am convinced that as private Members they would accept that. They all told me; Yes, really this is acceptable, it is reasonable, those are not outlandish costs, this is what is being done within the Public Service Commission.

Why discriminate against employees of the House of Commons? They are not any worse than employees of the Public Service Commission, Mr. Speaker. But not to know who among them made that decision, that is not good enough.

Mr. Speaker, on that issue you have the Opposition Members, whether in the New Democratic Party or the Liberal Party, and certainly some Conservative Members—not the true Tories, because for them we know that only the law of the jungle prevails, the survival of the fittest. But I am convinced that a minority of Conservative Members, along with New Democratic Party Members and Liberal Members, did all they could to give the best to our employees in the House of Commons.

In conclusion, I would like to commend my colleague for Hamilton East (M. Copps) and the Hon. Member for Ottawa—Vanier (Mr. Gauthier) for having fought vigourously

and doggedly over this Bill. I know the Hon. Member for Ottawa—Vanier is here not just to defend the interests of employees on Parliament Hill, not all of them, but a good many are constituents of his, and it is for a good reason that during the last election, people trusted the Hon. Member for Ottawa—Vanier, Mr. Speaker. They knew from experience that the Hon. Member for Ottawa—Vanier, whether in Government or in Opposition, is someone on whom they can rely to defend them.

Unfortunately—Mr. Speaker, I see that my time has almost expired—unfortunately in 1988 we will not be in a position to say the same thing about a very large majority of Conservative Members, because people will not know whether or not they defended their interests as the Hon. Member for Ottawa—Vanier did.

Mr. Speaker, it is my hope in conclusion that the Minister of Employment and Immigration (Miss MacDonald) will show her concern for human values and urge her cabinet colleagues not only to allow employees of the House of Commons to enjoy the right to strike but to pay for their litigation expenses.

The Acting Speaker (Mr. Paproski): Questions, comments?

• (2050)

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I had not intended to speak in this debate. We are in the last week of the session before the summer recess. I understand that there have been discussions among House Leaders and some agreements, at least informal ones, have been arrived at in order that a certain number of Bills which are still before the House can be dealt with before we adjourn on Friday. We have been told that to accomplish that end we should show some restraint in debate.

Since we made our position clear with respect to this Bill during the debate at second reading stage, and since members of our Party who sat on the committee which dealt with this Bill clause by clause explained our views and proposed amendments which were debated at report stage, I did not think it was necessary to speak. However, I have to say that there is one thing which has been made very clear to me again tonight; that is the tremendous difference between members of the Liberal Party when they form the Government and members of the Liberal Party when they sit in opposition.

Mr. Gauthier: You'll never know because you'll never be a Liberal.

Mr. Orlikow: I know exactly what I am saying. A few years after I first came to this place I remember a Liberal Member of Parliament from Ottawa who had about a dozen or 15 chairs sitting outside his office at all times. Since I was curious about this I asked one day what the chairs were doing there. It was explained to me that if any person wanted a job on Parliament Hill, they had to approach this Liberal Member of Parliament. He saw that they either got a job or did not get a job. He had the power and the influence.

Between four and five years ago when a few employees on Parliament Hill decided that enough was enough, that conditions were such that they needed to belong to a union, my assistant, Alain Piché, spoke to me. He told me that he had been approached by these people. He asked me if I would mind if, in the evenings, he helped those people who wished to belong to a union. I told him that of course I would not mind. I believe that every Canadian who wants to belong to a union should have the right to belong to one.

I wish to say to Liberal Members of Parliament that those people who first took the lead with respect to organizing workers on Parliament Hill, the people who work in the cafeterias, the restaurants, the messengers, the people in the post office, security staff and bus-drivers, did it very quietly. They did it almost surreptitiously because they knew that they would not receive much sympathy. In fact, there was no sympathy on the part of Liberal cabinet Ministers. They knew that there was real opposition on the part of senior administrators in this place to their desire to belong to unions. I was quite happy to allow my assistant do that work for them.

After about two years he came to me and asked if he could have a leave of absence without pay in order to work full-time at this job. I remind Hon. Members that during these years that this was happening there was a Liberal Government in place. Where were the Liberal Members of Parliament then? Where were those who made these great speeches tonight about this Bill which we are to pass not being good enough? Where were they then? They were conspicuous by their absence. There was not the slightest indication given, certainly not publicly, that any Liberal Member, and certainly no Liberal cabinet Minister, really believed that the people who work on Parliament Hill should have the right to belong to a union, any union.

Mr. Caccia: How do you know? Why do you make such a silly statement?

Mr. Orlikow: On the basis of the record.

Mr. Caccia: That is absolute nonsense. There is no record that you can quote.

The Acting Speaker (Mr. Paproski): Order, please.

Mr. Caccia: You are pulling it out of thin air. That is irresponsible.

The Acting Speaker (Mr. Paproski): There will be an opportunity for questions and comments after the Hon. Member terminates his speech. The Hon. Member for Winnipeg North (Mr. Orlikow) has the floor.

Mr. Orlikow: The Hon. Member for Davenport (Mr. Caccia) has the same right as I have to speak. If he wants to disagree with me, or if he wants to give evidence to say that what I am saying is not correct, then he can do that.

What I am saying is that until 1984 there were Liberal Governments for almost all of the time that I have been in this place, except for the short period of time when the present Secretary of State for External Affairs (Mr. Clark) was Prime Minister. The Liberal Government could have indicated at any time to people who work on the Hill that if they wanted to join a union then they could do so and that legislation would be enacted giving them the right which other workers have to bargain collectively, if they could sign up the members. There was never any indication that members of Liberal Governments approved of that measure.

I say to the Hon. Member that there were plenty of indications. He does not have to take my word for it. He can talk to the people who now lead the union which has applied for certification and which will receive recognition once this Bill is passed. The fact is that there was never any indication that the Liberals supported such a move. In fact, there was every indication that the Liberals looked on that type of idea and opposed it.

We have very clearly indicated that there are substantial portions of this Bill which are not satisfactory. This Bill does not give employees the rights which they would have if they worked in the private sector. Nor does it give them all the rights which they would have if they fell under the provisions of the Public Service Staff Relations Act. We have indicated our opposition to those failures. We brought forward a number of amendments which would have given them the rights which other workers enjoy. Those amendments were turned down by the Government.

We are dissatisfied; and we have said that again and again. We know that in the future there will be changes. We hope, and we know, that there will be changes for the better to the legislation. The employees on the Hill need this legislation. They need the right to bargain collectively today more than ever because, added to all the difficulties which they have had up until now, including the absolute ability of the administration to change the rules, working conditions and job classifications, there is the determination of this Government to cut back on the Public Service.

We know that there have been discussions about privatizing the cafeteria and the Parliamentary Restaurant. We know that a substantial number of permanent employees who operate the consoles at committee meetings which record the proceedings have been let go or have been retired and are being replaced by part-time contract employees. We know that the numbers of people involved in language training for Members of Parliament and others are being reduced. More than ever the employees need the right to bargain collectively. We have been saying that for years. We know that this Bill lacks a great deal but it will pass. With all its imperfections, it is the most to which the Government would agree. We regret that and oppose the refusal of the Government to pass the kind of legislation to which we believe employees are entitled, the same kind of legislation that other employees in both the private and public sector enjoy.

• (2100)

We know that this Bill will pass tonight. I would simply say that I find it to be strange, to say the least, to hear long and laudatory speeches made by Liberal Members urging that this Bill not only pass but that it be improved upon. They are calling for all those things which they failed to do or would not do when they were in Government.

The Acting Speaker (Mr. Paproski): Questions or comments? Debate.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I would like to take a few moments to speak on Bill C-45. As I have indicated to all Hon. Members, I had the privilege at one time of being an employee of the House of Commons. The working conditions that have been described by various Hon. Members are, by and large, accurate. I know this because I was there and had the personal opportunity to see just what kind of benefits were afforded, just what kind of benefits were denied and most of all, just what kind of benefits were available at one time but were later denied to employees. It is that particular area about which I wish to speak.

I should not let the remarks of the Hon. Member for Winnipeg North (Mr. Orlikow) go by. He asked where Liberal Members of Parliament were during the last Government and why they did not bring these issues to the forefront of the House of Commons at that time. I know where I was at that time. I was one of those employees myself so that takes care of this particular Member of Parliament.

The Hon. Member asked what the Liberals did for the collective rights of public servants. I would like to remind him that the collective bargaining rights public servants now enjoy were, in very large part, passed by Liberal administrations. I am sure he knows that and it was merely an oversight on his part that he did not mention it before.

I recognize that the Bill before us today is not as complete as I would like it to be. However, a draft of the present Bill or a similar Bill was prepared by the previous Government before the unfortunate event of September 4, 1984, an event which will soon be rectified. The Hon. Member for Winnipeg North asked what evidence existed that the Liberal Party wanted to enhance the collective bargaining rights of public servants. I have given him some examples of such evidence.

I should also remind all Hon. Members who were here before of how we got into the situation that exists at the House of Commons in which employees increasingly need a mechanism to air grievances and correct the unfair treatment to which they have been subjected. In order to discuss that issue, we should recall that the staff of the House of Commons has increased in rather great measure over recent years. This is not something that existed 30 years ago or even 20 years ago. This is something that grew out of the expansion of Parliament.

As you know, Mr. Speaker, as you have been here for a number of years although you are still a very young man, and as I recall because I was a staff member, during your first

years here, all the services Members enjoy today did not exist. Members did not have large offices with research and support staff. The place did not work that way. There were no word processors or other sophisticated equipment.

I recall when a Member of Parliament had in his or her office—mostly his because there were very few women Members at the time—only one secretary in one small room. That had only occurred shortly before I came to Parliament Hill as an employee. I am told that before that, there were two Members and two secretaries to one room and before that, I understand that there were two Members and only one secretary and that the one secretary worked for the two Members simultaneously.

All of this is to say that the size of the staff on the Hill has increased. In the 1970s, because there had been this massive increase in staff, there was a restructuring of the administration here on the Hill. This restructuring was supposed to make the place better. Of course, if one were to ask the opinion of most people who work here, one would find that their opinion is slightly different. The word "better" is not the one that most employees would use to describe working conditions and how this place has operated since the restructuring of the administration of the House of Commons.

Perhaps some restructuring was necessary. There is no such thing as an administration that does not need to be improved upon just like there is no such thing as collective bargaining rights that do not need to be enhanced. Everything should be better than it is and it is our role as Members of Parliament to make sure that general conditions for everyone improve.

At the time we sought to improve the administrative structure of the House of Commons, it is my view that there should have been a parallel movement to improve the methods by which the staff could collectively air grievances with the new bureaucracy created at the top level here at the House of Commons.

[*Translation*]

And the Hon. Member for Winnipeg North (Mr. Orlikow) was saying earlier that under the Liberal administration, perhaps 10, 15, 20 years ago, jobless people were seen to turn to their Members of Parliament to try and get a job on Parliament Hill.

I am considering this, Mr. Speaker, and I still wonder what can be wrong with that. Is there anything wrong about contacting one's Member of Parliament and trying to find a job here, either on Parliament Hill or elsewhere?

It is a fact that on Parliament Hill in those days before the new management was set up, there was indeed very little structure. How was the staff hired? I remember, Mr. Speaker, that it was not unusual in some services, especially two of them, for the managers to seek the advice of Members about suitable people to fill some positions. Then there was no process. And the local Members from all political parties, I think were doing what they could to find jobs for their constituents. It may not have been the best procedure, but it was the only structure in place and Members were trying to find jobs for their constituents.

However, today, Mr. Speaker, we have the management structures to which I referred earlier. But I feel that a serious mistake was made when no process was provided to allow the employees to state their grievances to the new parliamentary management.

In short, I wanted to say that it would have been essential beginning in the mid-seventies, about 1975-76, to consider implementing some legislation allowing the staff of the House to become unionized. The previous Government made such an attempt. However, Mr. Speaker, we are sitting in this House during this Parliament and not in the previous one.

• (2110)

[*English*]

We are not here only to reminisce about things which some of us think some of us should have done some time ago. Our task as Members of Parliament is to attempt to improve the rights and privileges of all Canadians, to try to make a better life for all. The ideal place to show an example for the entire country is right here in this place. It is here that we should demonstrate to all Canadians that we are able to improve their collective lot. We should demonstrate that by showing good faith. In any case, the people of Canada should be able to measure how well we do by the way in which we treat employees on Parliament Hill.

If we in the House are unable to improve the working conditions of 3,000 or so employees who work within the precincts of Parliament Hill, what qualifies us to pretend that we are able to improve the collective life of everyone else in Canada? Surely this place should be a model for all employers. Surely employers should be able to look at this place to see an example of where employees are treated in a just, fair, and equitable way. That is not the case today. However, it is my hope that this legislation, as incomplete as it is, will at least be a start toward improving the rights of employees of the House of Commons.

Mr. Forrestall: Why did you oppose me when I did it 15 years ago?

Mr. Boudria: I hear the very interesting remarks of the Hon. Member across the way. I remember well his remarks some 15 years ago, from my working station in the House of Commons. I forget just what I was doing in 1971, but I think I was a pack boy in the stationery store in the West Block. I used every influence I had as a pack boy to change the legislation and to get improvements! That duty should rest on Members of the House, not on people who were not here at any given time in the past. Our duty is to improve those rights here, now, and today.

I call upon all Members of Parliament to do their best, not just in passing this Bill because it is not complete enough, but in starting to think about more complete legislation to give full

and better bargaining rights to the employees of the House of Commons.

Mr. Orlikow: Mr. Speaker, the Hon. Member told us that before the 1984 election the Liberal Government had ready legislation dealing with this question. I remind him that the Liberals were in government from 1963 to 1984, with the exception of nine months. They were in Government for 20 years. What the Hon. Member is saying is that in the twentieth year they finally got around to drafting legislation. That proves precisely the point which I made, that is, the Liberals take these kinds of questions very seriously only when they are in the Opposition.

Mr. Boudria: Mr. Speaker, I am pleased to respond to those remarks. The Hon. Member who just posed the question should know that he was talking about 1962 and 1963. I ask him what were the collective bargaining rights of all public servants at that time. Who initiated the process of collective rights for public servants across Canada? It was the Liberal Government. I am glad the Hon. Member raised that subject. It gave me an occasion to correct the record.

The Acting Speaker (Mr. Paproski): Is the Hon. Member for Saint-Denis (Mr. Prud'homme) rising on debate or to ask a question?

Mr. Prud'homme: On debate, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I ask Hon. Members opposite to be cool. I know there is a gentleman's agreement to pass the Bill quickly. If my colleagues opposite are quiet, I will co-operate, but if they want to debate, of course we will not finish tonight. I just wanted to put some comments on record.

Mr. Forrestall: Oh! oh!

Mr. Prud'homme: A third interruption, and I will speak for all the time allotted. I just wanted to be on record as saying that I regret—

Mr. Forrestall: You have no intention of doing anything other than that.

An Hon. Member: Listen to what he has to say.

Mr. Prud'homme: I am used to my very good colleague from Nova Scotia.

I regret that we could not vote on Motion No. 11 which reads in part as follows:

> 69. Where expenses are incurred in the adjudication of any dispute, provisions similar to those in the *Public Service Staff Relations Act* apply.

[*Translation*]

I simply want to say that, given the spirit of co-operation, despite the fact that I like and understand all House of Commons employees who all have a personal history, I must remember that before I became a Member I was a student and I filled most parliamentary jobs, not here in Parliament but elsewhere in the private sector. So I am aware of the kind of respect we owe our employees be they in kitchens or in offices. I had an amendment ready, I will not move it but I simply want to say that I had drafted this amendment: That Bill C-45 be not now read for the third time but that it be referred to a Legislative Committee for reconsideration of Clause 69.

This would mean we would pay the expenses incurred in adjudication cases rather than force the employees to pay them. The more Members say so, the more numerous opportunities we will have to get back to this question. If ever the occasion were to arise we might say: Listen, the spirit which prevailed the evening of June 25 when we agreed to pass this Bill, the spirit was that there would be no abuse. I certainly would not want the House of Commons to behave like a private sector company, use strong tactics, turn down certain requests and say: If you are not happy, try arbitration. Then we know full well that the House of Commons which represents all Canadians has unlimited resources, unlimited resources to fight, so it would be very unfair to pit our House of Commons employees against Parliament which obviously has unlimited financial resources and might tell them: Well, we will call in an arbitrator, we will pay our expenses, but pay your own.

I simply want to be sure that such abuses will not occur, and as I said at the beginning, the best way would have been to pass this amendment earlier this evening, but it was defeated. We could move a motion asking that this Bill be not now read and be referred back to the Legislative Committee for review of this clause. However, this seems impossible. The result of the vote would be the same as a few hours ago. I prefer co-operation, and as a Member who likes to co-operate, since the Government wants to pass this Bill as quickly as possible, I and my colleagues have decided that it is useless to fight as the results will be the same. I will therefore not move this amendment to refer the Bill to the Legislative Committee to consider what we believe to be an important amendment.

I shall therefore conclude by saying that we still hope that what the Government is offering will represent a beginning for Parliament employees, but as I have already mentioned, I would have preferred, that several of the amendments moved by my colleague be accepted in a spirit of co-operation. I consider it my duty to speak as Chairman of the Committee on Members's Services. Who provides these services to Members? The employees of the House of Commons. I felt that I should at least say that I regret that we could not—

• (2120)

[*English*]

As they say in English, we would not have gone all the way. I regret it, but I see there is no use insisting, so I will not insist.

Mr. Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to and Bill read the third time and passed.

* * *

CUSTOMS TARIFF

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-111, an Act to amend the Customs Tariff and to amend an Act to amend the Customs Tariff, as reported (with amendments) from a legislative committee.

Hon. Flora MacDonald (for the Minister of Finance) moved that the Bill be concurred in.

Motion agreed to.

Miss MacDonald (for the Minister of Finance) moved that the Bill be read the third time and passed.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, this Bill has within it three quite distinct parts. The third part I will not deal with very much at all. It extends a commitment which we feel should not have been extended as far as it has been with respect to pornography under the Customs Act.

The first two parts of the Bill are interesting. The first part deals with the intent to establish a relationship between Canada and the Caribbean countries called CARIBCAN. It is an attempt to work out a trading relationship which will permit the Caribbean countries to enter their goods into Canada with a few exceptions at tariff free rates.

We have examined this Bill in committee and continue to have some concerns about the shortcomings that exist. These are two major gaps. First, there is a signficant set of products left out of the trade relationship to be established. Any Members of Parliament who know the Caribbean economies at all will recognize that the specific goods which are exempted—textiles, garments, footwear and leather products—are very much the products prevalent in many of the manufacturing economies of the Caribbean Islands. To leave them out is to block off the potential for manufacturing growth in some of those Caribbean islands.

Second, there is a 60 per cent value added criterion which is set up in this Bill, that is to say, you have to produce 60 per cent of the value added of any item which is to benefit under this Bill within the Caribbean economy itself. For a developing country that is usually quite difficult. In this case it compares very poorly and very unfairly with the 35 per cent value added provision which exists under the U.S. arrangement with the Caribbean countries called the Caribbean Basin Initiative. We could have been a good deal more generous with respect to these arrangements.

Our discussions with Jamaican representatives, just to take that country as an example, suggests to us that they continue to feel quite unhappy with the restrictions placed in the context of this Bill. We had hoped to have some witnesses before the legislative committee to reflect some of the unhappiness, but there was a push on the part of the Conservative majority in the legislative committee to get this Bill through as quickly as possible. For that reason we did not find it possible to invite witnesses to speak to these areas.

I want to turn from that part of the Bill, which is interesting but as I have suggested hardly earth-shaking, to the second part of the Bill which I think might be called by the Conservative Members of the House the "mouse that roared" section of the Bill while we might consider it as "the mouse that cut off its own foot" section of the Bill. What the second section of the Bill, deals with is the bizarre attempt on the part of the Government to reliate against the United States for its shake and shingle tariff by raising a tariff on our computer and business machines produced here in Canada.

I think it is remarkable that we should first attempt to put into place a system of retaliation which does absolutely nothing for the shake and shingle producers in British Columbia either directly or indirectly. It is even more remarkable that this effort at retaliation should be so misguided, so distorted, so wrong-headed in the area in which retaliation is taken. We did manage to have the representatives of two of the important computer manufacturing and business manufacturing sectors come before our committee. They presented, I must say, a sorry tale of exactly how the Government had behaved in this misguided mixed up effort at trade retaliation.

I have to quote, for the benefit of some Members in the House who have not had the chance yet to work their way through the legislative committee minutes, some of the very harsh comments made by business representatives who we managed to get invited to come before the committee. I note first the comments of Mr. Gordon Gow of the Canadian Advanced Technology Association. He is also President of Gandalf Systems Group. He said quite bluntly that he did not see how Bill C-111 does us any good. He went on to say that it is entirely a "lose, lose, lose" situation; the Government loses, the consumer loses and the industry loses.

• (2130)

In the Budget of last February the Government first attempted to reduce all tariffs affecting this industry after telling the industry to make adjustments to work its way through this difficult period of having to live without tariffs. The industry welcomed that because it gave it a chance to compete in the U.S. and Japan. What was exciting about this approach to freer trade was that it was sectoral, it had been discussed with the industry and they felt good about it, and, unlike the thrust by the Government to set up a free trade deal with the U.S., it did not lock us exclusively to the U.S.

In short, it was a quite admirable effort at sectoral free trade which gave Canadians a chance to penetrate both the U.S. and Japanese markets and at the same time import duty-free from both those countries the computer parts and semiconductors we need to build business machines to sell competitively throughout the world. From our point of view, it was exactly the kind of free trade arrangement that we should be attempting to establish. Yet it was wiped out by this misguided attempt to retaliate against the U.S. by raising tariffs on products produced by these very industries which had just gone through the process of adjusting to a new low tariff world.

In the face of that, representatives of small and medium-sized firms were absolutely scathing. Mr. Gow went on to say:

> The other important part I would like to bring to your attention is the paperwork that is going to be caused by this Bill—

Here we have a Government which, when it came into power, said it would attempt to cut down paperwork for Canadian businesses. In this Bill, as amended, it is increasing that paperwork. A Government which says it is committed to freer trade is increasing tariffs and trade restrictions, not just against the U.S. but against Japan. In some cases, as Mr. Gow put it, this Bill could go as far as to be a back-breaker for these small companies. Yet that is the Bill which this Conservative Government pushed through committee without accepting amendments. Mr. Gow also said:

> So we feel we have been betrayed—in that back in February this same government took all of these tariffs off to make us more competitive for all the reasons that we wanted to be in a position where we could be in the export market.

That was done without any consultation whatsoever with the Association or any company in the computer or semiconductor sector.

We were also fortunate to have the testimony of Mr. Allan Aiken of the Canadian Semiconductor Design Association. He gave us estimates which indicated that the cut-back in profitability as a result of these so-called retaliatory tariffs could end up putting some of these important semiconductor producers out of business.

Mr. George Best, President of the Canadian Business Equipment Manufacturers Association said that the tripartite agreement between Canada, the U.S. and Japan to eliminate duties on parts and semiconductors was an important step toward full duty elimination. CBEMA members strongly support that agreement. Therefore, they were even more dismayed at the reimposition of Canadian tariffs on computer parts and semiconductors. This Government claimed to be trying to do something to show how tough it was with the U.S. Government, yet all it did was damage our own industry. This damage was documented by these key spokesmen from business centres which represent every aspect of the industry.

• (2140)

CBEMA represents the producers of business machines. The Canadian Advanced Technology Association represents the producers of computers and computer parts in this country. These were the very people who wanted this tripartite sector based freer trade arrangement with Japan and the United States, and which still find it completely impossible to understand the logic of what is taking place in trying to put this measure into effect now, calling it retaliation, and yet the only people who are hurt are Canadian consumers, the Canadian Government and Canadian producers.

I ask you, Mr. Speaker, as I asked members of the Legislative committee how it could possibly make sense to do what this Bill is doing. I ask how it could conceivably be of any benefit to this country to hurt these small firms as this Bill is hurting them. I ask how it could possibly be in any sense consistent with what this Government is trying to do in other areas, to take this example of freer trade in a sector where the industry wants it, where workers want it, where consumers want it, and to turn that free trade arrangement into something which, instead of giving us a freer trade arrangement, does devastating damage to our industry.

How can this possibly make sense? How can a Government continue to put a Bill like this forward when the victims of the Bill are going to be small firms and Canadian consumers across this country? It is going to be small computer-based companies in the high tech sector, which are precisely the firms we should be giving encouragement to at this stage in 1986.

I cannot see any sense to it at all. I have yet to see any Conservative at the legislative committee at second reading or at this stage of debate who has been able to demonstrate any sense that lies in this particular section of the Bill. There is absolutely no logic to it. It makes no sense, and a Government which was either being consistent or being logical would go back to the Bill as it originally stood instead of going with it as amended at this particular stage.

I finish once more with a plea to the House on this occasion, at least, to recognize the nonsense which is being undertaken in the name of logic. It cannot possibly make sense to anybody on the government side to put this Bill through as it is attempting to do.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I welcome this opportunity to speak at the third reading stage of Bill C-111, an Act to amend the Customs Tariff and to amend an Act to amend the Customs Tariff.

Mr. Speaker, I would like to make a few comments. I realize the Government is in a hurry to adopt a number of Bills this evening, but I would still like to touch on one of the aspects I did not have a chance to mention at second reading.

Early this year, Canada signed an agreement with Japan and the United States under which all three countries would be able to exchange computer parts without paying duty. On May 26, 1986, the House accepted first reading of Bill C-111, which included this measure that would allow parts from the

United States, Japan or Canada to enter these countries duty-free.

And now, Mr. Speaker, on June 6, the Government decided to impose duty on those very same parts of data processing equipment and office equipment which at the beginning of the year had been the subject of an agreement with the United States and Japan.

On second reading, we said we agreed with the principle of the Bill, but we had some doubts as to the manner in which the Government would administer the legislation. Today, we can truly say that the Government said one thing when it signed an agreement at the beginning of 1986 and when it introduced a Bill on May 26, 1986, enacting this agreement, and another thing altogether on June 6.

Mr. Speaker, I would like to read to you what was said by the President of the Canadian Advanced Technology Association:

> I just do not see what good Bill C-111 will do. It creates a situation where everybody—the Government, the Canadian consumer, the industry—will lose. The Government will lose because it will not achieve the objectives of its Bill; the industry will lose because it will be prevented from being competitive, and the Canadian consumer will lose because it will have to pay more.
>
> The other factor I should like to bring to your attention—

—continued Mr. Gordon W. Gow, the President of the Canadian Advanced Technology Association—

> —is the administrative burden which will result from this bill in terms of the very high cost for small businesses. this could even bring some of them to the brink of bankruptcy.

Mr. Speaker, it is only recently that the Minister of State (Small Businesses) (Mr. Bissonnette) was worrying that only 20 per cent of new small businesses prospered after five years of operation, while 80 per cent of them failed.

Because of the action taken by this Government on June 6, this Bill will cause many small businesses to go bankrupt.

Therefore, Mr. Speaker, we support this bill in principle, but realizing all the events which have occurred since this Bill was introduced for first reading on May 26, we must accept it, that is to say, adopt it on division, because we have today the proof that the Government will not keep the promises it made when it introduced this bill.

[*English*]

Mr. David Berger (Laurier): Mr. Speaker, before I make my comments perhaps it would be advisable to entertain a suggestion on a point of order.

• (2150)

Mr. Frith: Mr. Speaker, I rise on a point of order. If I am not mistaken, we made an agreement between the three Parties in the House to put forward Bill C-116, dealing with the Canada Pension Plan. That is my understanding of the agreement.

I would ask my colleague if he might end his remarks on Bill C-111 shortly, perhaps in two or three minutes, which is what your colleague from Montreal agreed to. If that could be done, we could introduce Bill C-116.

I do not know what the mix-up was and I am sure it is not the fault of my colleague. However, I would ask him to do so.

Mr. Lewis: Mr. Speaker, I may be able to add to what my colleague said. I have with me a draft House Order which is the result of negotiations among the House Leaders and the critics who are interested in Bill C-116.

You may find a disposition to agree that immediately after the remarks of the Hon. Member who is speaking, the order of business would be Bill C-116; and that debate at report stage and third reading will take no longer than 30 minutes, 10 minutes maximum debate for each of the three Parties; and at the end of the 10 minute limit among the Parties, participation in the debate by that Party is to be terminated by the Chair; and that 30 minutes after the debate commences all votes necessary to dispose of report stage and third reading would be put.

This would have the effect of allowing our colleague to complete his remarks and allowing for Bill C-116 to be passed in all stages this evening.

Mr. Deans: Mr. Speaker, we are always trying to accommodate the business, but I would like to know just how long the Member for Laurier (Mr. Berger) intends to speak. We are now sitting extended hours. At the time that I entered into the agreement, I anticipated that an extension would take us until 10:10 p.m., which was a 10 minute extension.

If the Member wishes to spend a lot of time and make many comments, then, quite frankly we will be here tomorrow and we are perfectly willing to deal with this legislation tomorrow. However, if the Hon. Member is finished, as he may well be, then we would be willing to sit the extra five minutes to accommodate this particular piece of legislation.

Mr. Speaker: The Chair is now in some small difficulty. The proposal which the House has heard is that the conclusion of this speech would presumably lead to a vote prior to moving to Bill C-116.

Mr. Lewis: Yes.

Mr. Speaker: Therefore, we would then move to Bill C-116, 30 minutes to be allocated, 10 minutes per Party. The Hon. Member for Laurier (Mr. Berger), on the same point of order.

Mr. Berger: Mr. Speaker, I am not aware of the various discussions that have taken place between members of my Party and the other Parties on this particular point. All I know is that I have a deep interest in the subject matter of Bill C-111 which deals with the re-imposition of a tax on computer parts, which is very detrimental to the computer industry in Canada.

Unfortunately, there are many other decisions of the Government that have adversely affected the computer

industry in Canada and are preoccupying a lot of the time of Members of the House. I would like to address those points in the course of my remarks.

I do not set the agenda. If there was any disposition to deal with Bill C-116, I do not see why the Government cannot call Bill C-116 and we will take up the debate on Bill C-111 tomorrow or whenever it chooses to bring it back again.

Mr. Deans: Mr. Speaker, far be it for me to attempt to interfere with any Member's right to speak at whatever length he or she wishes within the rules. If it is the wish of the Member who has just spoken to continue to debate the Bill that is before us, notwithstanding the fact that we attempted to work out some kind of understanding to accommodate not only the Government but his own colleague, then, quite frankly, obviously the proposed House Order will not stand.

I want to make it clear that we are prepared to deal expeditiously tomorrow with the Canada Pension Bill that affords considerable benefit to a large number of people.

Mr. Frith: Mr. Speaker, I believe if you would ask the House, there would be an agreement to let Bill C-111 stand and have 30 minutes of debate to get Bill C-116 out of the way. We have agreed that there would be one speaker from each Party and the Canada Pension Plan legislation could pass this evening. I would ask that all Members of the House respect that suggestion.

Mr. Deans: No.

Mr. Speaker: I am asked to seek consent of the House that debate on Bill C-111 be adjourned now.

Mr. Deans: No.

An Hon. Member: Why, Ian?

Mr. Deans: I will tell you why, if you want to know.

Mr. Speaker: I take it that the Hon. Member for Hamilton Mountain (Mr. Deans) refuses consent.

Mr. Deans: Mr. Speaker, I cannot give that consent. We have devoted a great deal of time this evening to debate. Through no fault of our own, members of his Party took inordinately long periods of time to speak about matters not related to the legislation that was here before us. They used the time; not us. I can only assume that they are not willing to attempt to live up to an informal understanding worked out on the floor of the House. I cannot be party to that.

We will pass both Bill C-111 and Bill C-116 before the House rises. We will do it in the normal time.

Mr. Prud'homme: On the same point of order, Mr. Speaker.

Mr. Speaker: The whole premise has been that the Chair has been asked to seek consent. There being no consent—

Mr. Prud'homme: You may find consent.

Mr. Speaker: It is very clear to the Chair that there is no consent.

Mr. Prud'homme: Mr. Speaker, if there is no consent, I want to make a point of order. I take exception to the remarks of the NDP House Leader because I was in the House tonight. While the Hon. Member was out of the House, one of his colleagues from Winnipeg took 20 minutes to speak on a Bill and he was not supposed to speak on the Bill. If you want to be fair, be fair to everyone.

Mr. Speaker: Order, please. I think the appropriate course of action at this point is to resume debate. The Hon. Member for Laurier.

[*Translation*]

Mr. Berger: As I was saying a while ago, Mr. Speaker, I wanted to deal with these duties which the Government has imposed on computer parts and some microprocessors. It is clear, from everything that has been said by Canadian industry representatives, that Canada is punishing itself.

[*English*]

The reaction of the Canadian Advanced Technology Association, as expressed by its President, Mr. Woodbridge, in front of a committee of this House, was clear and unequivocal. No one in the industry was consulted by the Government prior to the imposition of this tariff which was supposed to have been a retaliatory measure by the Government to strike back at the Americans following their imposition of a tariff on shakes and shingles.

However, when striking back at another country, it would be helpful to aim the gun first. If the Government would follow that simple rule—

Mr. Speaker: Order, please. It being ten o'clock p.m., this House stands adjourned until tomorrow at eleven o'clock a.m., pursuant to Standing Order 3(1).

The House adjourned at 10 p.m.

HOUSE OF COMMONS

Thursday, June 26, 1986

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*English*]

ELECTION LAW REFORM

TABLING OF WHITE PAPER

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, pursuant to Standing Order 67(2), I have the honour to lay upon the Table copies of a document entitled "White Paper on Election Law Reform" in both official languages.

After the other documents have been tabled I would like to rise on a point of order with respect to the disposition of this report.

* * *

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table in both official languages the response of the Government to 18 petitions as follows: 331-558, 331-561, 331-576 to 331-579 inclusive, 331-585, 331-595 to 331-602 inclusive, 331-613, 331-617 and 331-641.

* * *

ELECTIONS, PRIVILEGES AND PROCEDURE

REFERENCE OF WHITE PAPER ON ELECTION LAW REFORM TO STANDING COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I rise on a point of order. There have been consultations among the Parties and I think Your Honour would find a disposition to accept the following order by unanimous consent and to pass it without debate. It is as follows:

That, notwithstanding any Standing or Special Order of this House, the document entitled "White Paper on Election Law Reform", laid upon the Table earlier this day, be referred to the Standing Committee on Elections, Privileges and Procedure; and

That the same Committee shall make its final report thereon not later than Wednesday, October 8, 1986.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I too rise on a point of order. We have no difficulties with this matter as long as a commitment is given that the hearings will start in September and not before.

Mr. Hnatyshyn: Mr. Speaker, I have informally discussed the agenda with the critics of each of the Parties. It has been agreed that the summer be used for the receiving of submissions and petitions with respect to the White Paper, but that the formal hearings of the committee and its deliberations not take place until September.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

COMMITTEES OF THE HOUSE

CANADA'S INTERNATIONAL RELATIONS—FINAL REPORT OF SPECIAL JOINT COMMITTEE

Mr. Tom Hockin (London West): Mr. Speaker, I have the honour to present the final report of the Special Joint Committee on Canada's International Relations in both official languages.

This report is the culmination of one year's work carried on by both Houses of Parliament. The committee presented an interim report on August 23 with regard to the invitation for Canada to participate in the SDI and on the question of bilateral trade relations with the United States. Most of what the committee had to say on these specific questions was said at that time.

Today we present our final report on the broad spectrum of Canada's international relations. You will find here, Mr. Speaker, 120 recommendations and conclusions related to amplifying Canada's influence internationally, safe-guarding peace and security, expanding trade, aiding international development, promoting human rights, improving relations on a broad front with the United States and other countries, and developing a northern dimension for Canada's foreign policy. We commend it to the attention of the House.

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, I would like to say that since members of the New Democratic Party who sat on the committee were not able to

append a statement to the report which has just been tabled we will be issuing one later today.

Mr. Speaker: Order, please.

PUBLIC ACCOUNTS—FOURTEENTH REPORT OF STANDING COMMITTEE

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have the honour to present the fourteenth report of the Standing Committee on Public Accounts. Pursuant to Standing Order 99(2) the committee requests that the Government provide a comprehensive response.

The committee is of the opinion that the Department of Finance was negligent in its management of the SRTC program. The program never performed as intended and emerged as a costly tax loop-hole. At last count the Crown faces uncollectable taxes in excess of $900 million.

The consultation process was neither well planned nor comprehensive and resulted in an unanticipated demand for SRTCs. The quick flip procedure and inadequate definition of and control over qualifying research activity encouraged abuse, reduced the funds available for genuine research and created bad debts to the Crown.

The committee believes that certain important danger signals were in evidence very early and that the Department of Finance failed to establish from the outset an evaluation framework to be aware of and to respond to problems as they developed.

It is the view of the committee that Parliament must be informed of changes in the interpretation of tax expenditure legislation and the estimated costs of every major tax expenditure program.

FINANCE AND ECONOMIC AFFAIRS—FIFTH REPORT OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour to table in both official languages the fifth report of the Standing Committee on Finance and Economic Affairs.

The report is an addendum to the committee's report of November 6 last dealing with financial institutions generally. The committee confirms the terms of that report, but adds amendments to recommendations in the report to deal with the situation in which non-financial companies gain control of financial companies. It is the committee's view that this type of activity is wrong, that it seriously impairs the security of depositors and that it is an unfair abuse of the financial system. The committee believes that ownership beyond 30 per cent by a non-financial company of a financial company should be barred.

SCIENCE, RESEARCH AND TECHNOLOGY—FIRST REPORT OF STANDING COMMITTEE

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, as Chairman of the Standing Committee on Science, Research and Technology I have the privilege of presenting the committee's first report in both official languages.

In accordance with the committee's mandate under Standing Order 96, the committee has heard evidence from industries concerned in relation to the process used by Revenue Canada to define scientific research and development for tax purposes. Your committee has considered the effects of the guidelines on industry and on research and technology policy in Canada. As a result, your committee therefore recommends that Revenue Canada release the draft guidelines for scientific research and experimental development to allow industry to have a 60-day consultation period before the guidelines are finally determined.

• (1110)

STRIKING COMMITTEE—FORTY-FIRST REPORT

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour to present the Forty-first Report of the Striking Committee.

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

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to raise a point of order with you today. I have sought the advice of the Chair and the Table on this point and I would like to make sure I understand what is at hand.

This morning, we heard some reports being tabled and a request was made of the Government to respond to the reports under Standing Order 99(2). Within 120 days of tabling a report, the Government should give a comprehensive response to it.

What happens to those requests if prorogation of the House were to happen in September, for example? Is it an Order of the House and is it therefore within the rights of committee members to expect the Government to follow through with a response within 120 days as agreed or, on the other hand, does the prorogation of the House interrupt Standing Order 99(2) so that the requests would cease with the prorogation of the House?

I wonder if you would address that question, Mr. Speaker, because of its importance to many of us. There are a half a dozen reports now requiring a comprehensive response and I would like to know what the ruling would be.

Mr. Speaker: I thank the Hon. Member for his intervention. The only answer I can give him at the moment is that I must reserve. I simply do not know the answer to that question. I would be happy to reserve on it and return to the House with an answer.

PETITIONS

CONTINUED OPERATION OF MORGENTALER CLINIC IN TORONTO

Mr. Maurice Foster (Algoma): Mr. Speaker, I have the honour to present a petition signed by several dozen constituents of Thessalon, Ontario, expressing their concern over the operation of the Morgentaler clinic in Toronto.

USE OF PENSION INCOME IN CALCULATION OF UI BENEFITS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, thanks to the work done by Mr. Flynn from Kamloops I am presenting a number of petitions from people who are concerned about the Government's decision to include various types of income when calculating UI benefits including pension income, particularly for people in the RCMP and the armed forces. The petitioners are simply asking the Government to reconsider this punitive situation in which they have been asked to pay into insurance programs knowing that they cannot collect if they are in the armed forces and other groups.

PROPOSED CONSTRUCTION OF TELEVISION TOWER IN SWEABURG—REQUEST FOR HEARINGS

Mr. Bruce Halliday (Oxford): Mr. Speaker, I have the honour to table a petition from about 100 residents of the community of Sweaburg in the constituency of Oxford who are objecting to and opposing the construction of an 800-foot television tower in their community without hearing the views of the people of that community. They humbly pray and ask Parliament to halt the construction of this tower until those proper hearings in the community can be carried out.

RIDEAU HALL—PUBLIC'S ACCESS TO GROUNDS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the honour to present some 34 additional petitions in the effort of many constituents of Ottawa—Vanier, residents of the National Capital Region and visitors to our city to have the grounds of the Governor General's residence open to the public. I know that there has been some improvement in the situation today. The door is ajar a bit, but in the name of the petitioners I would like to ask the Government to review the decision and to consult with the group of citizens representing thousands of constituents and citizens of Canada who want to enjoy the grounds of the Governor General at the same time as maintaining the security of the Governor General.

* * *

CRIMINAL CODE

MEASURE TO AMEND

Mr. Barry Turner (Ottawa—Carleton) moved for leave to introduce Bill C-292, an Act to amend the Criminal Code (life imprisonment).

He said: Mr. Speaker, I am presenting to the House what I believe is a unique option to amending the Criminal Code of Canada with respect to the very emotionally charged issue of capital punishment for various degrees of murder, and in particular first-degree murder or second-degree murder where the murderer had previously been convicted of culpable homicide.

This Bill proposes to amend the Criminal Code by eliminating parole of any kind for those convicted of the above-mentioned crimes. That is, life imprisonment will mean for the rest of his or her natural life without parole.

What is new in this Bill is that an option will be given to a convicted murderer to take his or her own life within 90 days of a final appeal process by a self-administered, orally ingested lethal substance.

The Bill also increases the minimum punishment for high treason or second-degree murder from 10 years to 25 years.

Mr. Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

CANADIAN AND BRITISH INSURANCE COMPANIES ACT, FOREIGN INSURANCE COMPANIES ACT, WINDING-UP ACT

MEASURE TO AMEND

Hon. Barbara McDougall (Minister of State (Finance)) moved for leave to introduce Bill C-123, an Act to amend the Canadian and British Insurance Companies Act, the Foreign Insurance Companies Act and the Winding-Up Act.

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

[*Translation*]

RADIO ACT

MEASURE TO AMEND

Hon. Marcel Masse (Minister of Communications) moved for leave to introduce Bill C-124, an Act to amend the Radio Act.

Business of the House

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

RAILWAY ACT

MEASURE TO AMEND

Hon. Marcel Masse (Minister of Communications) moved for leave to introduce Bill C-125, an Act to amend the Railway Act.

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

[*English*]

NATIONAL TRANSPORTATION ACT, 1986

MEASURE TO ENACT

Hon. Don Mazankowski (Minister of Transport) moved for leave to introduce Bill C-126, an Act respecting national transportation.

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

• (1120)

MOTOR VEHICLE TRANSPORT ACT, 1986

MEASURE TO ENACT

Hon. Don Mazankowski (Minister of Transport) moved for leave to introduce Bill C-127, an Act respecting extra-provincial motor vehicle transport.

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

JUDGES ACT

MEASURE TO AMEND

Hon. Jake Epp (for the Minister of Justice) moved for leave to introduce Bill C-128, an Act to amend the Judges Act and other Acts in relation to judicial matters.

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

BUSINESS OF THE HOUSE

Mr. Deans: Mr. Speaker, I wonder whether I might direct a question to the Parliamentary Secretary to the Government House Leader. Is he able to give some sort of explanation of why so much legislation is being introduced the day before the House rises for the summer recess?

Mr. Lewis: Mr. Speaker, I am afraid I will have to take that question as notice. I will be pleased to get back to my colleague as soon as possible.

* * *

QUESTION ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I wish to advise the House that Question No. 554 will be answered today.

[*Text*]

MEDICAL DEVICES

Question No. 554—**Mr. Young:**

1. (*a*) In (*i*) 1980 (*ii*) 1981 (*iii*) 1982 (*iv*) 1983 (*v*) 1984 (*vi*) 1985, how many accidents involving the use of medical devices were reported to the Bureau of Medical Devices (*b*) how many were reported by the product manufacturer or supplier and by hospitals or physicians and other medical practitioners (*c*) how many reported accidents resulted in (*i*) physical injury (*ii*) death?

2. Did the Bureau investigate each reported accident and, if not how many were investigated?

3. Did the Bureau initiate criminal prosecutions as a result of the investigations and, if so, how many?

Hon. Jake Epp (Minister of National Health and Welfare): 1 (a) For the six years requested, the numbers of reported device related incidents are:

Number of reports received:

	(i) 1980	(ii) 1981	(iii) 1982	(iv) 1983	(v) 1984	(vi) 1985
	182	285	239	244	324	347

(b)	(i) 1980	(ii) 1981	(iii) 1982	(iv) 1983	(v) 1984	(vi) 1985
Reported by:						
Product Manufacturers or suppliers	8	7	3	2	13	35
Hospitals	19	37	40	39	127	78
Physicians	12	26	48	86	32	94
Other medical staff	110	174	111	89	121	112
General Public	33	41	37	28	31	28

(c) (i) and (ii) The classification system for reported accidents includes those that actually resulted in death or physical injury and those that have the potential to do so. The system addresses actual and potential accidents equally but does not differentiate between the two.

2. Every reported accident is investigated but the depth and completeness of each investigation depends upon the severity of the hazard and the assigned priority.

3. Criminal prosecution constitutes only one of a range of possible remedial and corrective measures available to the Bureau. Over the six-year period in question the Bureau has implemented all of the following measures, except criminal prosecution:

Order for Return

Remedial Measures	Addressed to
A. Advisory measures, including:	Manufacturers
1. Medical Devices Alerts	To transfer technological know-how developed by the Bureau, to suggest new methodologies, to advise on compliance with the Act and regulations, etc.
2. HPB Information Letters	
3. Safety Guidelines	
4. Standards	Users
5. Individual letters	To make users aware of hazards, to correct misunderstandings, to provide education and training to prevent misuse and human error.
6. Scientific publications	
B. Directives or recommendations for device improvements or manufacturing changes.	Manufacturers, when the Bureau considers the hazard or ineffectiveness to arise from design errors or improper manufacturing.
C. Directives or recommendations for labelling improvements.	Manufacturers, where the directions for use or other labelling are considered inadequate.
D. Regulatory and compliance measures including: 1. stop sale by manufacturer 2. recall or corrective action 3. seizure of stock 4. refused entry to Canada 5. criminal prosecution	Manufacturers, when a serious and present hazard is discovered, or co-operation is not forthcoming, or the device is fraudulent, etc.

[*English*]

Mr. Speaker: The question as enumerated by the Parliamentary Secretary has been answered.

* * *

QUESTION PASSED AS ORDER FOR RETURN

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if Question No. 370 could be made an Order for Return, the Return would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that Question No. 370 be deemed to have been made an Order for Return?

Some Hon. Members: Agreed.

[*Text*]

RESIDENTIAL REHABILITATION ASSISTANCE PROGRAM

Question No. 370—**Mr. Malépart:**

1. In (*a*) Canada (*b*) each province (*c*) each municipality (*d*) each regional country, what amounts were (*i*) spent in 1984 (*ii*) allocated for 1985 under the Residential Rehabilitation Assitance Program for the rural or urban segment of the program?

2. In (*a*) Canada (*b*) each province, what amounts were (*i*) spent in 1984 (*ii*) allocated for 1985 for co-operative housing under the RRAP program?

3. Under the Rental Assistance Plan, what amounts were (*a*) spent in (*i*) 1983 (*ii*) 1984 (*b*) allocated for 1985 in each province?

4. (*a*) Under the program provided for in Section 56.1 of the *National Housing Act*, how many housing units were built in each province in 1984 (*b*) what amount was (*i*) spent in 1984 (*ii*) allocated in 1985, in each province and in Canada, for public housing, co-operative housing and non-profit organizations?

Return tabled.

Order Paper Questions

[*English*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO AMEND

The House resumed from Wednesday, June 25, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-111, an Act to amend the Customs Tariff and to amend an Act to amend the Customs Tariff, be read the third time and passed.

Mr. David Berger (Laurier): Mr. Speaker, last evening I began my comments on Bill C-111 by saying that the Government reacted to the American tariff on shakes and shingles by imposing a tariff on books and on computer parts such as semiconductors and chips. The Government picked up the gun but forgot to aim. As a result, we shot ourselves in the foot; the Government shot Canadians in the foot.

I should like to refer to the thrust of the comments of industry representatives who spoke at the time the retaliatory tariff was announced. They appeared before the legislative committee, and in essence the thrust of their comments was: "Protect us from ourselves". A few more shots like this in the foot, and the whole country will be limping much more seriously than it is at present.

I think it is important to make some thorough comments at third reading stage of the Bill. Very little attention was paid to it as it went through the various stages in the House. At second reading, the Parliamentary Secretary to the Minister of Finance (Mr. Vincent) devoted two whole sentences to the tariff. He offered no justification or explanation. No one spoke in favour of the tariff in committee, not a single person. Of course it was an expedited committee hearing. I have had an opportunity to look at yesterday's edition of *Hansard*, and not one Member spoke in favour of this tariff. In fact, not even one member of the Conservative Party intervened in the debate.

The average Canadian assumes that Parliament is here to serve Canadians. The average Canadian assumes that when the Government introduces a measure in the House and when Parliament acts, it is designed to help Canadians and the Canadian economy. The average Canadian assumes that it is designed to provide jobs or some tangible benefit for Canadians. However, it should be clearly understood by all Members of the House and by all Canadians that the tariff on books and on computer parts such as computer chips will hurt Canadians. It will hurt Canadian consumers, Canadian workers, Canadian companies, and the Canadian Government. It does not achieve any recognizable objective.

The Government is imposing a tariff on computer chips and other parts as part of a so-called retaliation to the American tariff on cedar shakes and shingles. One might think that this will help manufacturers or companies. One might think that if a tariff is imposed on imported computer parts and chips, it will allow domestic manufacturers to be more competitive and it will increase the sales of Canadian firms. That is not true, because we do not manufacture any substantial quantity here in Canada.

Mr. Gordon Gow of the Canadian Advanced Technology Association appeared before the legislative committee on Bill C-111. He indicated that up to 80 per cent of the manufacturing parts and components used by the Canadian industry come into Canada from foreign sources. All the Bill does is increase costs to Canadian manufacturers. In reply to a question by a member of the committee who asked whether the Bill would diminish the competitiveness of Canadian manufacturers outside Canada, Mr. Gow replied: "Absolutely". He was asked again whether he believed that the tariff would stimulate the development of an industry here in Canada which would build these products, and he answered as follows:

> No, I think if anything it will stimulate the extraction of some of these businesses to other locations to do the manufacturing.

It will lead to an exodus of manufacturing from Canada. Manufacturing which could be done here will be done in other countries because costs to Canadian manufacturers are being increased. This tariff will raise costs to Canadian manufacturers who have no choice but to pass them on to consumers. It will also affect the competitiveness of Canadian companies. If they are required to raise their prices in order to pay the tariff, their prices will be less competitive *vis-à-vis* their competitors. It will hurt sales. It will hurt jobs. We even heard some indication that it might lead to the loss of some companies, to the closing of some companies.

It bears repeating what Mr. Gow said before the committee. He said:

> I do not see how this Bill C-111 does us any good. It is entirely a lose, lose, lose situation.
>
> What I mean is that the government loses, the Canadian consumer loses, and the industry loses. The government loses on the basis that I do not believe it meets the objectives of the bill, the industry loses because it keeps us from being competitive, and the Canadian consumers lose because they now have increased costs.

● (1130)

It is quite remarkable that when this so-called retaliation was announced by the Government I got a call from a reporter for *The Washington Post*. It is not often that a Member of the Canadian Parliament gets a call from a member of *The Washington Post*. This journalist, who is based in Toronto, asked me what the explanation was for this Bill. He could not believe it, nor could he understand it. I tried as best as I could to explain the Government's rationale. I could hear the guy

laughing at the other end of the line. Indeed, I could hear the laughter all the way from Washington when this Government declared a counter attack that hurts Canadians more than it hurts Americans.

[*Translation*]

Mr. Speaker, I think it is quite clear: Canadians ought to know that this response, these reprisals are going to cost them a lot of money. About $80 million will be paid by the Canadian consumer as a result of this tariff on books and computer parts and chips. This was made very clear by all representatives from the industry who appeared before the legislative committee that examined this Bill, and it was indeed said by those same representatives when the Government's decision was announced. They said that this decision would do Canadians a more harm than the Americans. Why? Because these goods, these computer parts and chips, are not manufactured in Canada. Canadian companies are obliged to order their supplies from the United States. They have no choice, Since we have no major Canadian industry that would be able to fill these orders. These companies will be obliged to increase their costs and to transfer those costs to the consumer, and this, as I said earlier, is going to affect the competitive position of Canadian companies.

[*English*]

I suppose one has to ask why are we doing this. Why are we imposing a tariff on Canadian computer chips and parts, a measure which will cost Canadians and will cost Canadian jobs. The only answer I could come up with is that we are paying for the Prime Minister's (Mr. Mulroney) education, albeit an imperfect one at that. His reaction when the President of the United States imposed the tariff on cedar shakes and shingles was exceedingly strong if you remember, Mr. Speaker. It reminded me a bit of a lover's spat. I think it demonstrates what we have been saying all along, that the Government and the Prime Minister have entered into these negotiations under false pretenses. They have entered into the negotiations assuming that by cosying up to the President, by being friends with the President and by supporting the President's initiatives in foreign policy and in many other areas we would somehow get an advantage which would translate into a trade negotiation, a deal that would be to Canada's advantage.

Lately, however, we have seen the Prime Minister say that he is prepared to walk away from a bad deal. But he contradicts himself. He says that he is putting his job on the line, that the next election will be fought on trade. When the Prime Minister puts so much importance into one single issue, when he says that his future rests on it, that the future of his Government rests on it and that he is prepared to fight the next election on it, I challenge anyone in this House to tell me whether that language supports the PM's other statement that he is prepared to walk away from a bad deal. I say the two statements are totally contradictory, that the Prime Minister, because he is staking his whole credibility on this trade negotiation, will be willing to do anything and to give up anything in order to arrive at a deal to salvage his credibility.

It is from contradictions of this nature, from an incoherent negotiating strategy, that we arrived at this decision which, as I have tried to explain, will hurt Canadians and will not help our negotiating position one iota. If this will help Canadians and our negotiating position, why did not even one Member of the Conservative Party either at second reading, in committee or at third reading stand up to defend this Bill? That does not make any sense, Mr. Speaker.

This measure confirms also what we have tried to say, time and time again on our side of the House, that trade is not enough, that it is no substitute for the appropriate policies in the area of education, training and research. I invite you, Sir, to have look at today's editorial cartoon in *The Citizen* here in Ottawa. The editorialist captures the problem far better than anyone else. The cartoon is headed:

"Canada Prepares For the Launch into Free Trade—"

The cartoon shows a Canadian under a crane with a whole series of weights being placed on his head burdening him down. The first weight entitled: "Reduced education spending". The second weight is entitled "Reduced scientific research", and the third weight which is being lowered onto the head of this unsuspecting member of the Canadian public is entitled "U.S. Book Tariff". We could add many other weights, including the weight about which I have been talking, the additional tariff on computer chips and parts. Of course this unsuspecting Canadian, a person who is supposed to represent all Canadians, is reading a piece of paper upside down which says "So long dummy". That is the way we are launching and preparing ourselves for free trade, by burdening Canadians with a series of weights that will only prevent us from competing in this global market.

• (1140)

In conclusion, if there is any lesson for Canadians to learn through the imposition of this tariff it is that it is not enough to defend ourselves against the U.S. Government, that we must defend ourselves against our own Government.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speake, I am pleased to have an opportunity to say a few words on Bill C-111. This is a very important Bill, as you well know. It has the potential to do great and wonderful things, but I am afraid it fails to do them. One of our problems in this House is that we seem to name our Bills incorrectly. The title of Bill C-111 is "An Act to amend the Customs Tariff and to amend An Act to amend the Customs Tariff". That does not tell us very much. I think a more appropriate title would be "An Act that Gives the Impression that Canada is Helping the Caribbean Countries and an Act to Close Down Many Medium and Small Canadian Businesses doing Work in the Computer Chips and Computer Parts Industries". That would be a more descriptive title for the Bill and would outline what this Bill does.

Bill C-111 is broken down into three parts. I will leave to another debate the latter part which extends the time limit for dealing with pornography. I would like to spend some time discussing the first two parts of this Bill.

The first part is presumably designed to help trade between Canada and the Caribbean countries. When the Prime Minister was in the Caribbean he made glowing speeches about how Canada would work closely with its Caribbean brothers and sisters to assist them in developing their economies and provide trade opportunities which hitherto did not exist between those countries and Canada. There were all sorts of toasts and glowing comments made and editorials written. It was going to be wonderful. We then saw the introduction of Bill C-111 which gives the impression that Canada is opening up its trade door with the Caribbean countries when in fact it really does not do that. This Bill leaves out some very critical products.

You have travelled extensively, Mr. Speaker, and probably know the Caribbean as well as anyone. Industries in the Caribbean often include textile factories, garment factories, footwear factories and leather products. Not surprisingly, these are all exempt. This Bill says that we are not interested in trade in these particular areas. The products which have been exempted are those which are most extensively produced. By exempting those we are saying that we are not particularly interested.

However, that is not the onerous part of this Bill. Bill C-111 has a value added clause. The Government likes the value added concept and plans to introduce it across Canada in the next few months. It may be renamed "the business transfer tax", but the Government likes the idea of value added. Presumably that is why the Government suggested we would have free trade in items from the Caribbean if there is a 60 per cent value added to the product in the Caribbean country. That is extremely problematic because, of the products manufactured in the Caribbean countries, a great deal often come from offshore and it is very difficult to produce up to a 60 per cent value added.

The European countries have what they call very punitive value added measures which apply to the Caribbean countries. They normally apply approximately 50 per cent. The United States has applied a 35 per cent value added criterion. While presumably trying to assist the people in these countries, Canada has added 60 per cent which will prohibit a great number of commodities from being imported into Canada.

It is very clear that this Bill was hastily, and perhaps even thoughtlessly, designed. My friend, the Member for Essex—Windsor (Mr. Langdon) suggested in the legislative committee that we ask some representatives from the Caribbean countries how they feel about this part of Bill C-111. Members of the government Party said there was no time for that. We, therefore, made a few phone calls. We spoke to people in the embassies. The Jamaican people indicated that this would not help them much at all. They were not certain it would provide any assistance. They were quite disappointed because they, along with a number of other countries in the Caribbean, had made special requests, particularly with regard to allowing the exportation of various alcohols to Canada. There has been no action taken on this. When one thinks of the Caribbean one often thinks of the rum which is made there from local materials.

Another item of major import importance is cigars. However, we have increased excise taxes on cigars to negate any advantage that a tariff relief would give to these particular commodities. The representatives of the Caribbean countries are voicing disappointment that this is the result of the great initiative of the federal Government of Canada.

Small and medium-sized Canadian businesses in the computer chip and computer parts industries were just getting nicely off the ground. We were beginning to trade very effectively as a result of an agreement signed earlier this year with Japan and the United States which allowed the free interchange of computer chips and parts. That was welcomed by the industry. It was proclaimed as a major step forward which would provide a whole range of new market opportunities for our fledgling Canadian businesses in these areas. However, Bill C-111 is now going to turn this intiative around by increasing duties on computer chips and parts. Why would we totally reverse ourselves in a matter of weeks? The reason is that the Government has decided it will get the United States, that it will show the United States how tough we are by closing down a number of our businesses. That is not the approach many of us expected from the Government.

The Government was caught up by the tariff on shakes and shingles levied by the United States. From the record it is very clear that while the pressures were mounting in the United States to launch a petition against the shakes and shingles industry our Government did nothing. Day after day in the House of Commons a number of people raised the matter and asked the Government what it was doing. The Members opposite simply said that they had faith that President Reagan would not do this nasty thing to our shakes and shingles industry. I remember the Member for Mission—Port Moody (Mr. St. Germain) in particular saying that. It was incredulous that he would have faith that the President of the United States would look out for our shakes and shingles industry. Apparently the Government did, because when the tariff was imposed the Prime Minister was caught totally off guard. He wrote a little letter of outrage, after the fact.

The Government wondered how it could retaliate against the Americans. It decided to break the agreement with the United States which allowed for duty-free importation between our countries of computer chips and parts. The effect of this is very clear.

The committee heard witnesses on this issue. One was Mr. Gordon Gow of the Canadian Advanced Technology Association who is also the President of Gandalf Systems Group. He said quite bluntly that he did not see how Bill C-111 does us any good. He went on to say that it is entirely a lose, lose, lose situation. The Government loses, the consumer loses, and the

industry loses. This comes from the top spokesperson in this area.

We heard from Mr. Allan Aiken of the Canadian Semiconductor Design Association. He gave estimates in the committee which indicated that the cut-back in profitability as a result of these so-called retaliatory tariffs could end up putting some of these important semiconductor products right out of business. Mr. George Best, President of the Canadian Business Equipment Manufacturers Association, said that the previous tripartite agreement with the United States was a very good agreement which his members supported, but that they were dismayed at the reimposition of Canadian tariffs on computer parts and semiconductors. The witnesses from the industries said that this was a total lose situation.

• (1150)

When witnesses come before the committee and say those things, when everyone from the private sector who has spoken out on this Bill has said it is a disaster, when members of the Opposition stand in their places here and in committee and try to point out what the Bill is going to do to Canadian business, we listen very carefully to hear someone from the Government benches rise and explain how this is good for Canada. If it is going to hurt Canadian companies, lay off Canadian workers and knock us out of international markets, why are we doing it?

I plead with my friends opposite, with members of the Cabinet who are here today, to stop this nonsense. We have to rethink this Bill. Unless I hear a single person opposite rise and say this is a good idea, I just cannot imagine that later today we are going to vote on this Bill because it is in the best interests of Canada. I thought it was our job to pass legislation to assist Canadians, provide job opportunities and assist business. Yet this Bill does exactly the opposite. Not only does it damage Canadian business, it does very little to develop our trading relationships with Caribbean countries. It is for those reasons that we as New Democrats will certainly be voting against the Bill. I again plead with my friends in the Conservative Party to just take a few minutes and explain how this is going to do Canada, Canadians and Canadian industry any good.

Mr. Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to and Bill read the third time and passed.

CANADA PENSION PLAN AND THE FEDERAL COURT ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-116, an Act to amend the Canada Pension Plan and the Federal Court Act, as reported (without amendment) from the Standing Committee on National Health and Welfare.

Mr. Speaker: There are three motions set down for debate at report stage of Bill C-116. Motions numbered 1 and 3 will be grouped for debate but voted on separately. Motion No. 2 will be debated and voted on separately.

Mr. W. Paul McCrossan (York-Scarborough) moved:

Motion No. 1

That Bill C-116, be amended in Clause 23

(a) by striking out lines 12 to 15 at page 26 and substituting the following therefor:

"a judgment of nullity of a marriage on the Minister's being informed of the decree or judgment, as the case may be, and receiving the prescribed information".

(b) by striking out lines 5 and 6 at page 29 and substituting the following therefor:

"earnings under section 53.2 or 53.3,

(b) that provision of the spousal agreement is expressly permitted under the provincial law that governs the spousal agreement, and

(c) that provision of the spousal agree-".

Motion No. 3

That Bill C-116, be amended in Clause 33 by striking out lines 23 and 24 at page 45 and substituting the following therefor:

"under this section,

(b) that provision of the spousal agreement is expressly permitted under the provincial law that governs the spousal agreement, and

(c) that provision of the spousal agree-".

He said: Mr. Speaker, I will be very brief. The purpose of the two amendments is to bring in mandatory credit-splitting along the lines agreed to in the federal-provincial agreement. We had extensive discussions with various interest groups, including the National Action Committee on the Status of Women. If I might just read a very short excerpt from their letter to me dated June 18, 1986, as follows:

—this is to confirm that the National Action Committee on the Status of Women supports your motions—to amend the credit-splitting and assignment clauses of Bill C-116.

We are satisfied that these amendments make Bill C-116 much fairer to women by making credit-splitting on divorce mandatory unless a province expressly legislates otherwise, and by restricting the conditions under which people can renounce their right to a share of their spouses' Canada Pension Plan credits upon retirement.

I think that letter is self-explanatory. I hope the motions will be supported.

Mr. Gauthier: Point of order, Mr. Speaker. I asked the Table for a copy of Bill C-116. It was brought to me and then went for photocopying. Apparently the House is running short of these Bills. It is an important Bill and I just want to know

that everyone knows what we were talking about; the Bill is hard to get.

Mr. Speaker: Maybe we should charge for it.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the principle of making the splitting of credits mandatory is one that we support. We are glad that the Hon. Member for York-Scarborough (Mr. McCrossan) has introduced this measure and we support it.

Mr. Neil Young (Beaches): Mr. Speaker, I would just like to confirm that following representations by the National Action Committee on the Status of Women, and extensive discussions between myself, the Hon. Member for York-Scarborough (Mr. McCrossan) and the Hon. Member for Sudbury (Mr. Frith), the amendments put forward today reflect what the Hon. Member for Sudbury had in fact moved in other motions. I had intended to do so myself as well, but because of the language contained in the Hon. Member for York-Scarborough's amendments we did not see any need. His amendments do exactly what we all intended to do.

Mr. Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Speaker: The question is on Motion No. 1 standing in the name of the Hon. Member for York-Scarborough (Mr. McCrossan). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion No. 1 agreed to.

Mr. Speaker: The next question is on Motion No. 3 standing in the name of the Hon. Member for York-Scarborough (Mr. McCrossan). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion No. 3 agreed to.

Hon. Jake Epp (Minister of National Health and Welfare) moved:

Motion No. 2

That Bill C-116, be amended in Clause 24 by striking out line 7 at page 32 and substituting the following therefor:

"payable for a month".

He said: Mr. Speaker, as Members know, there is a disability provision in the present Canada Pension Plan. In the drafting of the changes there was a question, although we thought the point was covered, as to whether those people currently receiving disability pensions would be beneficiaries of the higher amount which the amendments incorporate. As the wording in Motion No. 2 clearly spells out, those now receiving disability will get the greater amount should the Bill be passed.

Mr. Neil Young (Beaches): Mr. Speaker, I do not want to take too much time because the points I wanted to make on behalf of my Party were made on second reading debate and in committee. However, I do want to say one or two things which are of primary concern to myself and my Party.

We would like to have some assurances from the Minister that the increase in benefits to persons considered disabled are not going to be syphoned off by insurance companies because of the bridging benefit which exists in many private plans on disability benefits. This has happened very often in the past and I think it would be extremely unfortunate if that were to continue. There is little sense in us increasing benefits for persons who are disabled simply to see an insurance company take that money. It would not be of any benefit to the disabled person.

• (1200)

The other concern I have is about the review committee that is being set up under this Bill. I am a bit fearful that this new review committee will adopt a very clinical attitude toward a person who is disabled rather than taking a look at the disability itself and the individual's personal circumstance.

There are some other areas in the Bill which I think could have gone further, but the Minister has assured us in committee that the discussions that took place previously between the federal and provincial Governments are to continue, and that we will probably see further amendments to the Canada Pension Plan within the next year or so. On that basis I would welcome the opportunity to have some further input into those discussions prior to these negotiations beginning to ensure that the concerns we have will receive proper attention in these discussions.

On that basis our Party, speaking for myself and on behalf of the Party, support the amendments in so far as they go in this particular Bill. We do recognize that there will be a significant improvement in benefits, particularly for disabled Canadians, and any improvements in these benefits are welcomed by us.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I am not going to delay the Bill, but I would like to register a very serious reservation with respect to the potential impact of this Bill on the well being of women. I do not think that the lot of widowed women in our society is improved to the degree that we had hoped. I am pleased the Minister is going to review this issue very carefully, along with the five-year review, the committee, the disability pension and the way it relates to old age security moneys, et cetera. There are many issues in there with which I hope you are able to come to a better accord with the provinces to enable our older people in our society, over time, to live more conveniently and with less poverty at their door.

Mr. Speaker: The question is on Motion No. 2 standing in the name of Mr. Epp (Provencher). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion No. 2 agreed to.

Mr. Epp (Provencher) moved that the Bill as amended, be concurred in.

Motion agreed to.

Mr. Epp (Provencher) moved that the Bill be read the third time and passed.

He said: Mr. Speaker, it is with special pride that I speak once more on Bill C-116 on third reading. As Members know Bill C-116 amends both the Canada Pension Plan and the Federal Court Act.

I want to thank at the outset the Chairman of the Standing Committee, the Member for Oxford (Mr. Halliday) who chaired this committee, the committee members, and as well my critics from the Liberal and the NDP Party who have been most helpful in their suggestions and co-operative in their work in attempting to get this legislation passed before the House rises for summer in order that the plans can be put together in a practical way so benefits for January 1, 1987, might take place.

When I presented this legislation to the House of Commons two weeks ago I stated that it represented the culmination of several years of co-operation and consultation among Canadians on the subject of pension reform. Since the Bill's introduction I have listened with interest to concerns regarding the legislation, points which have been expressed in the House and in the committee. I have already taken the opportunity to respond directly and explicitly to members of the Opposition Parties on their valid and pertinent questions.

I know that it is uncommon for Ministers to rise in the House and to mention staff members in terms of the work that they have done on the Bill. I intend to break with that tradition this afternoon and mention one Mr. Michael Hatfield for the work he has done on behalf of this Bill. Mr. Hatfield is on my staff, and I think it is not inappropriate to mention his name because at the time the parliamentary task force on pension review was looking at this issue, during the previous administration, Mr. Hatfield was asked to come on as a member of that task force, that is as an adviser to the task force. Much of the work that was done at that time is finding fruition in this Bill, and I commend him today.

Originally I had intended to discuss these issues today at some length. However, because of time constraints and in light of the agreement which Opposition Members have given support to which will facilitate the Bill's prompt passage I will speak very briefly today.

I refer, for example, to the provisions for the division of the Canada Pension Plan credits on marriage breakdown. There has been criticism that this provision is not automatic and not mandatory. I would like to emphasize that effective January 1, 1987 this provision will be mandatory in all cases of divorce, except in those cases where both spouses have previously and specifically waived claims on each other's pension rights, and where this agreement is expressly permitted under provincial law, as has just been agreed by this House in approving the motion of the Hon. Member for York Scarborough (Mr. McCrossan). I thank him as well for the work he has done.

As well, it should be noted that the House has also approved a technical amendment to Bill C-116 referring to the disability sections.

I believe it would be useful today for me to repeat the four concerns which dominated the federal-provincial discussions which led to the Canada Pension Plan amendments now embodied in Bill C-116.

The first of these was to maintain the long-term health of the pension plan's fund. The second was to ensure the affordability of premiums paid by working Canadians and their employers. The third was to adapt the benefits to the changing needs of Canadians, and the fourth was to maintain parallelism with the Quebec Pension Plan.

It was mentioned today by the Member for Mount Royal (Mrs. Finestone) that there should be further changes made relative to the position of women and their pension plans and spouses allowances. I am well aware of them. I believe the changes the Government brought in earlier on widows, amendments to the Old Age Security Act has helped. I believe this Bill further helps. I think all of us realize that as society is developing and evolving further changes will have to be made. I have committed myself, as Minister of National Health and Welfare, to further discussions in those areas. I make that commitment to the House again today.

A comprehensive information package concerning Bill C-116 has been distributed to all Members of Parliament and to Senators. I would like, therefore, to summarize the main dispositions of the Bill and what the legislation will provide for: first, the development of a 25-year schedule of Canada Pension Plan contribution rates to be reviewed at least every five years; second, a gradual increase in contribution rates from the present 3.6 per cent rate to 7.6 per cent by the year 2011; third, the maintenance of the Canada Pension Plan Fund at a level equal to approximately two years of benefits in the long term; and fourth, actuarily adjusted pensions as early as age 60 or as late as age 70.

• (1210)

In addition, the legislation will provide for increased disability benefits and an easing of the eligibility criteria for them. More work is needed on the question of disability. This is one area of the Canada Pension Plan which has a discretionary aspect, relative to medical advice. We must be sensitive to some of the points made in terms of discerning who is eligible for the disability pension.

As well, the legislation provides new rules governing credit splitting on marriage breakdown, as well as for pension sharing on retirement for married and common law couples; the continuation of survivor benefits on remarriage; improved

children's benefits, also relating to survivor benefits; changes to the rules governing maximum rates for combined pensions; and a number of significant minor amendments.

That is an impressive package that the House is passing today in Bill C-116.

In closing, I want to assure my colleagues that the reform of Canada's pension system has not come to an end. The Government places great emphasis on further changes and amendments throughout the pension spectrum. The passage of Bill C-116 does not mean that we are putting pension reform on the so-called parliamentary back burner. Rather, it stays on the front burner where Canadians generally and Members of the House will want to see the full heat retained. The Government has made significant progress in terms of that pension reform.

As well, I am confident that the results of further co-operative efforts will be a system of income security for Canadians that will respond better to their needs in the years ahead. People have asked me with respect to the Quebec Pension Plan, and particularly the Canada Pension Plan, if they will have a pension when they retire. I am sure all Members have been asked that question. With the changes that are being brought in today with the passage of Bill C-116, the pension fund is secure. There will be a pension for those who have paid into it up to today, plus these improved benefits once the Bill is passed through the House and the other place before we rise for the summer.

This package is the result of much co-operation. It is a positive step forward for the Government of Canada and it will benefit all Canadians. I commend this Bill to the House and thank the House for the co-operation I have seen in the passage of this Bill.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in participating in this debate, I first want to pay tribute to the Hon. Member for Sudbury (Mr. Frith) who is on other duties today. I want to echo the sentiments of the Minister when he expressed appreciation for the Member's co-operation and input.

The House will recall that the Member for Sudbury initiated a review on behalf of the then Minister of National Health and Welfare, the Hon. Monique Bégin, in 1983. That thorough review which began in 1983 finds its final development and conclusion in this debate today in the House of Commons and the Senate. Therefore, we are indebted to the Member for Sudbury for having put on the map a number of improvements that were needed for the benefit of Canadians who enjoy the protection of the Canada Pension Plan.

On June 11, the Member for Sudbury identified a number of areas about which he felt strongly. He suggested improvements that the Government could make in these areas, which include disability, eligibility criteria for disability and the flat benefit portion of the CPP disability pension.

Bill C-116 proposes an increase in the flat rate from $91 to $233 for people who will receive the disability pension as of January next year. That is a welcome development because, although people wanted a greater move in that direction—since $233 a month as a flat rate is still very modest— it is an expression of a will to further improve the disability pension for Canadians who qualify for it.

We are still unhappy about the definition of disability, which is extremely restrictive. The statement, "indefinite duration or severe and prolonged", causes applicants to appeal and prolong the process on occasion. No doubt it is sometimes a worthwhile exercise because it results in the acceptance of an application at higher levels of appeal.

The history of contributions is still very strict. If I understand Bill C-116 correctly, the contributions still must be made during at least five calendar years out of the last ten in the contributory period or for at least two of the last three calendar years, or for at least the last two calendar years if the contributory period has only been two years long. A number of people who withdraw from the labour force because of a temporary disability discover that their disability is not temporary. When it comes time for their medical adviser or themselves to decide to apply for a disability pension they discover that it is too late, because they do not have the required number of years contribution under the law. This comes as a shock to workers, particularly those in the industrial centres of the country, as well as in rural areas. This measure should be improved to provide a better way of dealing with these problems. I am sure many Members have come across similar situations with their constituents. There must be a solution to the problem so that some people with very legitimate cases are not disqualified because of a lack of knowledge of the law, language handicaps, or other reasons. They only discover when it is too late that they do not have the number of years required.

I am pleased that the Minister is in the House today. I know that he is making note of what I am saying and will try to find a solution to this aspect of the disability benefits that requires attention. I am sure this problem is testing the admistrative skill of those in charge of the Canada Pension Plan.

On the question of children's benefits, as the Member for Sudbury has said in the past, we see this as a desirable development also emanating from his study.

With respect to the basic levels of survivor benefits, we would like the 25 per cent gradually increased over the years in order to generate a higher pension. We realize that this cannot be done in a vacuum and that it will require an increase in the rate of contribution. I know that this is a very divisive and difficult topic. Nevertheless, as we acquire experience and as this fund builds up, hopefully we will find ways of making contributions that will also permit basic retirement benefit levels which, more and more, will reduce the poverty level that some people do have to face when they come under the regime of the Canada Pension Plan. I think that, philosophically, perhaps, we can find a common ground on this matter.

• (1220)

I would really like to bring this area of contribution rate changes to the attention of the Minister. He knows that there will be a .2 per cent increase of pensionable earnings each year until 1991; however, there will be a drop of 2.15 per cent. I wonder why we should be facing a slippage in that area, from 1992 to 2001, instead of maintaining this same rate or even gradually, fractionally, increasing it in order to give strength to the fund and permit certain improvements that Canadians expect from their Canada Pension Plan.

Moving on to the subject of pension for older single women, as the Hon. Member Sudbury has pointed out on a number of occasions in committee and at second reading, we do support the Cofirentes formula or approach, because we see there a potential for strengthening the regime to protect older single women. We would therefore urge the Minister to explore that in a manner that will result in amendments in the next Bill that hopefully will see the light of day in the next session. We do favour the model that has emerged under the name of Cofirentes, and we do see there an approach that has potential.

Where we have a disappointment, as I am sure many Canadians do, and this is where the critical and concluding part of my intervention begins, it is that there is no provision in the Bill for homemakers. I can assure Your Honour and the Minister that there are many women who are engaged in highly productive and useful work at home who are desperately waiting for the day when an announcement on this measure will be made. We realize how cumbersome the process is, but it did start by way of an analysis of the potential for homemakers three years ago.

We really must register on the floor of the House the legitimate aspiration on the part of many, many women across the country who have never taken up conventional employment, by way of a job with an employer, with contributory payments being made, eventually resulting in CPP payment, but who, as the Minister knows as well as I do, have worked for years in a variety of ways at home within the family. These women when they reach age 60 or more find no tangible recognition given to them by society for having made a contribution, because this contribution somehow did not take the form of deductions. Here there is a social injustice which I do not think has any party connotation. It is a burden that we all share, one we must face and one for which we must find an answer.

Some four months ago, on a radio program concerning homemakers' pensions, I just touched on it—not very much in depth, I must admit. I was astounded at the volume of mail in response in subsequent weeks. It really touched what we could term in political words as being a raw nerve. Therefore, from a political point of view, in the best meaning of the word "political", we have here an issue that we must address, no matter what the cost.

A number of suggestions have come forward from NAC, from labour, from a number of organizations, from party platforms. I think the party platforms of all three Parties in the House are saturated with suggestions on homemakers' pensions, as well, so the time is overripe for taking action. I hope the Minister will use his term in office to engrave his name in stone, virtually, by being the one to bring in the homemakers' pension. He will go down to eternity because of that.

Mr. Epp (Provencher): "Eternity."—hopefully it's up and not the other way.

Mr. Caccia: Go up; sorry. The Hon. Minister is quite right. There is nothing that really touches the sentiments of a family, particularly concerning women, but also men, than to suddenly see a member of the family who has worked all her life not being covered because of reasons that are unexplainable. We are now in the year 1986. The issue is overripe, as I said. The input has been made by a number of organizations as well as political parties. An answer must be found.

Finally, on the question of flexible retirement, I can only report to Your Honour and to the Minister that people from where I come are simply furious about this measure. They feel that it is not fair to have a reduction of pension by any amount when entering their sixties, particularly those who are engaged in heavy duty work. A portion of the population is engaged in such work. You name it, construction, mining, fishing, farming or forestry. These are people who, upon reaching the age of their sixties, are physically worn out and look forward to an early retirement. It is from them that this cry of anguish comes, saying, "Look, why should we be penalized by 30 per cent?"

I submit to Your Honour and to the Minister that the route to go is to introduce the possibility of retiring at the age of 60 at the same rate. There will be those who will not want to retire at that age because they are productive and do not see themselves as being ready for that; but there are others who will. To impose, so to say, a penalty or a reduction of 30 per cent is not acceptable. That sentiment, with which I fully concur, comes mainly from people who are not engaged in white-collar activities, but rather from those engaged in heavy duty work, from a certain number who feel that they have just physically had it. They want to quit. They say, "Why should we be penalized by 30 per cent?"

I would like to encourage the Minister to look at this question of early retirement at the same pension rate, in conjunction with long-term policies of the Minister of Employment and Immigration (Miss MacDonald). This matter has to be seen in a broader context, namely, one that relates to incentives, if one wishes, to retire from the labour force, perhaps in order to make room for those who are in the younger age levels. This should therefore be seen as a social measure which, however, has employment potential and, therefore, an over-all governmental significance, perhaps going well beyond the scope of the Department of National Health and Welfare. Maybe then the argument of the Minister of National Health and Welfare (Mr. Epp) could be a stronger

and heavier one, seen within the parameters of pension as well as employment. I am sure that the Minister has already thought about it. Presentations have been made to him about the merits of retiring at the age of 60. However, I do reject, as firmly and calmly as I can, the notion that retirement at age 60 should be coupled with a reduction in pension. The level should remain the same. It should be open to those who want to take advntage of it. The numbers will not be that great, since increasingly people find it desirable to maintain a productive life over the years, in fact well beyond what we have come to expect in the past. However, there are certain occupations and certain individual situations in which this option is a desirable one.

• (1230)

Since democracy is a way of offering options and diversities, I submit that this is one way of doing it, but doing it without penalizing the recipients of the Canada Pension Plan by one cent. If the losses over 10 years, let us say between the ages of 60 and 70, are multiplied, then it would be a substantial sum, assuming that a person's life-span terminates at the age of 70. That is not the route to go.

I am sure that the Minister, who has a sense of fairness, will understand this message which really comes from the street level. People stop us on the street and say: "We have heard about this measure, the Bill that is going through, but to me personally it is not the type of measure I can accept. If I choose to retire at age 60 I do not want to be penalized by 30 per cent, or even by one cent for that matter".

Perhaps I have belaboured the issue at too great a length, but I had to convey the sentiments together with the logic of this criticism. I am grateful for the fact that the Minister has patiently listened. I look forward to the next Bill he might introduce, possibly some time next year, which will include some of the measures that are missing from the present one. I am sure that he, along with all Hon. Members, want to see these measures incorporated in a new Bill, since we believe that the Canada Pension Plan is an ongoing process. It cannot level off or become stagnant. It is an important instrument for social progress and economic stability. As I mentioned previously, it is an important instrument which has to be looked upon within the broader scope of our employment policies.

• (1240)

[*Translation*]

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I welcome this opportunity to speak at the third reading stage of a very important Bill. It does not happen very often that we can amend a Bill here in the House of Commons, and that is the case with the Bill before the House today which is an Act to amend the Canada Pension Plan and the Federal Court Act.

Mr. Speaker, some parts of this Bill contain very positive changes with respect to disability benefits, division of earnings in case of divorce and survivors' pensions.

On the other hand, there are other amendments the Government would have us believe will be of tremendous benefit to Canadians . . . First of all, I think we should look at the Bill itself, whose purpose is to increase the premiums paid by all Canadian employees and employers into our pension plans.

This premium increase, Mr. Speaker, will increase the revenues of the CPP Fund and, through loans, those of the provinces, including Ontario, and even Quebec, because although Quebec has its own pension plan, it also borrows from the Canada Pension Plan.

But, Mr. Speaker, the most important point to keep in mind is that not only will working men and women have less income to meet their needs because they will have to pay higher retirement plan premiums but in return they will not draw increased benefits once they have retired. They advocate an increase, but if ever those people become disabled or something else happens . . . Mr. Speaker, the Government claims it is seeking to establish less stringent pension standards and has drawn inspiration from the Quebec provincial plan.

Mr. Speaker, I want to give figures and illustrate the consequences which ordinary Canadians will face if they decide or are forced to retire at age 60 under the Quebec Pension Plan. Quite simply, a resident of Ontario, Alberta, New Brunswick or Saskatchewan will be in the same predicament as someone living in Quebec.

Right now the maximum Quebec Pension Plan benefit paid to a person aged 65 is $486.11. Should somebody in Quebec opt for retirement at age 60 he or she gets $340.28 in QPP benefits, which amounts to a penalty of $145.83 a month, or an annual loss of $1,749.96.

In my opinion, Mr Speaker, it is too much to expect a person to contribute more with a view to retiring early at age 60 and at the same time penalize the same person to the tune of $1,749.964 a year.

Mr. Speaker, Quebec welfare benefits amount to $456 a month, yet Quebec Pension Plan benefits are only $340.28—way below the poverty level, in fact below the misery level.

We know that quite a number of people between the ages of 60 and 65 live under the poverty level, yet the Bill under consideration will only push even more people under the poverty level, as if we wanted to make sure that there will always be poor people becoming even poorer.

The alternative is a joke. Some people may decide to retire only when they get to be 70—they know the penalty for retiring before 65 is 6 per cent a year, whereas the incentive to continue working until 70 is an annual bonus of 6 per cent—so they are told: If you retire at 70 and wait until then to draw your Quebec Pension Plan benefits—and now the Canada Pension Plan benefits—you will be entitled to 130 per cent.

Well now, says the prospective retiree, 130 per cent is quite interesting, I will think about it.

I have the figures. As I said, the maximum paid to a Quebecer aged 65 is $486.11. The reaction is predictible: Well, I will follow the Government's recommendation, go on working or stay home but wait before applying for QPP or CPP benefits because they told me I would get 6 per cent more. I am told I will draw $515.28 at age 66. Mr. Speaker, he figures he will get $29.19 a month or $350 more a year if he waits until age 66. But what they are not told—and I suspect no Member will urge a constituent to wait until age 66 or 70 to draw his or her pension benefits—is that a person has to agree to do without a monthly income of $486 for one year beginning at age 65. To get $350 more a year, he or she has to accept a $5,833 loss, and this money stays in the Government coffers.

Mr. Speaker, what do you put in a Bill which is nothing more than window-dressing? It provides no benefit unless someone with a lot of money says: I shall not take my pension benefits immediately because my taxation level will be very high. However, Mr. Speaker, you do not legislate for the most wealthy.

Let me give you an example of someone in Quebec who waits one year and, instead of retiring at 65, decides to do so only at 66. He loses $5,800 to earn $340 the next year. However, the Government is saying: The system will be more flexible between the ages of 60 and 70. Under 65, you lose 6 per cent a year, which means 30 per cent in five years. You lose $1,749 each year throughout your life because your pension will always be indexed all your life on the basis of the low amount which you received the first time.

The publicity tells a different story, even though the Prime Minister will certainly pat himself on the back at the end of the session in spite of the recent scandals because he succeeded in passing two good Bills for pensioners. Look at what will happen according to the Conservative Government. Even though you retire, you can decide to receive your benefits under the Quebec or the Canada Pension Plan at the age of 70. This means that, at 70, instead of having $486.11, you will get $631.94. or $145 more each month. However, during those five years, you will have to do without $29,000 in income that you will have left in the pension fund to be entitled to receive $1,749 more each year.

Mr. Speaker, it makes no sense to include in a Bill something that no one here would recommend. Let us suppose that someone who is 65 years old goes to the Office of the Minister of National Health and Welfare (Mr. Epp) and asks for some advice: "Should I retire now since I have my private pension plan and you have passed some new legislation? I do not need that much money right now as I can make both ends meet. Would it be better to invest as you have said and leave my Canada Pension Plan benefits in the pension fund and wait until I am 70 to receive 30 per cent more? It sounds interesting. Is it like at the bank?" Would the Minister honestly and sincerely be able to tell this person: "Yes, the legislation tells you to leave your money where it is and you will then receive 30 per cent more." It is not true. The Minister cannot tell me that he would say to someone: "Do without $29,000 in income and leave this money in the fund so that we can give you $1,700 more later." It is impossible. It is illogical, Mr. Speaker. It was unacceptable in Quebec where the PQ passed similar legislation. Very few people take this option. It is window-dressing. It is only camouflage, Mr. Speaker. This is the problem with this Government. It is the same for the way the pension entitlement is shared when a couple separates.

A while ago, the Minister introduced the Spouses' Allowance Bill to help widows and widowers and be discriminated against single, separated and divorced people. Now, as he wants to makeup for it, he gives more money to someone who is separated than to someone who is not separated or to widows and widowers.

Mr. Speaker, all this has been done thoughtlessly and illogically. All the Members of the Opposition, the NDP, the Liberal Official Opposition and even some Conservative Members will admit that they have been pressed to pass this Bill. It is true that it will result in some improvement. But, Mr. Speaker, is there one Conservative Member—

Mr. Ricard: What improvement!

Mr. Malépart: Is there one Conservative Member, yes, of course, there is the Hon. Member for Laval (Mr. Ricard) can he tell me, when a man of 65 drops in his constituency office and says: Tell me, you are the expert, you voted for a legislation, you said it was very good, it is right here in this press release. Would I be better off if I waited till next year to draw my Pension Plan benefits? If that question was put to me, my answer would be: Grab it immediately, otherwise the Government will get away with $5,000 and you will get $340. Unless one is a swindler, a Government swindler who would say to his constituents:

Mr. Speaker, as an individual each one of us will be ready to advise people to do differently than what is being offered. Why then should we act as hypocrits and put that in the legislation? Why did the Minister accept that such a thing be included? Why did he not say that people between 60 and 65, as my colleague suggested earlier, why did he not leave them with the same amount? Why deprive anyone of $340.28 a month, Mr. Speaker? Can anyone live on what is left? Look at what will happen! Government coffers will get fatter because those are hidden tax increases. The Minister will reply: No, that is a contribution to the Pension Plan. But people get nothing in return. Millions and billions of dollars will go into the fund, and that money is lent to provincial Governments, people do not pay back, do they go on increasing contributions? This is like merry-go-round.

On top of that, people who depend on social welfare in Quebec get $456 a month, and this is paid 50/50 by the Federal and Provincial Governments. So these people are forced to draw Pension Plan benefits because they have contributed. Let us say the maximum amount, $340. So those $340 are deducted from $456, and that person remains poor.

Officials are running around the place, the federal Government clears out everywhere. Mr. Speaker, people have no need for that kind of thing. What the poor need is people who look down at things and attempt to improve them. I know the Minister, the Government, whatever their political stripe cannot afford to hand out everything. But when something is being done, Mr. Speaker, it seems to me we should go sensibly about it, and improve things step by step, because everything cannot be done in one shot. Why should we try to discriminate against people in need, as the Minister did with the spouses allowance? People who were excluded were mainly women, whether single, separated or divorced. So now he comes with another bill which will penalize age 60 and 65. We hear about unemployment, we are told we should consider early retirement as my colleague suggested, and this is something that would be needed, becuase everyone in the workplace who would like to retire at age 60 should be able to do so and make room for younger people. Some people are looking forward to that, Mr. Speaker. Some people took early retirement before January 5, and they were entitled to unemployment insurance benefits. There again they were cut off, Mr. Speaker, another thing the Minister reductant to talk about. And now he is going to save on welfare benefits. Because of the $340 they will be getting from the Quebec Pension Plan, he takes away from them the unemployment insurance benefits. The guy was entitled to those benefits, because he lost his job or his plant shut down. It is always those same workers who pay all their lives, becuase this is a contribution increase, Mr. Speaker. His take-home pay will be smaller, because next year he will be paying $24 more and, on top of that, he will be paying his employer's extra contribution becuase that increase in costs, his SMB employer will not be able to absorbs it. His employer will increase the price of his goods, and the consumer-worker automatically will be paying on both contributions. And in return, Mr. Speaker, he is again penalized.

I know that other colleagues will rise on this Bill and will deal with other aspects. My colleague from Mount Royal (Mrs. Finestone) dealt with the matter in committee, and while there are amendments concerning women put forward by the women's association, my colleagues from Mount Royal worked hard in that area to get the Government to realize its proposals were unacceptable. Let us look at a table, and my colleague from Montreal can deal with that—

Mrs. Finestone: Exactly.

Mr. Malépart: A married woman who becomes a widow will receive $240 per month, the same amount as before the legislation was amended. However, if that same woman was separated, she would get $320 per month. Mr. Speaker, there is something wrong with that Government. With respect to the spouses allowance, the separated woman is told: "You should have stuck with your man. We had nothing to do about it so you are penalized." The other woman is told: "You have stayed with your man but now you are a widow, it is too bad but you will lose some money." Mr. Speaker, there is no logic as far as separation are concerned and the way they figure that out. If the Minister is no good at arithmetic, there are some qualified officials, Mr. Speaker, and if he cannot find them himself, there are people in our party who could suggest fair and adequate measures for everyone taking into account the valid claims of those people.

Mr. Speaker, this aspect of the Bill is surely negative. The flexibility of the pension plan . . . I think that my time has expired but I have clearly shown that all Canadians who know that they have the opportunity—as offered by the Government to receive increased pension benefits when postponed between age 65 and 70—should not take advantage of that offer because it is a trap. The only one that gets rich and makes a good bargain is the fund while the pensioners are the losers.

Mr. Speaker, I was pleased to hear the Minister say that this was not a true pension reform but only a mini reform and I hope that when the time comes to make the true reform, he will correct all those inequities if he is still there.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, he must have misunderstood, because this cannot even rate as a mini-reform.

Anyway, Mr. Speaker, I am grateful for this opportunity to associate myself with the remarks the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) has just made. Like most everybody, I believe that we agree on the reforms which are made to the disability pension. We are glad the Minister has decided to start by increasing the disability pensions for people who just cannot work any longer.

• (1250)

[*English*]

I am happy to associate myself with the remarks of the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart). Legitimate concerns have been expressed on all sides of the House in respect of true pension reform as it relates to those people who have retired. I should like to spend just a few moments, however, suggesting that I am very happy with the increases in disability pensions. However, I see a couple of problems, one of which the Minister may want to clarify.

As a person who does a lot of work in the area of disability in my riding, I see one current flaw in the Canada Pension Plan as it relates to the eligibility period. I am sure the Minister will know, as did his predecessor, that under the current law, and as restated in this particular Bill, there is an eligibility period in which to receive Canada Pension Plan disability benefits. One is required to have worked five years of the last 10 years or, as a result of the new changes, two years of the last three years. A problem often occurs, and I hope the Minister will address it, if not specifically in the Bill, then perhaps with a change in regulations or by way of a clarification. Oftentimes in my own riding I find that people are disabled as a result of a work injury. They are on workers' compensation for a number of years, but they hope they might be able to get back into the workforce. In some cases, they do not know they might be eligible for Canada Pension Plan

disability, and the prescribed five-year period has elapsed. They find themselves in a situation where they are not working. They have retired from the workforce as a result of disability, and it is a bona fide disability which renders them incapable of working. However, because of language reasons or other reasons, they did not apply before the first five-year period and so became ineligible. I have written to the Minister and even to the previous Liberal Minister on a number of occasions about bona fide disabled people who should have qualified but did not know about the program. In some cases, they applied and were deemed to be not entitled. However, as a result of an appeal process, they might have been entitled.

I understand the concern of the Minister about not moving with an over-all open door policy involving someone who is not working and wants to apply 20 years later. However, if one can prove for the purposes of the Canada Pension Plan that there has been an ongoing and sustained injury or illness beyond the five-year period which has been a major contributor to the person's inability to work, one should be able to apply for the Canada Pension benefit beyond the five-year period. Some persons in my riding have simply been caught by the language trap. They have come into my office in the sixth year. They did not know that they were entitled to it, or perhaps in the beginning they put in an application but did not follow through on it. Often they find themselves living on WCB compensation benefits or welfare, even though they had worked for 15 years or 20 years, because they did not meet the five-year requirement.

There is a flaw in the current legislation. While I understand that the Minister is expanding that particular definition a little for the purposes of disability, I think there should be a clause which suggests that if a person is disabled and has suffered a continuing disability before the five-year period lapses, he or she should be eligible. That is one recommendation I would make to the Minister.

I should like to refer to the other areas which have been outlined. We are looking for a more significant package of pension reform as it relates to involving everyone in the Canada Pension Plan including homemakers. We want to see coverage which will benefit every Canadian who is contributing in a meaningful way, as is every Canadian, particularly people who are working in the home. They should be evaluated and should be eligible to apply for benefits under the Canada Pension Plan. We are looking for more major reforms in that area.

In the interest of passing the aspects of this Bill which will increase the benefits to disabled workers, we are certainly prepared to support it in the short term, although we hope the Minister will come forward with more specific legislation, also as it relates to the issue of early retirement. I am happy the Government is introducing this concept. It is part and parcel of changes which have come about as a result of the Charter of Rights and Freedoms. However, I am concerned about losses which are incurred between the ages of 60 and 65 years which may in fact put flexible retirement beyond the reach of most ordinary people. From my experience in my own community, people who seek, want, and need early retirement are oftentimes those who have worked in factories, often in low-paying jobs, and have suffered the most physical wear and tear. Better earning professionals, whether they be Members of Parliament or judges, can remain in their jobs almost forever. However, often it is the assembly line worker, the textile worker, or the shoe factory worker who needs an early retirement because the physical wear and tear of the job is such that the worker cannot carry on beyond the ages of 55 or 60 years.

I am happy to see a move in that area, but I should like to see an amendment at some point which would provide for an earlier retirement period to permit persons to take advantage of the same level of benefits as they would at the age of 60 years. I am concerned about some of the CPP provisions. I know we want to move this piece of legislation ahead for the benefit of those people who will be applying in the near future, but I am very concerned about the limited application of the five-year period which disqualifies any bona fide people who should be receiving benefits.

I guess we will see the results of the inquiry, but I should like to refer to my experience over the last number of years in dealing with federal and provincial Governments in respect of compensation issues. The Canada Pension Plan has been reasonably flexible in its interpretation of who is eligible. It has taken into consideration factors beyond what we call in the business "the meat chart factor", which is often considered in certain provincial disability plans. For example, a worker who does not speak the language, has a very low level of education or perhaps no education at all, and cannot read or write may be given the benefit of the doubt in a Canada Pension Plan application. That flexibility has served well the recipients and other Canadians. While I am prepared to see what is the verdict in terms of the review, I understand that specialists will be reviewing the application in order to bring some kind of uniformity into the Canada Pension Plan system. I would hate to see the CPP system go the route which has plagued provincial government compensation plans for years. They look at only the physiological aspect of the effect of any disease or illness. They do not look at the totality. That has been a hallmark which has served the Canada Pension Plan well. I would not want to see us move in the direction of provincial plans which I would prefer to see take a broader approach. For example, if I were to lose my tongue it would probably cost me a lot more dearly than it might somebody else.

• (1300)

Some Hon. Members: Oh, oh!

Ms. Copps: However, if I were to lose a leg, I could in most instances carry on and do my job. If another worker were in a situation where he used his arms, lived by his brawn and did not have the language and the other skills to move into a secondary or a further occupation, he or she should be granted the benefit of the Canada Pension Plan in a more flexible fashion than somebody who has the ability to get out and get

another job or somebody who can be employed in a sedentary job that comes only with education and further communication skills.

I would hope that flexibility, which I think has been good in the Canada Pension Plan, remains. I do not want to see us get into a situation where we simply look at the physiology or the etiology of the symptom, the presenting symptom as you would say, and force a lot of people into the situation which they sometimes face with compensation. They end up on welfare because they have been denied benefits that should rightfully be theirs.

The Acting Speaker (Mr. Paproski): Since there are no further questions or comments, we shall resume debate. The Hon. Member for the Beaches (Mr. Young).

Mr. Neil Young (Beaches): Mr. Speaker, my remarks on third reading will be extremely brief for the very reason I gave earlier at report stage. The case I have made at second reading and in committee on behalf of my Party is on the record. I do not see any need to take up the time of the House to restate it.

Let me refer to the cost of the increase in benefits, whether sufficient enough or not, and the 6 per cent reduction for each year of early retirement as a cost. When I asked the Minister in committee why 6 per cent and not 2 per cent or 3 per cent or 4 per cent, the response that I received was that according to the Government's actuaries it was a proper formula to be used with respect to the funding of the Canada Pension Plan. Also at second reading debate and in committee I pointed out to the Minister of National Health and Welfare (Mr. Epp) that under the provisions of the existing Act, I believe it is Section 116, when the Government proposes any Bill to the House of Commons to amend the Canada Pension Plan Act, the Government is also obliged to provide the House with actuarial information on what the impact of those amendments will be on the Canada Pension Plan. I have not seen the actuarial statements, even though I have requested them on several occasions. It places Members in the Opposition and on all sides of the House in some difficulty. We are faced with the Government negotiating amendments to the Canada Pension Plan with its provincial counterparts and then coming back to the House of Commons with a negotiated settlement and saying: "Here you are. Rubber stamp it. Unfortunately, if you make any amendments to the Plan it will require us to go back to the negotiating table with the provinces." If that were to happen, given the implementation time required to place those amendments into effect which, as I understand it, is a minimum of six months, and if we were to insist on proposing amendments and the Government accepted them, there would be a delay in the implementation of the improvements that we all want to see.

Here we are stuck in the situation where not only do we not have too much to say as to whether the amendments being brought forward by the Government are satisfactory from our point of view, but we will not be given the actual information required under the existing Act.

Let me simply state the case again. I have said to the Minister previously in committee, at second reading and privately that the process used is not satisfactory. I do not think it lends itself to the democratic process we are used to in Canada. The next time that we go into these kinds of negotiations, there has to be some process where Members on all sides of the House, particularly those in opposition Parties, are allowed to do their job in this place. We should be able to offer constructive criticism and to bring forward suggestions about legislation. We need to have a much more open exchange of information so that we can act in the best interests not only of our constituents but in the best interests of the people across the country whom we are trying to serve.

Having said that, Mr. Speaker, it is our intention to support the Bill.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my remarks will not be very long. I apologize to the House for being absent at the very beginning of the debate. I recognize that at this late stage in the debate the little that I can say will not make any difference to the Bill. That, however, will not prevent me from outlining two major points to the House.

First, we feel that the Bill does not go as far as we would have wanted it to go. We have two major areas of concern: one, disability and, two, that there is a reduction in dollars when one takes early retirement.

Last but not least, I welcome the remarks made by the Minister of National Health and Welfare (Mr. Epp) when he indicated that this is not the end of the reform but just part of the process and there will be forthcoming improvements to the Canada Pension Plan. In terms of social legislation, one approaches this step by step. The fact that we have reservations does not take away from the fact that we will support the Bill, however.

Having said that, I agree that the time is late and that there are other pieces of legislation before the House. I want personally to thank a number of people who have been actively involved in the area of pension reform over the last several years, including not only on my own staff, Nora Valantin, but in addition, Michael Hatfield who has done a tremendous amount of work at the committee level. They deserve a great deal of credit for getting the legislation to this stage, and I thank them.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to and Bill read the third time and passed.

PENSION BENEFITS STANDARDS ACT, 1985

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-90, an Act respecting Pensions Plans organized and administered for the benefit of persons employed in connection with certain federal works, undertakings and businesses, as reported (with amendments) from a legislative committee.

The Acting Speaker (Mr. Paproski): There are 19 report stage motions on today's Notice Paper in amendment to Bill C-90, an Act respecting Pension Plans organized and administered for persons employed in connection with certain federal works, undertakings and businesses.

Motion Nos. 1 and 9 will be grouped for debate. As Motion No. 9 would make use of the Consumer Price Index as a measure for the adjustment of the values existing in the Pension Index, the definition of the Consumer Price Index contained in Motion No. 1 is consequental on Motion No. 9 being carried. Therefore, a vote on Motion No. 9 will apply to Motion No. 1.

Motion No. 2 will be debated separately and voted on separately. Motions Nos. 3 and 4 relate to part-time employees and will, therefore, be combined for debate. A vote on Motion No. 3 will apply to Motion No. 4.

• (1310)

Motions Nos. 5 and 6 will be debated separately and voted on separately. Motion No. 7, in the opinion of the Chair, is consequential on Motion No. 12. As Motion No. 13 deals with the same clause of the Bill, all three motions will be combined for debate and voted on as follows: A vote on Motion No. 12 will apply to Motion No. 7. An affirmative vote on Motion No. 12 obviates the question being put on Motion No. 13. A negative vote on Motion No. 12 requires the question to be put on Motion No. 13.

Motions Nos. 8, 10, and 11 will be debated separately and voted on separately.

Motion No. 14, also in the name of the Hon. Member for Sudbury (Mr. Frith), has given the Chair some procedural difficulty in that it would affect the formula by which the pension benefit is determined and, as such, might increase the amount of contribution made by Crown agencies. As this is difficult to determine, the Hon. Member will be given the benefit of the doubt. Motion No. 14 will be debated separately and voted on separately.

Motions Nos. 15, 16, 17, 18 and 19 will be debted separately and voted on separately. The House will begin debate on the first grouping, namely Motions Nos. 1 and 9.

Mr. McCrossan: Mr. Speaker, I rise on a point of order. In your ruling about the grouping of amendments you suggested grouping Motions Nos. 1 and 9. I believe there would be consent to group Motion No. 14 with them because Motions Nos. 1 and 14 form a package with regard to what the Hon. Member for Sudbury (Mr. Frith) is suggesting. Although you have suggested that Motion No. 14 be debated separately, I think there may be consent by the Hon. Member who moved the motion to include Motion No. 14 with Motions Nos. 1 and 9.

The Acting Speaker (Mr. Paproski): Is there unanimous consent for that?

Mr. Frith: Mr. Speaker, I have no qualms about that suggestion made by the Hon. Member for York-Scarborough (Mr. McCrossan).

Mr. Young: It makes eminent sense to me also, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Therefore, we will group Motions Nos. 1, 9, and 14.

Hon. Douglas C. Frith (Sudbury) moved:

Motion No. 1

That Bill C-90, be amended in Clause 2 by adding immediately after line 22 at page 1 the following:

""Consumer Price Index" means the Consumer Price Index for Canada, as published by Statistics Canada under the authority of the Statistics Act;".

Mr. Neil Young (Beaches) moved:

Motion No. 9

That Bill C-90, be amended in Clause 21 by striking out line 13 at page 26 and substituting the following therefor:

"ance with section 19 and a Pension Index adjustment calculated in accordance with subsections (1.1) to (1.3).

(1.1) The Pension Index for any calendar year shall be calculated, in the prescribed manner, as the average for the twelve month period ending October 31 in the preceding year of the Consumer Price Index for each month in that twelve month period.

(1.2) For any year for which the calculation required by subsection (1.1) yields a Pension Index that is less than the Pension Index for the preceding year, the Pension Index shall be taken to be the Pension Index for the preceding year.

(1.3) Where at any time the Consumer Price Index is adjusted to reflect a new time basis or a new content basis with a resulting percentage adjustment being made in the figures for that Index, a corresponding percentage adjustment shall be made in all values existing in the Pension Index."

Hon. Douglas C. Frith (Sudbury) moved:

Motion No. 14

That Bill C-90, be amended by adding immediately after line 5 at page 35 the following:

"26.1 (1) Where a pension benefit or a deferred pension benefit was payable after December 31, 1986, the whole or the portion of the benefit, as the case may be (in this section referred to as the "relevant amount of the benefit"), shall be adjusted in each calendar year, as of a prescribed day and in such manner as is prescribed, in accordance with subsection (2).

(2) The adjustment shall be such that the amount of the pension benefit or deferred pension benefit for the purposes of the plan on and after the prescribed day is an amount that is not less than the amount of the benefit for the purposes of the plan immediately before that day plus the lesser of,

(a) 60 per cent of the product obtained by multiplying:

(i) the relevant amount of the benefit by

(ii) the ratio that the Pension Index for the year bears to the Pension Index for the year immediately preceding that year; and

(b) 8 per cent of the relevant amount of the benefit.

Pension Benefits Standards Act, 1985

(3) Any amount that is added to a pension benefit or a deferred pension benefit in any calendar year pursuant to adjustments in that year is deemed for any subsequent calendar year to be attributable to membership in the pension plan after December 32, 1986.

(4) Where, in relation to any calendar year, a pension benefit becomes payable or the entitlement to a deferred pension benefit arises less than a full year before the prescribed day as of which the benefit is required to be adjusted in that calendar year, the maximum amount that is required to be added to the benefit by way of such adjustment in that calendar year is the maximum amount that would otherwise be required to be so added multiplied by the number of days that the benefit was payable before the prescribed day and divided by the number of days in the calendar year.

(5) The Pension Index for any calendar year shall be calculated, in the prescribed manner, as the average for the twelve month period ending October 31 in the preceding year of the Consumer Price Index for each month in that twelve month period.

(6) For any year for which the calculation required by subsection (5) yields a Pension Index that is less than the Pension Index for the preceding year, the Pension Index shall be taken to be the Pension Index for the preceding year.

(7) Where at any time the Consumer Price Index is adjusted to reflect a new time basis or a new content basis with a resulting percentage adjustment being made in the figures for that Index, a corresponding percentage adjustment shall be made in all values existing in the Pension Index."

Mr. Neil Young (Beaches): Very briefly, Mr. Speaker, in the interpretation section of the Act there is no definition of the Consumer Price Index which is referred to in the Act. The purpose of this amendment is to define the Consumer Price Index.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, that is quite correct. The decision by the Chair to group Motions Nos. 1, 9, and 14 brings to the fore the need for inflation protection, which is one of the major reasons I put these amendments forward. I would like to speak to all three motions which illustrate my disagreement with the way in which the Government has proceeded with amendments to the federal Pension Benefits Standards Act. The matter goes beyond that Act.

Bill C-90 is a combination of over 12 years of debate on the need for an overhaul of private pension plan legislation. Bill C-90 will affect only those workers who fall within federal jurisdiction. However, it also goes a long way toward standardization of private pension plan legislation in the country. As a result, there have been extensive negotiaions with provincial Governments toward standardizing private pension plan legislation. Among other things, it will overhaul and improve the portability and vesting which takes place in private pension plans.

I am upset that with the exception of Manitoba no provincial Government nor the federal Government has taken the lead to mandate inflation protection in private pension plans. That is a major error in the legislation before us. As Chairman of the all-Party Committee on Pension Reform I travelled in every province and both Territories. Extensive public hearings were held on this matter. With the exception of the business community, every group which appeared before the pension task force asked that inflation protection be a mandatory requirement of private pension plans.

In the last two or three years we have become complacent in that there has been a significant reduction in the inflation rate in the country. Prior to 1983, at the height of the period of time in which pension reform was being studied by the all-Party task force, inflation was in the 12 to 14 per cent range. As a result, many people who retired in 1980 on what they thought would be adequate pensions found that after three to four years of double-digit inflation their purchasing power was cut in half. As a result, they asked that, in addition to making private pension plans more portable with earlier vesting, we should institute a minimum degree of inflation protection.

The previous Government accepted the bulk of recommendations of the task force with regard to private pension reform as well as public pension reform. The then Minister of Finance, Mr. Lalonde, accepted the principle that if private pension plans were to be of any use to workers they should have a degree of mandatory inflation protection. That is why we have put a formula in Motion No. 14 which includes a capping to a maximum of 8 per cent as well as a mandatory inflation protection for the workers of the country.

I believe that the majority of the workers in the country will be very upset with the way in which the federal Government has failed to lead the nation with regard to pension reform. I do not believe it is good enough to say that the package before us is the only one which is possible with consensus. When the rule of consensus is applied to democracy, you end up with mediocrity. In every instance we have witnessed a Volkswagen approach to pension reform.

I am not suggesting for a moment that the Bill before us is a step backward. It is a step forward. I believe that when Bill C-90 becomes legislation the workers in the country will be far better protected than they were previously. Under the existing legislation, before a worker's pension credits and the employer's contributions were locked into a vehicle the worker had to have worked for that company for 10 years or be at least 45 years of age. That work pattern does not match the emerging work patterns of today's generation of Canadians. That is why the recommendation to go to a two-year vesting period is so critical. These kinds of improvements are important for the protection of workers' rights. However, the one major area where I have serious doubts is where the Government has failed to mandate inflation protection so that workers when they retire can look forward to an adequate retirement income based on known inflation protection. It seems to me that if the business community is going to live up to its obligations, the law should require them to mandate inflation protection for their workers. Those workers have worked hard for the businesses and deserve an adequate retirement income. Yes, there is a price to be paid. The business community said it could not afford that price. I say to them that if they are not prepared to pay the additional cost then they should stand back and allow the Government to simply double the public pension plan system so the workers are adequately protected in that way.The onus is on business and also on the federal Government to give leadership in this area.

• (1320)

I will have other opportunities to speak to other amendments to this Bill later on, but those were the major points I wanted to make with respect to the grouped of Motions Nos. 1, 9 and 14.

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, I might say that I personally have some sympathy with the direction of the amendments. Indeed, the Government accepts the long-term desirability of having inflation protection entrenched. However, we need to consider carefully how we do it.

During the pension debate in 1981, and indeed over the last 10 years, there was general recognition that pensions have to be protected over the long term for the viability of the private pension system. Unfortunately, in 1982-83 we ran into a severe economic downturn. The recovery across the country has been very uneven. I am sure all Members are aware that only Ontario has had a vigorous recovery so far. In our consultations with the provinces we were then unable to achieve consensus to entrench inflation protection at this time because of the added cost it would impose on industries in areas which were having real trouble even surviving in some cases. Therefore, we took the twin route of requiring, in the federal sector, reporting on what companies were doing about inflation protection, in order to identify the source of funds and apply moral suasion to people to go ahead. As well, we provided incentive in the Act by saying that employers can reduce the cost of the fifty-fifty cost sharing if they opted for inflation protection.

I regard that particular incentive as an important step forward. I hope Ontario will also adopt the same incentive. Between the federal Government and the Province of Ontario we regulate some 60 per cent of the workers in this country and we can provide a powerful vehicle to see that, through a voluntary mechanism, these results are achieved in the end.

[*Translation*]

Mr. Malépart: Mr. Speaker, I wish to support the motion moved by my colleague the Hon. Member for Sudbury (Mr. Frith). The importance of a pension scheme— there is also the importance of an indexing formula to ensure that the benefits people will get will increase at the same rate as the cost of living index.

Mr. Speaker, I have in mind several people who are now listening to us and who retired five, eight, or even three years ago. At that time, these people could get the Government's basic pension—either the Canada Pension Plan or the Quebec Pension Plan, depending on where they lived—which was indexed, together with a private pension plan which, unfortunately, was not. At the time, the sum total of his incomes was such that a pensioner, after having contributed for 30, 40 or even 50 years of his working life to get not a golden pension, but at least one which would have made it possible for him to live decently, discovered, three, four or five years after having invested that money in his private pension plan, together with the amounts paid by his employer, that he had given up the increases in contributions which the employer pays into the employee's pension plan, taking into account a reduction or lack of increase of his net benefits or income.

Mr. Speaker, these people realize today that they need the Guaranteed Income Supplement. Why do they need it? Because the Guaranteed Income Supplement is one of the programs implemented under the Old Age Security Pension Act for all Canadians who, when the Quebec Pension Plan and the Canada Pension Plan were introduced, had not been part of the labour force or had been unable to contribute. But it is for people who live below the poverty line. And these people, after five, three or eight years find themselves in such a situation that they must collect the Guaranteed Income Supplement, and they must abandon all the fine projets they had made, thinking that they would have enough money, having saved to live on a decent pension. They realize now that they do not have enough money because the private pension schemes to which they had contributed were not indexed.

Together with my colleague the Hon. Member for Sudbury, Mr. Speaker, I feel that this is one of the major shortcomings of Bill C-90, and that these people, come election time, will remember this Tory Government's decision. I have the relevant figures here . . . in a little while, at third reading stage, we will deal a little more with the fact that the National Council on Welfare is benefiting from poverty, which shows that a high proportion of senior citizens, most of them women, live below the poverty line.

Mr. Speaker, the two bills we are dealing with today do not remedy— And especially the lack of an indexing formula for private pensions schemes will not prevent people from living in poverty in the future. I am sure that most Canadian workers, men and women alike, will remember their Tory representatives for a long time.

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I just wanted to say a few words. In the years I have been in Parliament there has been no change in legislation more important, and which brought more benefits to the people of Canada, than the decision made in the minority Parliament of 1970 to 1972, over the opposition of the Conservatives, to index the Canada Pension Plan and Old Age Security benefits. Until that time pensioners had to wait for years until, at some point shortly before an election, one Party or the other promised an increase. They fell behind year after year in the real value of their pensions because of the increased cost of living. As a result of the decision made in that minority Parliament, the benefits which are paid to the pensioners, both through the Canada Pension Plan and the Old Age Security pension, in 1986 are worth in real money just about what they were worth 13 or 14 years ago.

• (1330)

That would not have happened had we not indexed those pensions plans. Unfortunately, private pension plans do not do

that. As other Members have pointed out, people who retired ten or more years ago thinking that between the private pension plan benefits, their Old Age Security benefits, and their Canada Pension benefits, they could live pretty comfortably, found that as the cost of living went up, and particularly in those years when the cost of living was going up by 10 and 12 per cent a year, they were not able to live as they had expected.

I had hoped that when we made these major revisions of the laws governing private pension plans we would see the absolute necessity to index those plans and to require the employers to go along with indexing of plans.

I am not too surprised that the Conservative Party was not prepared to bring in that kind of provision. I do not hold out the hope, held by the Member for York-Scarborough (Mr. McCrossan), that the Government will learn from experience and will suddenly become more generous than it was in the past and that it will do the right thing. The Government has not done the right thing until now. It has looked on the private pension plans as something which it controls and on which it makes all the decisions. I want to support these amendments and I want to say that I regret, and that is putting it mildly, the refusal of the Conservative Party to go along with that very necessary step.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 9 standing in the name of Mr. Young. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The question is on Motions Nos. 1 and 14 standing in the name of Mr. Frith. Is it the pleasure of the House to adopt the motions?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded divisions on the proposed motions stand deferred.

Is the Hon. Member rising on a point of order?

Mr. McCrossan: Mr. Speaker, Motion No. 2 and Motion No. 18 both deal with the subject of withdrawals of surpluses from pension plans. I believe there might be a predisposition of the House to debate the two motions together.

Mr. Young: Mr. Speaker, both of those motions are put forward in my name, and that is agreeable with me.

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

Some Hon. Members: Agreed.

Mr. Neil Young (Beaches) moved:

Motion No. 2

That Bill C-90, be amended in Clause 8 by striking out lines 40 to 45 at page 12 and substituting the following therefor:

"er's own moneys, and an employer shall

(d) be deemed to hold the amounts referred to in paragraphs (a) to (c) in trust for members of the pension plan, former employees, and any other persons entitled to pension benefits or refunds under the plan, and

(e) be prohibited from withdrawal, "skimming" or removal of any pension fund surpluses in any manner or for any purpose whatever".

Motion No. 18

That Bill C-90, be amended in Clause 29 by striking out lines 47 and 48 at page 38 and lines 1 to 9 at page 39 and substituting the following therefor:

"of the employer".

He said: Thank you, Mr. Speaker. I do not intend to spend too much time on this motion because the intent of the amendment is so obvious to me and any right-thinking Canadian.

What this motion does is to prevent an employer or the administrator of a pension plan from stepping in and grabbing excess earnings from that plan for their own purposes.

The most blatant case that has come to everyone's attention in recent times is that of Conrad Black and what he did in Dominion Stores to their pension fund and the surpluses. He just walked in there and lifted $62 million out of that pension

plan and used it for purposes no one knows about except Conrad Black.

I want to point out to you that at the federal level alone in 1980 some $93,806 were taken from plans under federal jurisdiction. The following year that jumped to $1,365,700, and between then and 1985 there has been an increase each year, until finally in 1985, $30,023,343 was lifted out of pension plans under federal jurisdiction. Much of the same kind of thing has been happening to pension plans under provincial jurisdiction.

It comes down to a point, I think, where a real principle is involved here. If you listen to the administrators of pension plans and employers, they make the argument that pension funds belong to them. Therefore, if any surplus is created, it is their right to step in there and use the surpluses for their purposes, and the same when a pension plan is being wound down.

I reject that argument totally. Pension funds belong to employees, not simply to employers. If, indeed, there is a surplus in a pension fund due to wise investment practices, then that surplus should not be used simply for an employer's own purposes, it should be used for providing increased benefits to pension plans such as inflation protection and survivors' benefits. It could be used for all kinds of purposes to make retirement a little easier for Canadians who have worked hard, in many cases for the same employer all their lives.

The purpose of this amendment would be to say, in effect that the employers who have managed to do this successfully over the past years are not going to be able to do it any more. If a plan has earned excess interest, that money should be used to improve the benefits that are payable to retired employees.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I am not going to go over the points made by my colleague from Beaches (Mr. Young), but I think it is important to note that one of the provisions in this Bill is going to allow for the first time pensioners the right to stay and sit on management boards of pension funds.

I know that as Members of Parliament we have all been beseiged by requests from individuals who have worked for CN and for other companies who, once they have retired, have lost all rights to have their pensions protected. This is not a criticism of the unions, but it certainly is a criticism of the companies in my view. Once a worker has retired they no longer care about the health and welfare of that worker who for so many years gave of himself to ensure the viability and productivity of the company.

• (1340)

The issue of surpluses is very technical and complex. I want to note that under this legislation, for the first time pensioners will be allowed to sit on the management board and have their rights heard by unions and management alike. For far too long, surpluses in this country have been used to improve unit benefits for those workers in the workforce but have done absolutely nothing for those workers who are on pension. That was fundamentally wrong then, and it is wrong now.

I believe this Bill should tighten even further the ability of companies to use surpluses. Pensioners should have a right to say how those surpluses should be used. Those surpluses have been built up during years in which pensioners have been in the workforce, and those surpluses should be divided so that the benefits do not only go to the workers of the day but that they go to the pensioners of tomorrow.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I want to take a moment to add to the remarks made by my colleague, the Hon. Member for Beaches (Mr. Young). In most private pension plans, the employee contributes perhaps 5 per cent, 6 per cent or 7 per cent of his earnings. The employer rarely matches that contribution but agrees to contribute what is required to give the employee the pension he has earned when he retires. I agree with my colleague when he says that that money belongs to the employees. While it may be legal, it is essentially theft when the employer takes the surplus.

Therefore, I believe every Member should support this amendment.

[*Translation*]

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I also want to support the amendment moved by the Hon. Member. As he mentioned it, Mr. Speaker, a pension plan surplus does not belong to the business concerned only and the example of Conrad Black clearly illustrates the shortcomings in the management of private pension funds. However, the principle involved can also apply to the management of the Canada Pension Plan. I think that there is still plenty of progress to be made and this is why a while ago I was pleased to hear the Minister say that he will go on with the pension reform because both bills under consideration are just a mini-reform.

[*English*]

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 2 standing in the name of the Hon. Member for Beaches (Mr. Young). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Pension Benefits Standards Act, 1985

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 18 standing in the name of the Hon. Member for Beaches (Mr. Young). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

Motion Nos. 3 and 4 relate to part-time employees and will, therefore, be combined for debate. A vote on Motion No. 3 will apply to Motion No. 4.

Mr. Neil Young (Beaches) moved:

Motion No. 3

That Bill C-90, be amended in Clause 14

(a) by striking out line 17 at page 18 and substituting the following therefor:

"work on a full-time or part-time basis for an employer".

(b) by striking out line 23 at page 18 and substituting the following therefor:

"pletes three months of continuous".

(c) by striking out lines 28 to 42 at page 18 and substituting the following therefor:

"sion plan, the day on which three months have elapsed since the employee was first employed with a participating employer."

Motion No. 4

That Bill C-90, be amended by deleting Clause 15.

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motions No. 3 and 4 standing in the name of the Hon. Member for Beaches (Mr. Young). Is it the pleasure of the House to adopt the motions?

Some Hon. Members: No.

Some Hon. Members: On division.

Motion Nos. 3 and 4 negatived.

The Acting Speaker (Mr. Paproski): Motions Nos. 5 and 6 will be debated separately and voted on separately.

Mr. Neil Young (Beaches) moved:

Motion No. 5

That Bill C-90, be amended in Clause 17 by striking out line 44 at page 21 and substituting the following therefor:

"member for a continuous period of two years or has been employed continuously for two years".

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 5 standing in the name of the Hon. Member for Beaches (Mr. Young). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: No.

Some Hon. Members: On division.

Motion No. 5 negatived.

Hon. Ray Hnatyshyn (for the Minister of State (Finance)) moved:

Motion No. 6

That Bill C-90, be amended in Clause 17 in the English version by striking out lines 4 and 5 at page 23 and substituting the following therefor:

"plan, to a deferred pension benefit, based on the mem-".

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 6 standing in the name of the Minister of State for Finance (Mrs. McDougall). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Motion No. 6 agreed to.

The Acting Speaker (Mr. Paproski): Motion No. 7 will be combined with Motions Nos. 12 and 13.

Hon. Douglas C. Frith (Sudbury) moved:

Motion No. 7

That Bill C-90, be amended in Clause 18 by striking out lines 34 and 35 at page 23 and substituting the following therefor:

"18.(1) Except as set out in section 25, a pension plan shall provide".

Motion No. 12

That Bill C-90 be amended in Clause 25 by striking out lines 5 to 44 at page 30, lines 1 to 50 at page 31 and lines 1 to 35 at page 32 and substituting the following therefor:

"25.(1) In this section, "marriage breakdown" means divorce or separation "separation" means the separation of two persons who are spouses of each other.

(2) Notwithstanding section 18 and subject to this section, pension benefits or pension benefit credits shall be divided between the member and the member's spouse in accordance with subsections (3) to (8).

(3) Where a pension benefit is payable to a member under the plan at the time the marriage breakdown occurs,

(a) a pension benefit, the present value of which is equal to one-half of the present value of so much of the pension benefit payable to the member as is attributable to membership in the plan during the period that the marriage existed before the marriage breakdown, shall be payable to the spouse as of the date of the marriage breakdown; and

(b) the pension benefit payable to the member shall be reduced accordingly.

(4) Where the member is entitled to a deferred pension benefit under the plan at the time the marriage breakdown occurs,

(a) the spouse shall be entitled to a deferred pension benefit, the present value of which is equal to one-half of the present value of so much of the deferred pension benefit to which the member is entitled as is attributable to membership in the plan during the period referred to in paragraph 3(a); and

(b) any pension benefit that becomes payable to the member under the plan at any time after the marriage breakdown occurs shall be reduced accordingly.

(5) Where the deferred pension benefit referred to in subsection (4) becomes payable to the member, the spouse's deferred pension benefit shall become payable as a pension benefit in accordance with the terms and conditions of the plan on the later of,

(a) the day on which the pension benefit becomes payable to the member; and

(b) the day on which the spouse attains the age at which an employee becomes eligible for an immediate pension benefit under the plan; provided that the spouse is alive on the later of these two days.

(6) Where a member who is entitled to deferred pension benefit referred to in subsection (4) dies before the benefit becomes payable, the spouse's deferred pension benefit shall become payable as a pension benefit in accordance with the terms and conditions of the plan on the later of,

(a) the day on which the member would have become eligible for an immediate pension benefit under the plan; and

(b) the day on which the spouse attains the age described in paragraph 5(b), provided that the spouse is alive on the later of these two days.

(7) Where neither subsection (3) or (4) applies but the member would have been entitled to an immediate pension benefit or a deferred pension benefit if the member's service under the plan had been terminated at the time the marriage breakdown occurred, for the purpose only of making the division pursuant to this section,

(a) the member shall be deemed to have become entitled to a deferred pension benefit at the time the marriage breakdown occurred by reason of termination of his service under plan;

(b) the spouse shall be entitled to a deferred pension benefit, the present value of which is equal to one-half of the present value of so much of the deferred pension benefit to which the member is deemed to have become entitled as is attributable to membership in the plan during the period referred to in paragraph 3(a); and

(c) any pension benefit that becomes payable to the member under the plan at any time after the marriage breakdown occurs shall be reduced accordingly.

(8) The pension benefit referred to in paragraph 7(b) shall become payable to the spouse as a pension benefit payable in accordance with the terms and conditions of the plan,

(a) on the later of the two days described in paragraphs 5(a) and (b), where a benefit under the plan becomes payable to the member; or

(b) on the later of the two days described in paragraphs 6(a) and (b), where the member dies before he or she becomes entitled to an immediate pension benefit,

provided that in each case the spouse is alive on the later of the two days.

(9) The provisions of section 18 and subsection 25 (3) to (8) are subject to the terms of any order of acourt or an agreement between the member and the member's spouse."

Mr. Neil Young (Beaches) moved:

Motion No. 13

That Bill C-90, be amended in Clause 25 by striking out lines 33 and 34 at page 30 and substituting the following therefor:

"divorce, annulment, separation or the dissolution of a common-law relationship, be divided equally between spouses to reflect the pension credits earned during the period of the marriage or relationship unless the courts or the parties themselves determine otherwise."

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I wish to speak to Motion No. 12 because it involves an important principle.

In the May 1985 Budget, the Minister of Finance (Mr. Wilson) promised that pension benefits would be split equally between spouses upon marriage breakdown, unless the courts or the parties themselves determine otherwise. This has not been the case with Bill C-90. Instead, the Bill cedes jurisdiction to provincial matrimonial law.

As pointed out by the National Action Committee on the Status of Women, Bill C-90 makes credit splitting subject to the applicable provincial property law. This means that credit splitting will be uneven across the country. Ex-spouses will be entitled to some share in their spouses' pension credits in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia and Newfoundland.

● (1350)

In New Brunswick, they will have uncertain rights, and in Quebec and Prince Edward Island, they have no rights to the credit splitting at all.

That is why Motion No. 12 is there, to establish the principle that in private pension areas that fall within federal jurisdiction, there should be a mandatory splitting so that the spouses can have equal access to the pension credits.

Mr. Neil Young (Beaches): Mr. Speaker, Motions Nos. 12 and 13 speak to the same matter. Very simply, we have just passed a Bill amending the Canada Pension Plan, which would provide for that kind of mandatory splitting. To be consistent, why the Government did not include that amendment in Bill C-90 escapes logic. In my remaining time, I would simply like to agree with the arguments that have been presented by the Hon. Member for Sudbury (Mr. Frith), based on strong arguments that the legislative committee heard from the National Action Committee on Women, and say that it would be the right thing to do.

Mr. McCrossan: Mr. Speaker, as the two Hon. Members have previously pointed out, earlier today, we entrenched credit splitting in the CPP Bill. This was negotiated with the provinces in late 1985. The basic package in the PBSA was put together in early 1985, and we did not have agreement at that time with respect to credit splitting, but we have given a verbal undertaking—and I will confirm it on the floor of the House

now—that we will put this on the agenda of the next federal-provincial conference with respect to pensions to see whether we can reach a similar agreement in this Act as that which we have reached regarding the CPP so that we can entrench the matters that Hon. Members desire. However, right now it would be unconstitutional for us to take unilateral action.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): A vote on Motion No. 12 will apply to Motions No. 7 and No. 13. Therefore, the question is on Motion No. 12. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The next motion is Motion No. 8 standing in the name of the Hon. Member for Beaches (Mr. Young).

Mr. Neil Young (Beaches) moved:

Motion No. 8

That Bill C-90, be amended in Clause 19 by striking out line 32 at page 25 and substituting the following therefor:

"reflects reasonably current interest rates levied with respect to ninety day treasury bills".

The Acting Speaker (Mr. Paproski): The question is on Motion No. 8, standing in the name of the Hon. Member for Beaches (Mr. Young).

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The next motion is Motion No. 10.

Hon. Ray Hnatyshyn (for the Minister of State (Finance)) moved:

Motion No. 10

That Bill C-90, be amended in Clause 21 in the French version by striking out line 14 at page 26 and substituting the following therefor:

"minées sont augmentées du montant de la prestation de pension pouvant provenir de l'excédent éven—".

The Acting Speaker (Mr. Paproski): The question is on Motion No. 10. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Mr. Frith: Nay, just for the record.

The Acting Speaker (Mr. Paproski): In my opinion, the yeas have it.

Some Hon. Members: On division.

Motion No. 10 (Mrs. McDougall) agreed to.

The Acting Speaker (Mr. Paproski): The next motion is Motion No. 11.

Hon. Ray Hnatyshyn (for the Minister of State (Finance)) moved:

Motion No. 11

That Bill C-90, be amended in Clause 23 by striking out lines 6 to 44 at page 29 and substituting the following therefor:

"(3) A member or former member of a pension plan who is entitled to a deferred pension benefit pursuant to subsection 17(1) (or, in the case of a member, would be so entitled if the member ceased membership in the plan) and dies before commencement of payment of that pension benefit but after becoming eligible for retirement in accordance with subsection 16(2) shall be deemed

(a) to have retired for purposes of the survivor benefit; and

(b) to have been entitled to the joint and survivor pension benefit payable pursuant to section 22, without regard to subsection (5) thereof, in respect of that deferred pension benefit.

(4) In the case of a defined benefit plan, where

(a) in the circumstances described in subsection (1), (2) or (3), a surviving spouse is entitled to a payment under a group life insurance plan on the death of the member or former member of the pension plan,

(b) the group life insurance plan is one that is approved by the Superintendent for the purposes of this subsection, and

(c) the group life insurance premiums are paid in whole or in part by the employer,

the pension plan may provide for the reduction of the benefit payable under subsection (1), (2) or (3) by an amount equal to that part of the group life insurance payment that can be considered to have been paid by employer premiums, calculated in a manner satisfactory to the Superintendent, but

(d) the actuarial present value of that reduction may not exceed the amount of the payment to which the surviving spouse is entitled under the group life insurance plan; and

(e) in the case of a contributory pension plan, the reduction may not reduce the benefit payable to the surviving spouse to an amount less than the aggregate of the member's required contributions together with interest in accordance with section 19."

The Acting Speaker (Mr. Paproski): The question is on Motion No. 11. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion No. 11 agreed to.

Mr. Neil Young (Beaches) moved:

Motion No. 15

That Bill C-90, be amended in Clause 27 by striking out lines 17 to 24 at page 35 and substituting the following therefor:

"a pension plan shall use annuity factors that do not differentiate as to sex."

The Acting Speaker (Mr. Paproski): The question is on Motion No. 15. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

Pension Benefits Standards Act, 1985

Mr. Neil Young (Beaches) moved:

Motion No. 16

That Bill C-90, be amended in Clause 28 by striking out line 10 at page 37 and substituting the following therefor:

"death or termination, as the case may be: and

(e) that the collective bargaining agent for the member of a plan may on the agents own initiative,

(i) examine the documents filed with the Superintendent pursuant to paragraph 10(1) and or (2) or section 12 or any regulations made under paragraph 39(i), at the Canadian head office of the Administrator or at such other place as is agreed to by the administrator and the agent, and

(ii) order, in writing, a photocopy of any such documents."

The Acting Speaker (Mr. Paproski): The question is on Motion No. 16. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

Hon. Ray Hnatyshyn (for the Minister of State (Finance)) moved:

Motion No. 17

That Bill C-90, be amended in Clause 28 in the French version by striking out lines 13 to 16 at page 37 and substituting the following therefor:

"ments visés à l'alinée (1)(c);

(b) expédier, sur paiement des frais raisonnables qu'il fixe, les exemplaire demandés au titre de l'alinéa (1)(c)."

The Acting Speaker (Mr. Paproski): The question is on Motion No. 17. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the yeas have it.

Motion No. 17 agreed to.

Hon. Ray Hnatyshyn (for the Minister of State (Finance)) moved:

Motion No. 19

That Bill C-90, be amended in Clause 36

(a) by striking out lines 36 to 44 at page 43 and substituting the following therefor:

"(a) is ordered by a court pursuant to provincial property law (within the meaning of subsection 25(1)); or

(b) is made pursuant to a written agreement between the spouses."

(b) by striking out line 1 at page 44 and substituting the following therefor:

"(4) Any agreement or arrangement".

(c) by striking out line 9 at page 44 and substituting the following therefor:

(5) Subsection (4) does not apply in".

The Acting Speaker (Mr. Paproski): The question is on Motion No. 19. Is it the pleaser of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the yeas have it.

Motion No. 19 agreed to.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

IMMIGRATION

APPOINTMENTS TO IMMIGRATION APPEAL BOARD

Mr. Sergio Marchi (York West): Mr. Speaker, the Minister of State for Immigration (Mr. McLean) has stated repeatedly, especially since his recent refugee policy, the importance of appointing well qualified individuals to the Immigration Appeal Board. Immigrant organizations have also stressed that appointees need the prerequisites of competence and experience in order to make sound decisions. In refugee matters, particularly, error can lead to certain death. Earlier this month, however, the Minister made seven new appointments to the Immigration Appeal Board, six of whom had direct links to the Conservative Party.

Being a volunteer, an organizer, or fund-raiser for a past provincial or federal candidate with the Progressive Conservative Party of Canada, does not, in itself, constitute legitimate qualifications. If the Minister is serious about his stated intentions and is genuinely concerned, he will revoke such blatant partisan appointments. They do nothing but offend the integrity of the entire immigration process.

* * *

GOVERNMENT ADMINISTRATION

PROPOSED RENAMING OF PARKS CANADA

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, what is in a name? For Canadians and visitors, we identify our national parks and historic sites with a name, Parks Canada. One would think that this title, short, historic—and, yes, even patriotic—would appeal to the Government. Apparently not. The Minister of the Environment (Mr. McMillan) is renaming Parks Canada "Department of Environment—Parks"—an uninspired, long, dull name.

• (1400)

The cost of renaming? Probably into the hundreds of thousands of dollars, from changing the letterhead on stationery, to repainting signs and vehicles, to altering literature. At a time when the Minister is complaining of insufficient funds to do worth-while things, where will the money come from? Will more scientists be laid off to pay for McMillan's silly idea? Will environmental programs be further weakened? Only the Minister—

Mr. Speaker: Order, please. The Hon. Member knows that such a comment, direct and by name, is out of order.

Mr. Caccia: I regret that, Mr. Speaker.

Only the Minister knows. What is clear is that the pride of Parks Canada employees has been hurt. A fine tradition has been dealt a mortal blow, a respected identity has been eliminated surreptitiously.

ENVIRONMENTAL AFFAIRS

GOVERNMENT COMMITMENT TO PROTECTION OF ENVIRONMENT

Mr. Stan Darling (Parry Sound—Muskoka): Mr. Speaker, it seems that there may be some doubt about the Government's commitment to preserving Canada's fragile environment. I promise any and all sceptics that the Mulroney Government is solidly in favour of assuring all Canadians that there is clean air to breathe and clean water to drink. It is ludicrous to suggest environmental matters will be put on the back burner. The Government has introduced stringent measures for the control of acid rain at industrial and vehicular sources.

No other federal Canadian Government has dared to tread where this Progressive Conservative assembly has soared. The Prime Minister (Mr. Mulroney) has pledged his allegiance to the environment. The excellent Minister he appointed to the environmental portfolio is the manifestation of this Government's positive action. For the first time in history this country has the ear of the political machine in the United States regarding transboundary pollution. The Canadian environment has never been in safer hands.

* * *

CROWN CORPORATIONS

RESULTS OF DE HAVILLAND PRIVATIZATION

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, just six months ago the Opposition vilified the Government over the divestiture of de Havilland—a money-losing Crown corporation. The Liberals, who poured over $800 million of taxpayers' hard-earned money into de Havilland, criticized the sale to Boeing as being a bad business deal for Canada.

What are they saying now? With Boeing's strength and marketing know-how, 49 Dash-8s have been sold for over $400 million; $25 million has been invested in plant modernization; product line has been expanded to include components for the 747; and 250 new jobs will be added.

Clearly what had been a millstone around the neck of the Canadian taxpayer has been transformed into a productive job-creating enterprise—proof positive that government, which has the power to tax and to regulate, does not have to own or acquire businesses which can be better run by the private sector.

Let us work on Canadair next!

S.O. 21

TRADE

SOFTWOOD LUMBER EXPORTS TO UNITED STATES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, today the International Trade Commission took one more step against the softwood lumber producers in this country. Once more the legitimacy of the Conservative thrust for free trade with the United States is being undermined.

What is so frightening is that we know we are damned if we do and damned if we don't. I have here in my hand the so-called "second letter" from President Reagan to Senator Packwood on this issue in which he says clearly: "I want you to know that I am committed to finding a rapid and effective solution to the Canadian softwood lumber problem which restores for the American lumber industry a fair opportunity to compete".

If they do not get their way through this ITC countervail thrust, then they will find another way to get us. Poor British Columbia and poor Canada. We are paying—

Mr. Speaker: Order, please. Sixty seconds.

* * *

[*Translation*]

THE ECONOMY

GOVERNMENT PERFORMANCE

Mr. Nic Leblanc (Longueuil): Mr. Speaker, since we will soon be leaving this Chamber for the summer recess, I would like to take this opportunity to urge my Liberal colleagues from the Montreal area to reflect on what has been achieved by this Government since September 1984, so they can inform their constituents objectively on what has been done in Montreal in the last 20 months. In the Montreal area, 46,000 new jobs have been created since September 1984. The number of unemployed workers has dropped by more than 9,000. The value of building permits issued rose from $295 million in the first quarter of 1985 to $500 million on the same date in 1986. Hundreds of businesses have started projects that are important for the entire Montreal area. Retail sales have increased by more than 18 per cent.

I hope that during the summer, our Liberal colleagues will find it within themselves to admit their lack of objectivity and frankness *vis-à-vis* the many achievements of this Government in the Montreal area.

S.O. 21

THE ECONOMY

GOVERNMENT PERFORMANCE

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, since tomorrow will be the end of this session and the Hon. Member for Longueuil (Mr. Leblanc) is giving me a chance to take stock of what the Government has done since January, I think the following summarizes it neatly: goof, goof, goof, scandal, scandal, scandal! It started in January with the resignation of the Hon. Member for Rosemont (Mrs. Blais-Grenier) in connection with the Gulf affair and Montreal East. Subsequently, a series of scandals took over, starting with the Minister of Regional Industrial Expansion, Mr. Stevens, and followed by the resignation of the Hon. Member for L'Assomption and the charges laid against the Hon. Member for Gamelin (Mr. Gravel), and on top of all this, the extravagant spending of taxpayers' money by the Prime Minister (Mr. Mulroney).

Mr. Speaker, we also had the absolutely scandalous cuts in unemployment insurance for early retirees, where the Prime Minister goofed again, the cuts in New Horizons programs for senior citizens and the lack of any genuine legislation the Government could have introduced for the benefit of those early retirees.

Mr. Speaker, we can say that after "Goofy Joe", we now have "Brian the Goofer".

* * *

[*English*]

CANADIAN NATIONAL RAILWAYS

LOSS OF JOBS IN NORTHERN NEW BRUNSWICK

Mr. Albert Girard (Restigouche): Mr. Speaker, I rise today to speak of the turmoil being created in northern New Brunswick by the policies being carried out by CN management. In the regional centre of Campbellton we have witnessed the alarming decline of CN jobs for 10 years now, from 1,200 to 350. The cuts continue. At the same time revenues generated in our region certainly turn a substantial net profit for CN.

I question the motives of CN management and its apparent burning desire to destroy completely a once great and still profitable business in northern New Brunswick. It seems that some company officials are more interested in empire building than they are in finding alternatives to laying off workers. I call on the Government to put an end to CN mismanagement and the resulting lay-offs and flow of jobs out of the area.

CN, just who in the hell are you in business for anyway?

CANADIAN ARMED FORCES

CENTENNIAL OF CFB LONDON, WOLSELEY BARRACKS

Mr. Jim Jepson (London East): Mr. Speaker, on Saturday, June 28, communities all over Canada will be celebrating Armed Forces Day. Over the years this national event has allowed Canadians from all walks of life to see firsthand how the men and women of our Armed Forces serve the vital interests of Canada.

I am fortunate to have in my riding one of the many bases that are distributed all over Canada. I am talking of CFB London, Wolseley Barracks, which will be celebrating its one hundredth anniversary tomorrow. CFB London is the home of the First Battalion of the Royal Canadian Regiment which has distinguished itself as one of the finest infantry units in Canada. The 600 men and women at CFB London serve all of southwestern Ontario by providing services to militia units, cadet corps, and other military establishments.

I am sure that I speak for all Members of this House when I express my appreciation for our Armed Forces. While we may not mention it every day, we appreciate that they are working for peace in places such as Cyprus and the Middle East; that they are protecting our coastline and maintaining our sovereignty in the North; and that they are honouring our commitment to our allies in NATO and NORAD.

To all members of our Armed Forces I say a heartfelt and warm thank you.

* * *

LABOUR RELATIONS

ROLE OF RCMP AT ALBERTA PLYWOOD PLANT STRIKE

Mr. Jim Fulton (Skeena): Mr. Speaker, there have been strange things going on in Alberta for some time. However, the means by which the federal and provincial Conservatives have chosen to bust unions has taken on a grim new reality.

On Monday, at a Slave Lake plywood plant, 30 RCMP officers arrived to confront a strike force of 100. The strikers were in full compliance with an existing court order. However, the RCMP waded into the strikers, assaulted and arrested seven of them, including Harold Hawley, the IWA organizer. The RCMP singled him out, leaped on his back and choked him unconscious to the ground. The RCMP labour liaison, Constable Cliff Munroe, turned off his video camera while Harold Hawley was choked to the ground and thrown into a van.

Who ordered the RCMP out to bust the legal pickets at Slave Lake? Who ordered the mugging and detention without bail of Harold Hawley? What is the connection between the owner, Mrs. Margaret Campbell, and the Conservative Party? How far does the Conservative Party intend to go in removing

rights from Canadian workers? The assault on, and detention of, Harold Hawley without bail answer that question.

The Minister of Justice (Mr. Crosbie) and the Solicitor General (Mr. Beatty) had best investigate and arrest those responsible for attacking these Canadian citizens.

* * *

PUBLIC SERVICE

INDEXED PENSIONS—LEGISLATION INTRODUCTION ANNOUNCEMENT

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, the Conservative Government has kept another promise. Yesterday the President of the Treasury Board (Mr. de Cotret) announced that legislation will be announced this fall concerning superannuate pensions. Past commitments will be fully honoured and no changes will be made in benefits earned to the effective date of change.

• (1410)

Those who paid for indexed pensions in the Public Service, RCMP and Armed Forces will have them fully indexed through a grandfathering process. For present employees, pensions arising from service to their credit prior to the effective date of change will also have guaranteed indexing. Automatic indexation will disappear.

The Government will appoint a new 14-person pension management board to permit joint employee-employer operation of the Public Service plan that will now be managed on a sound financial basis. Conservative Members from across the country fought hard to keep this promise. This announcement is not only good politics but good business.

* * *

[*Translation*]

WOMEN

FUNDING OF WOMEN'S ORGANIZATIONS

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I wish to refer to the emergency meeting between the Secretary of State and women's groups funded under the program concerning the promotion of women.

The purpose of this meeting is to convey to the Minister the concerns of women's organizations over funding because a number of problems have cropped up in recent months.

Among the groups which have experienced difficulties I might mention the Quebec Federation of Women, the Cahiers de la femme, the Pictou Women Centre, the Port Alberni Women Resources Centre.

I know that Conservative Members have intervened to stop payments. I also know that cases approved by Secretary of State project agents have been piling up on the Minister's desk for a month. Political interventions have never been so numerous in the field of grants to women's groups.

Mr. Speaker, time has come for the Conservative Government to examine its conscience with respect to the funding of women's groups, and these women are here to lend it a hand.

* * *

[*English*]

THE ADMINISTRATION

FORTHCOMING CABINET MEETING IN SASKATOON

Mr. Don Ravis (Saskatoon East): Mr. Speaker, the summer break is starting on a high note for western Canadians. The residents of Saskatoon are delighted that the Prime Minister (Mr. Mulroney) and senior cabinet Ministers will be in Saskatoon for a meeting of the Priorities and Planning Committee from July 2 to 4.

During the election campaign of 1984, the Prime Minister pledged to bring western Canada back into the federal Government after 20 years of neglect. He appointed 12 cabinet Ministers from western Canada, and held the first First Ministers' Conference of the new Government in Regina. The P and P meeting in Saskatoon is another strong signal that western Canadians count for and can count on this Government.

My constituents are looking forward to meeting the Prime Minister and cabinet Ministers in Saskatoon next week. They know that the views and concerns they express will be heard. We saw the damage done to our country because of the Liberals' regional biases. On behalf of Saskatoon East, I thank the Prime Minister for putting a stop to regional prejudice and making western Canada count as well.

* * *

PETRO-CANADA

RECOMMENDATIONS OF RESTRICTIVE TRADE PRACTICES COMMISSION

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I wish to draw to the attention of the Minister of Energy, Mines and Resources (Miss Carney) the report of the Restrictive Trade Practices Commission and its recommendations concerning Petro-Canada. The commission has made it very clear that Petro-Canada should be used as an instrument of public policy, contrary to what the present Government believes.

The Government says it believes in promoting competition. The RTPC has stated that the Government has a unique

opportunity to do just that in the petroleum sector through Petro-Canada. The commission recommended that Petro-Canada not discriminate against independent marketers, stop its practice of refusing to sell off gas stations to competitors, and end rack pricing. It also called upon the Government to establish a parliamentary committee to review Petro-Canada every five years.

I think the recommendations are worthy of support. This is what my Party has been saying all along. Canadians paid for Petro-Canada and we deserve to have it act on our behalf. Right now the Minister of Energy, Mines and Resources is using Petro-Canada to shield her friends in the big oil companies—

Mr. Speaker: Order, please. Sixty seconds.

* * *

VETERANS AFFAIRS

CLAIM FILED BY CANADIAN HONG KONG PRISONERS OF WAR

Mr. Howard Crosby (Halifax West): Mr. Speaker, last week an event occurred that deserves the attention of the Canadian Parliament and all Canadians. A claim was filed before the Commission on Human Rights at the United Nations against the Government of Japan, on behalf of the Canadian Hong Kong Prisoners of War. Those are the Canadians who were held in Hong Kong for several years during the Second World War and were mistreated, used for slave labour operations, and generally suffered great harm. They have gone unnoticed in the four decades since the end of the war.

We in Parliament have shown great sympathy to the Japanese mistreated by the Canadian Government, and support their claims. Let all Canadians, including those of Japanese origin, support the Hong Kong Prisoners of War. They deserve remedy for the harm they suffered, and the UN has the ability to carry out that remedy.

ORAL QUESTION PERIOD

[*English*]

TRADE

SOFTWOOD LUMBER EXPORTS TO UNITED STATES—U.S. TRADE COMMISSION DECISION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker—

Mr. Foster: Where's the Tory front bench?

Mr. Crosbie: Where's the Liberal front bench?

Mr. Turner (Vancouver Quadra): In the absence of the Prime Minister, and as the Minister of Justice has just pointed out, in the absence of the entire front bench except for him, I direct my question to the Deputy Prime Minister. In voting this morning on the Canadian softwood lumber export issue in the United States, members of the United States International Trade Commission were obviously aware of President Reagan's promise to American Senators as indicated in the President's letter to Senator Packwood that he was committed to finding a rapid and effective solution to the Canada softwood lumber problem.

Harassment against our exports which currently enjoy free trade continues on the American side. Has the Prime Minister instructed our chief trade negotiator, Simon Reisman, to place the issue of softwood lumber exports to the United States at the top of the agenda so that this continued harassment by the American quasi-judicial and political process does not continue during these negotiations?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, this morning's decision was not unexpected. The onus of proof that is required for a preliminary determination of injury is very low. Indeed, since 1980 a preliminary finding of injury has been made in 90 per cent of all cases that have come before the board. I would also like to remind the right hon. gentleman that in 1983 when we won a case, there was also a preliminary finding of injury.

[*Translation*]

REQUEST THAT MINISTER INTERVENE

Right Hon. John N. Turner (Leader of the Opposition): I have a supplementary for the Minister. He seemed to be very pessimistic in his answer to the House. Canadians are now paying through the nose for the few votes the President had to swing in the U.S. Senate so that his Government could take part in free trade discussions with Canada. My question is as follows: Will the Minister, in the next phase of this political or quasi-judicial inquiry, appear in person to conduct Canada's counter-attack before the U.S. Department of Commerce?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I am sorry if I gave the wrong impression. I am not at all pessimistic. Indeed, to the contrary, I am very optimistic. I think Canada has a very good case here. The federal Government, the provinces, the industry, and labour united unanimously at our meeting in Vancouver to fight this case. We are going to fight it and we are going to win it. I am optimistic that that will be the outcome.

UNITED STATES PRESIDENT'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, how does the Minister explain the implicit sympathy of the U.S. administration reflected by the President's letter to Senators from Oregon, Montana, and Idaho, saying that they were going to solve the Canadian lumber problem, with the

Prime Minister's recent statement that he and the President had arrived at an arrangement whereby further protectionist measures would not be anticipated on either side of the border?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I would again like to point out to my right hon. friend that indeed this is not an action by the administration; this is an action by the American lumber industry pursuant to its laws which are presently in force. I would also like to point out that the Right Hon. Member and his Party should get on side and unite in our thrust to have an agreement between our two countries to prevent this very kind of thing from happening in the future.

TERMS OF QUEBEC ACCORD

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Minister of International Trade. At the Quebec City summit, the President of the United States and the Prime Minister signed an agreement stating that they committed themselves to halt protectionism in cross-border traffic in goods and services. Why is it that since that agreement has been signed there has been American trade action on fish, softwood lumber, shakes and shingles, and now even cut flowers? When will we ask the American President to live up to his part of the bargain, or will we start asking for a renegotiation of the Quebec City agreement so that we can get a fair deal?

• (1420)

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I should like to point out to the Hon. Member that in almost every case these are not actions by the administration but indeed are actions which have been taken by American companies or American citizens, as is permitted under their law, and as our cattlemen are doing under our law in respect of EC beef, and as Ontario corn producers are doing in respect of corn coming in from the United States. Mr. Reisman has in fact had discussions with his counterpart about this to date, and I am hopeful that actions in the future, where possible, will be contained.

CANADA-UNITED STATES NEGOTIATIONS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, what kind of dark hole has the Minister been hiding in? The President of the United States undertook the action on shakes and shingles. He wrote a letter to Senator Packwood saying that he would find a solution. Where has the Minister been? Why are we not giving full authority to our negotiator to insist that the question of American trade harassment be the No. 1 priority in the negotiations, and that we will not go on with the negotiations until that problem is resolved?

Hon. James Kelleher (Minister for International Trade): With the greatest respect, Mr. Speaker, the Hon. Member is inconsistent. On the one hand he wants us to negotiate with the negotiator to try to stop the harassment. However, on the other hand he is not prepared to support our Party and the Government in the talks which will end the harassment in the future.

Mr. Axworthy: When?

Mr. Kelleher: I think he should try to make up his mind on where he stands on the issue.

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Deputy Prime Minister. It concerns a related subject. Yesterday the Government announced that it intended to yield to American pressure by bringing in legislation as early as tomorrow which could result in a $200 million increase in the prices which Canadians pay for drugs. Simultaneously the ITC in the United States today made a decision which could cost us thousands of jobs in the softwood industry. My question is a straightforward one. Why does the Government continue to sacrifice Canadian interests at the very time when Americans continue to take a whack at us?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I would say to the Leader of the NDP that the projections he makes or the conclusions he has already drawn should await the legislation before he makes any final conclusions.

Mr. Broadbent: Canadians in publishing, shakes and shingles, textiles, and shoes have all seen the kind of action the Government produces. It has been nothing but bad news for Canadians.

CANADIAN PHARMACEUTICAL INDUSTRY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, again I direct my question to the Deputy Prime Minister, because presumably he has responsibility for the Government today, if someone has. In his letter to Senator Packwood, President Reagan said that all "other pending trade irritants must be resolved" before an agreement is presented to the U.S. Senate for ratification. Is the Government not taking this terrible action on drugs in Canada because the Vice-President of the United States came here two weeks ago and requested the Government of Canada to change our law in their interest, not ours?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I cannot agree with the premises or with the question itself. We are taking action on pharmaceuticals and drugs because this Party, unlike other Parties, respects the right of private property.

Some Hon. Members: Oh, oh!

Mr. Kelleher: We respect the right to intellectual property. We respect that all parties have rights. I think the Hon. Member will just have to wait until the action we will be

proposing is introduced to see whether or not it is indeed fair and just at that time.

Mr. Broadbent: The Minister might respect the rights of drug companies to make as much money as they want. We respect the rights of pensioners and other Canadians to have low drug prices. That is the difference.

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want to go back to the Deputy Prime Minister who is in charge and ask him the following question. In the give and take involved in all negotiations between Canada and the United States on this matter, why is it that Canadians are doing all the giving and the Americans all the taking? If the Deputy Prime Minister agrees with that, why does he not announce the Government's intention to withdraw this drug Bill which will cost Canadians $200 million more?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The Deputy Prime Minister does not agree with that, Sir.

* * *

[*Translation*]

EXTERNAL TRADE

FREE TRADE—MEASURES TAKEN BY GOVERNMENT TO PROTECT QUEBEC FARMERS AND FAMILY FARMS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Minister for International Trade and concerns the predictable impact of free trade on farmers and workers in the clothing industry. Yesterday, Professor Yvon Proulx of Laval University published a study in which he predicted the complete destabilization of our agricultural economy, if a free trade agreement were signed with the United States. Could the Minister inform the House what measures the Government intends to take to protect Quebec farmers and especially the family farm?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I advise the Hon. Member that indeed we are aware of the report. There is such a study, but we have not as yet seen it. We have not had a chance therefore to examine it, but certainly we will and will be able to comment on it more specifically at that time. However, I can assure him that in any agreement and in any discussion with the United States, we will not sign any agreement which is not good for all Canada, all parts of Canada, and that includes agriculture as well.

[*Translation*]

FREE TRADE—MEASURES TAKEN BY GOVERNMENT TO PROTECT CLOTHING AND TEXTILE WORKERS

Mr. Raymond Garneau (Laval-des-Rapides): I have a supplementary, Mr. Speaker. As I said in my preamble, there were not only farmers but also workers in the clothing industry demonstrating yesterday in Montreal. Could the Minister inform the House, and he may have had time to examine some studies in this area, what measures the Government intends to take to protect workers in the clothing industry who are saying they stand to lose their jobs if a free trade agreement is signed with the United States?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, first I should like to point out that I was aware textile workers were here yesterday, because I went out and asked them to come in to meet with me, and I discussed their problems with them. We will be announcing a new policy which will assist the industry. We will not suffer the loss of 15,000 workers as occurred from 1981 to 1985 as a result of legislation and policies adopted by that Member's Government.

* * *

EXTERNAL AFFAIRS

NICARAGUA—U.S. AID TO CONTRAS

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, my question is directed to the Deputy Prime Minister. In view of the fact that the $100 million the U.S. Congress just voted will mostly go to military aid to the Contras, who, as we all know, are seeking to overthrow the Government of Nicaragua, will the Government, knowing that this is a violation of Article II of the UN charter, publicly denounce it?

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, the vote taken in the United States yesterday does not change one iota in Canada's policy. As we have said before, Canada's policy differs from that of the United States. We are radically opposed to anyone interfering in any country whatsoever, and this applies to helping the Contras as well as to helping the guerilleros in El Salvador.

[*English*]

TERMS OF UNITED NATIONS CHARTER

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, I welcome the Minister's reaffirmation of that position, but I asked a further question. Is she fully aware that this contravenes Article II of the UN Charter, and will she publicly state that we will not accept such a contravention of a body to which we belong and wish to uphold?

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, as the Government of this country, we feel that the present problems in Central America are economic and social problems. We think that the solution lies in dealing with these economic and social problems and not in giving military aid.

* * *

• (1430)

[*English*]

CHALLENGE '86

ALLEGED FUNDING OF P.C. CANADA FUND

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is for the Minister of Employment. We were told this morning that the P.C. Canada Fund, which is the fund-raising arm of the Conservative Party, has been granted funding under the Challenge '86 Employment Program—

Some Hon. Members: Oh, oh!

Mr. Allmand: —to hire between 25 and 30 students to do fund raising for the Conservative Party during the summer. Will the Minister confirm this project, and if so, how does she justify this gross misuse of public funds?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I will not confirm that project. I will look into it immediately. If that project has been approved, I will see that it is cancelled.

Some Hon. Members: Hear, hear!

REQUEST FOR INVESTIGATION

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, will the Minister please examine Challenge '86 Project No. 4839 under the name of the P.C. Canada Fund, which is hiring students at the Sparks Street Student Employment office? Will the Minister do that?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I told the Hon. Member, in case he didn't hear it the first time, that I will do so.

JOB RE-ENTRY PROGRAM—WORK OF STUDENTS AT GAINERS PLANT IN EDMONTON

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I also have a question for the Minister of Employment. I, too, have just been informed of a problem in her Department where two students from the Minister's Job Re-entry Program in Edmonton are now performing security duties at Peter Pocklington's Gainers Plant in Edmonton.

Some Hon. Members: Shame!

Mr. Nystrom: This is part of an $84,000 federal government program under Job Re-entry at the Security Officer Career College in that city. Will the Minister now direct her officials to instruct the college for the duration of the strike that at least no student be placed at Gainers for "on the job" training?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, this project about which the Hon. Member has asked is a project that is training security personnel.

Some Hon. Members: Oh, oh!

Miss MacDonald: The hon. gentleman wants to laugh at that. There are 20 unemployed people in this project, four of whom have been placed in the Gainers plant. I want to assure the Hon. Member that this training has been ongoing since last December. These people will graduate shortly and they will then be going into permanent employment.

Mr. Deans: There are other places to get training.

Miss MacDonald: I am glad to see that they have had the opportunity to achieve the training—

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Speaker: Order. Order, please. The Hon. Member for Yorkton—Melville.

Order, please. I take it the Hon. Member's Party does not want to allow the Member to ask a supplementary.

Mr. Deans: What did the Speaker say?

Mr. Crosbie: Listen and stop yelling.

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

REQUEST THAT MINISTER ORDER REMOVAL OF TRAINERS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, would the Minister not agree that in effect these people are scabs? Can the Minister explain to the House why she is using federal Government money to support the eighteenth century labour practices of Peter Pocklington in Edmonton? Will she issue a directive and take those people out of the plant now?

Some Hon. Members: Hear, hear!

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, what I can tell the Hon. Member is that I expect unemployed people to have the opportunity to get training—

Mr. Nystrom: Scabs.

Miss MacDonald: The Hon. Member can call them scabs. I call them unemployed people who have welcomed the opportunity—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. Order, please. Members of the New Democratic Party surely would allow the Minister to answer a question posed by their own Member. Order, please. The Minister may complete her answer.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. Order, please. If Members ask questions, surely it is courteous to allow the answer to be heard. Order, please.

Miss MacDonald: Mr. Speaker, the Hon. Member can call unemployed people scabs if he wants to. I do not call them scabs.

Mr. Benjamin: They are desperate.

Miss MacDonald: These people are among a group who are getting job experience and training in an institution.

Some Hon. Members: Oh, oh!

Miss MacDonald: He wants to throw them out of that course. I do not think that unemployed people should be treated in that way.

Some Hon. Members: Hear, hear!

* * *

DISASTERS

AIR-INDIA CRASH—COURSE OF INVESTIGATION

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is for the Solicitor General and it concerns the Air-India crash of over a year ago. Will the Solicitor General confirm that within days of the crash Canadian authorities were aware it was the work of terrorists, were pursuing suspects, and that today the suspects are no longer in Canada?

Hon. Perrin Beatty (Solicitor General of Canada): No, Mr. Speaker. What I can indicate is that a police investigation is under way at the present time and it would not be appropriate to comment further.

REQUEST FOR JUDICIAL INQUIRY

Mr. John Nunziata (York South—Weston): Mr. Speaker, can the Solicitor General explain why it has taken so long to lay charges? Can he also indicate why Canada is not having a judicial inquiry of its own into the Air India tragedy to examine the role of the Security Intelligence Service, the RCMP, and External Affairs Department?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, I apologize because I missed the last half of the question. I believe the first half of the question related first to the issue of why it has taken so long to lay criminal charges. The answer is that if it is necessary, if criminal charges are to be laid, that there be evidence satisfactory to a court. The police investigation is under way at the present time.

With regard to whether or not there should be a judicial or some other form of inquiry, similar to what there is in India, the Hon. Member might want to put that question to another Minister, such as the Deputy Prime Minister, who would have responsibility. As Solicitor General my responsibility is for the RCMP and for CSIS, and their work is under way.

* * *

HEALTH

AIDS—SPREAD OF DISEASE

Mr. Neil Young (Beaches): Mr. Speaker, my question is for the Minister of National Health and Welfare. Reports coming out of the International Congress on AIDS estimate an alarming escalation in the spread of AIDS, with no cure for the disease being predicted over the next several years. Will the Minister tell the House whether he agrees with the view of the Congress that prevention is now more important than ever?

Will the Minister also advise the House whether he is now willing to provide additional funding for community groups which have proven to be the most effective way of providing information, counselling, and support services for AIDS victims?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, not only do we in Canada and from Health and Welfare concur with a lot of the information coming from the Paris meeting, but there are members from my Department attending and actively participating in that conference. As to the first point in terms of the general global overview, I would say there is general concurrence from our perspective with what is being said.

Second, I want to tell the Hon. Member that when the first three year plan ended with the fiscal year March, 1986, a new five year plan was adopted by this Government and there was substantially greater funding, including money for community works. In fact $39 million has been designated for the next five years.

FUNDING OF TORONTO COMMITTEE

Mr. Neil Young (Beaches): Mr. Speaker, I have a supplementary question for the same Minister, Mr. Speaker. He knows that the amount of money provided so far is clearly insufficient.

Would the Minister advise the House whether or not he agrees with officials in his Department who told the AIDS committee of Toronto that the AIDS committee could not receive additional moneys because, if it did, it would prove to be an embarrassment. The organization will do brochures with clear sexual information, and the public would not understand why the Government was giving additional money to this type of an organization.

Hon. Jake Epp (Minister of National Health and Welfare): No, Mr. Speaker. I do not agree with that in any way shape or form. I do not know who the official is or, if it is an official from my Department, to whom he might have been speaking. The situation is quite the contrary. The view of the Department and the Centre for Diseases Control is that our work is well funded nationally and we are co-operating very fully internationally. All of us are seeking a cure. All of us indicate, and the Paris Conference says this very clearly, that the best protection for people in the high risk groups is for them to protect themselves.

* * *

AUTOMOTIVE INDUSTRY

AUTO PACT—PARTICIPATION OF KOREAN AND JAPANESE COMPANIES

Mr. John Reimer (Kitchener): Mr. Speaker, my question is for the Acting Minister of Regional Industrial Expansion, the Minister of Transport. Most people in Kitchener are delighted with the new Toyota plant to be built in Cambridge. Although it will create hundreds of jobs, for every job created three presently held jobs in parts and assembly plants throughout Ontario and Quebec could be lost if Toyota, Hyundai, and Honda bring in all or most of their parts from the Far East.

When will these Korean and Japanese companies be required to live within, and abide by, the spirit of the Auto Parts Trade Agreement within the Auto Pact?

• (1440)

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I appreciate the Hon. Member's support for investment in the automobile industry in Canada, particularly investment from the Pacific Rim countries. Almost $1 billion has been invested in this country, which has created jobs for assembly line and parts workers.

Ms. Copps: Answer the question.

Mr. Mazankowski: Our objective is to have as many of these jobs as possible. I can assure the Hon. Member that these companies have undertaken to meet Canada Auto Pact status. It is in their interest to do so because in doing so they can expand and broaden the base of their market.

BROADCASTING

TASK FORCE STUDY

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, many Canadians eagerly await the release of the Caplan-Sauvageau task force report on the Canadian broadcasting industry. Even the Nielsen task force deferred its study on the broadcasting field to Caplan-Sauvageau.

My question is directed to the Minister of Communications. The Minister created this task force to develop public policy for the broadcasting industry. The report has already cost Canadian taxpayers over $2.5 million. Therefore, why is the Minister proceeding with legislation in the broadcasting field before the report of the task force is tabled, studied, or even taken into account?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, the report will be released as soon as it has been translated and printed. The Bill was tabled even before the appointment of the Caplan-Sauvageau task force.

[*English*]

REQUEST THAT BILL C-19 BE WITHDRAWN

Mrs. Sheila Finestone (Mount Royal): Through you, Mr. Speaker, I urge the Minister not to waste $2.5 million of the taxpayers' hard-earned money. I ask him to demonstrate his commitment to his Government's consultative process by stopping the Bell Canada Bill here and now, which Bill will destroy our cable and television industry. That Bill should be withdrawn and referred back to committee. The findings of the Caplan-Sauvageau study on the cable and television industry should be studied.

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, the Caplan-Sauvageau report deals with broadcasting issues in Canada, whereas Bill C-19 has to to with the matter of telephone communications concerning Bell Canada.

* * *

[*English*]

AIRPORTS

LABOUR DISPUTE AT MIRABEL AND DORVAL

Mr. Les Benjamin (Regina West): Mr. Speaker, I have a question for the Minister of Transport. I notified him of it by phone a little while ago.

Is it the Minister's intention to allow the issuing of security passes to personnel brought in from subsidiary companies in Calgary and Gander—which would be of interest to the Minister of Justice—in order to allow for strike-breaking during a strike situation in the month of July at Mirabel and Dorval?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I thank the Hon. Member for notifying me by telephone. I understand that my colleague, the Minister of Labour, has appointed a federal conciliator to investigate this issue. As the Hon. Member knows, during that period of time a strike could not take place.

Mr. Benjamin: Not till July 15.

Mr. Mazankowski: It would be premature to respond to the hypothetical situation which the Member has created.

AIRCRAFT REFUELING TENDER PROCESS

Mr. Les Benjamin (Regina West): Mr. Speaker, those people are now in place from Calgary and Gander. They are in Montreal ready to strike-break in violation of Quebec law. While the Minister is snubbing Quebec, the law of that province, and Quebec workers, will he call for an investigation of Ogden Allied and all its subsidiaries, including the one in Gander, under the Combines Investigation Act? Will he investigate the tendering process for refueling and avoid any risk of an explosive situation—which I mean literally—during the month of July?

Mr. Speaker: Order.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I do not know how these people could be in place when there is no strike or lock-out in existence.

Mr. Benjamin: They're in Montreal in hotel rooms.

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VISIBLE MINORITIES

JAPANESE CANADIANS INTERNED DURING WORLD WAR II

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of State for Multiculturalism. The House will adjourn tomorrow for the summer recess and the Government has yet to address honourably the matter of Japanese-Canadian redress. The Prime Minister stubbornly continues to refuse to involve himself despite the pledges he made during the election campaign and as Opposition Leader.

Given the Minister's failure to facilitate and encourage a genuine and adequate process, will he assure the House that he will use the summer months to conduct full and meaningful negotiations with the National Association of Japanese Canadians so that when we return in the fall we will have the foundation for a fair and meaningful agreement on this very sensitive issue?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, the Hon. Member should make up his mind about what he wants. The last time he asked questions he suggested that we were moving too fast on this issue.

Mr. Gauthier: Answer the question.

Mr. Jelinek: Now he is suggesting that we are not moving fast enough. In fact the matter is before Cabinet at the present time and being actively considered. The Prime Minister is directly involved. As I have said on a number of occasions in this House, the commitment which the Prime Minister and the Government have made will be kept.

ANNOUNCEMENT OF GOVERNMENT DECISION

Mr. Sergio Marchi (York West): Mr. Speaker, the Minister refuses to fulfil the promise to negotiate. Will he at least promise this House and the community that a response from the Government will not take the form of a unilateral cabinet decision in the middle of summer when the House is not sitting and when the Japanese-Canadian community is most vulnerable from an organizational point of view? Will he at least give that undertaking?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, the Hon. Member should also know that there has been the widest range of discussions with the Japanese-Canadian community and others. This Member represents a Party which was opposed to any discussions with the Japanese-Canadian community on any redress issue. It boggles the mind to see this Hon. Member constantly getting up in a hypocritical way trying to grandstand on the backs of the Japanese Canadians.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Speaker: I take it the Hon. Member was characterizing a process, but he was coming awfully close to characterizing a Member. He knows that.

Ms. Copps: He said the Member.

Mr. Axworthy: Apologize.

Mr. Speaker: I listened very carefully.

* * *

REFUGEES

PROGRAM TO CLEAR BACKLOG OF REFUGEE STATUS CLAIMANTS

Mr. Dan Heap (Spadina): Mr. Speaker, my question is directed to the Minister of State for Immigration. After months of delay why did the Minister one month ago put forward his program for clearing the backlog of 21,000 refugee claimants without having regulations prepared to guide claimants, their lawyers, and most important, the immigration officers, and without yet having hired the new staff which he promised five weeks ago to handle this great new load of

applications and examinations? Why has he allowed this mess to accumulate?

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, I would like to assure the Hon. Member that there is no mess at all. The hiring of staff is now under way. The office space has been rented and will shortly be opened. The training of those who will undertake this fast track is now under way so that that process can begin as early as September.

Mr. Heap: Mr. Speaker, we were promised it would begin in the middle of July. Now we are told September. We do not know when it will happen.

ENTRY OF FALSE CLAIMANTS

Mr. Dan Heap (Spadina): Mr. Speaker, my supplementary question is directed to the same Minister. Clearly false refugee claimants are entering Canada by the plane load at a rate of nearly one thousand per month. Why has the Minister done nothing to stop this grave disruption of the program he is trying to institute?

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, I would like to assure the Hon. Member that this is a matter of urgent concern for myself and the Government. We appreciate the support of Members on all sides of the House. We are seeking the support of the Portuguese community. We have had dialogue with that Government both here and in Lisbon. We are seeking a solution short of any visa measure. I will be reporting later on that matter.

* * *

LABOUR RELATIONS

STRIKE AT GAINERS PLANT IN EDMONTON—ROLE OF SAFETY OFFICERS

Mr. William G. Lesick (Edmonton East): Mr. Speaker, my question is for the Minister of Labour. I am deeply concerned about the potential volatility of the picket line at the Gainers plant in Edmonton. Would the Minister please clarify the role of Labour Canada's safety officers in investigating claims of dangerous work by federally employed meat inspectors and veterinarians?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I thank the Hon. Member for his interest. Legal officers of the Crown have reviewed the Canada Labour Code and have strong reservations as to the applicability of Part IV of the Canada Labour Code in issues such as violence on picket lines. The safety officer's decision, which had been made earlier, is now under appeal to the PSSRB. We will continue to react to calls pending resolution of this legal issue.

• (1450)

AGRICULTURE

GRASSHOPPER PLAGUE—COST OF PESTICIDES

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. He knows that thousands of farmers in Saskatchewan and Alberta are facing a very serious grasshopper plague, for the third and fourth year in many cases. In view of this desperate situation, is the Minister prepared to make a commitment today to assist these producers by providing 50 per cent of the cost of pesticides needed to handle this infestation?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am very much aware and very much concerned about this problem. We continue to monitor the situation in conjunction with our provincial counterparts. I think we should express our appreciation for the interest which the two western provinces have had in this situation in that they have come forward with programs to provide financial assistance to western producers. However, at this point we have not made a decision to participate in a cost-sharing arrangement with respect to the grasshopper control project.

REQUEST FOR FINANCIAL ASSISTANCE

Mr. Maurice Foster (Algoma): Mr. Speaker, I wonder why the Minister refuses to assist these hard-pressed farmers. He knows this will mean additional payments under the Crop Insurance Program this fall. At the same time farmers will face the loss of their crops. Will he reconsider, hop to it, and make a decision?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, we are not rejecting this outright. We have not made any final decision. If the Hon. Member will check, he will find this Government has been very generous with payments to western Canadian farmers. Grasshopper damage is of course eligible for compensation under the Crop Insurance Program. In addition, we have reached an agreement with our provincial counterparts in western Canada to provide additional coverage for disaster cases.

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NATIONAL RESEARCH COUNCIL

FUNDING OF SPACE DEVELOPMENT PROJECTS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I can remember the Minister of State for Science and Technology being surprised at the announcement that IRAP funds were to be transferred to the space program. Yet he subsequently defended that action on the basis that the NRC had been consulted. If that is true, can the Minister explain why the vice-president in charge of the program says that he was not consulted? Why is there an emergency meeting today

involving members of the board who say that the NRC has been treated as if it did not exist and in violation of the NRC Act?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, it is my information that the Acting President of the NRC has engaged in a conference telephone call with some council members in an effort to dispel some of the misunderstanding and confusion to which the Hon. Member and some others contributed so generously.

MINISTER'S POSITION

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, we would like to see somewhat less imprecision about the facts from the Minister. Does he not think that when resignations are threatened, when there is a demand for an emergency meeting in response to concerns expressed by small business about being deprived of needed research funds, that it is about time the Minister took action to restore the funds to IRAP—

Mr. Speaker: Order, please.

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, first, no funds have been taken from IRAP. If the Hon. Member is interested in the facts I would be prepared, as I have said to some of his colleagues on an earlier occasion, to convey the facts to him in writing, as I did with the NRC. That would surely clear up his mind as it did those whom I consulted.

* * *

FISHERIES

RESTIGOUCHE RIVER SALMON FISHERY

Mr. Albert Girard (Restigouche): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. About 1,400 people make a direct living from recreational fishing for salmon on the Restigouche River. These people are very worried that if net fishing on that river by the natives continues, they will not have any work in the near future. What has the Minister done and what does he intend to do to prevent this happening?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I appreciate the question from my hon. colleague as it reflects his concern for the conservation and preservation of Atlantic salmon stocks in the Restigouche River. On hearing of alleged violations of fishing regulations on the part of the Cross Point Micmac Band, I conducted inquiries of my colleague, the Minister in Quebec responsible for the agreement with the Cross Point Micmacs, and also my colleague, the Minister in New Brunswick who is responsible for this fishery. I have been assured there have been no violations of the food fish entitlement, and we will work to ensure that in future years this is no longer a problem to my hon. colleague.

* * *

LABOUR RELATIONS

STRIKE AT GAINERS PLANT IN EDMONTON—SITUATION OF MEAT INSPECTORS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister of Agriculture. Before he passes the Gainers buck to the Minister of Justice or the Minister of Labour, I want to tell him that I was at the plant yesterday and I also met with the meat inspectors. I passed along a copy of a letter, which he will have received, in which all the meat inspectors who stayed off the job have petitioned him—

Some Hon. Members: Order.

Ms. Copps: —because they are afraid for their safety and the safety of their families.

Some Hon. Members: Question.

Ms. Copps: Can the Minister tell me why not only has his Department ignored their demands to be guaranteed safe passage or allowed to stay off the job without facing disciplinary action, but why their pay cheques today have been suspended?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I do not think there is any additional information I can supply today that I did not supply yesterday. As we know, the safety officer is on the site. He has to make a determination as to whether or not entry is safe. He has made that determination and that is within his jurisdiction. Under the terms and conditions of the Meat Inspection Act, Agriculture Canada has a legal and moral obligation to place inspectors in the plant during the time it is processing meat. It has a moral obligation, consistent with the Act, to ensure the health and safety of the Canadian public with respect to food products.

SAFETY OF INSPECTORS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my supplementary is directed to the Minister of Justice. After the Labour Ministry said the site was safe, an inspector—

Some Hon. Members: Question.

Ms. Copps: —had his eyes injured by flying glass. Given that, can the Minister tell this House that he is prepared to state in writing that he will guarantee the safety of those inspectors who, along with their families, are being threatened because they are caught in the middle of a dispute and that Government is protecting Peter Pocklington—

Mr. Speaker: This is long.

Ms. Copps: —and not its own employees?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I do not know whether the question deserves an answer or not.

Mr. Blackburn (Brant): Try anyway.

Mr. Crosbie: However, I will make an effort, on the request of the second Official Opposition Party, and check into the situation. I have no knowledge or report except for the question which the Hon. Member has just asked.

* * *

NATIONAL REVENUE

SCIENTIFIC RESEARCH TAX CREDIT PROGRAM—INVESTIGATION OF ALLEGED FRAUDS

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the Minister of Revenue. Can he explain to the House the role the RCMP has in investigating fraud under the SRTC program? His Deputy Minister told *The Globe and Mail* that, referring to the files, "We are unable to simply turn it over to the RCMP". Yet that same Deputy Minister stated in committee on June 6 that "We are in touch with the RCMP. There are investigations going on." What is the role of the RCMP?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, the Hon. Member knows very well that the sanctity of the self-assessment system under the Canadian Income Tax Act provides in certain specific instances for the RCMP to co-operate and interact with Revenue Canada. If he wants a more specific answer I suggest, with respect, that he put it down for the Adjournment Debate and we can discuss it more fully. It is not in the interests of the Canadian taxpayer that information be turned over on a completely unrestricted basis to the RCMP.

• (1500)

Mr. Speaker: A very brief supplementary.

ROLE OF RCMP

Mr. Simon de Jong (Regina East): Mr. Speaker, could the Minister explain to the House why, a year ago, the Deputy Minister told the Public Accounts Committee that files had been turned over to the RCMP and that the RCMP were involved?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I do not know precisely what it was the Deputy Minister said, but as I indicated to my honourable friend there are definite instances where co-operation is not only desirable, but traditional, between the RCMP and National Revenue. This is quite evident to anyone who follows the system. The RCMP are often utilized as peace officers when investigations are going on. When the RCMP conduct investigations they can subpoena evidence from National Revenue, but as my colleague knows, it has not been traditional up to this point to supply information on a wholesale basis to the RCMP from National Revenue.

* * *

POINT OF ORDER

PROPOSAL TO REVERT TO MOTIONS—MR. BROADBENT

Hon. Edward Broadbent (Oshawa): Following discussions with other Parties in the House I would ask you to seek the unanimous consent of the House to revert to motions in order in turn to obtain unanimous consent to move a motion without notice, the motion being as follows:

All parties in the House of Commons having strongly opposed military intervention by the Soviet Union in Afghanistan in 1979 and, all parties having similarly opposed outside intervention in Nicaragua in favour of a peaceful solution to that region's problems express their disapproval of the decision taken by the United States House of Representatives yesterday to provide funding for military action aimed at the overthrow of the internationally recognized Government of Nicaragua, action which would be in clear violation of article 2 of the United Nations Charter.

Some Hon. Members: Hear, hear!

Mr. Speaker: Seeking unanimous consent.

Mr. Hnatyshyn: Mr. Speaker, the Hon. Leader of the New Democratic Party presented this motion to me at quarter to three, which is about 15 minutes ago. I indicated at that time that it was not possible for me at this time to give unanimous consent required for him to put that motion.

Mr. Speaker: The Hon. Member, I suspect, wants to say something with regard to the motion. The request of the Chair is to seek whether there is unanimous consent to revert to motions. There not being unanimous consent I cannot accept the request.

* * *

BUSINESS OF THE HOUSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, there have been some discussions among the parties, and I think that if you were to seek unanimous consent you would find that there is a disposition to give unanimous consent to the following draft order. That, notwithstanding any Standing or Special Order of this House, when the House reaches Orders of the Day this day it shall immediately proceed to the consideration of Bill C-112 and dispose of all remaining stages of that Bill by 3.45 o'clock p.m., and immediately thereafter the House shall proceed to the taking of the deferred divisions at the report stage of Bill C-90, an Act respecting pension plans, organized

and administered for the benefit of persons employed in connection with certain federal works, undertakings and businesses. And, provided that the provisions of Standing Order 13 shall be deemed in force for the purpose of this order, and that the House shall thereupon proceed to consideration of the said Bill at the third reading stage.

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

Some Hon. Members: Agreed.

Mr. Speaker: There being such consent shall the motion carry?

Some Hon. Members: Carried.

Mr. Speaker: Carried and so ordered.

GOVERNMENT ORDERS

[*English*]

ENERGY ADMINISTRATION ACT

MEASURE TO AMEND

Hon. Pat Carney (Minister of Energy, Mines and Resources) moved that Bill C-112, an Act to amend the Energy Administration Act and provide for certain matters in relation thereto, be read the second time and referred to a Legislative Committee.

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I rise in support of the emergency amendments to the Energy Administration Act regarding natural gas pricing.

On October 31, 1985, the federal Government and the oil and gas producing provinces of Alberta, British Columbia and Saskatchewan signed the agreement on natural gas markets and prices. The objective is to make an orderly transition to a competitive market for natural gas by November 1, 1986.

Since 1975, the wholesale price for natural gas sold in interprovincial trade has been set by Governments under federal-provincial energy agreements. The federal and provincial Governments are now working hard to amend legislation required to meet the objectives of market sensitive pricing by November 1. Alberta, for example, has prepared extensive amendments to its legislation to ensure that the objective of the agreement is met in the province.

Provincial Governments have also taken steps necessary to facilitate direct sales between producers and consumers, and have undertaken competitive marketing programs during the transition year. In both Ontario and Quebec the provincial regulatory boards have taken major steps to ensure that large consumers can have open access to distribution systems.

The emergency Bill to amend the Energy Administration Act is needed to fulfil the Government of Canada's commitments under the national gas agreement. The Bill will permit the Governor in Council to continue to approve negotiated domestic natural gas prices during this transition period. It will also remove any ambiguity surrounding natural gas pricing arrangements that have already been negotiated. Without these amendments the agreement on natural gas markets and prices, signed on October 31, 1985, could be in jeopardy. With these amendments the policy of negotiated prices for domestic gas prices could be halted. Without negotiated prices western natural gas producers could not effectively compete in the market-place and could lose sales to competing fuels, including imported oil. Loss of sales, particularly in the key industrial market segment, would create economic hardships for the west. Large eastern Canadian gas consumers would be denied access to attractively priced domestic natural gas supplies. To date large petrochemical, manufacturing, mining and forest product companies have negotiated natural gas cost savings in excess of $100 million.

My Minister's Department has received full support for these amendments from other Government Departments and agencies, including the National Energy Board. The industry, along with the producing and consuming provinces, want the ambiguities removed and the regulated process streamlined. These amendments will meet their concerns. This Bill does not introduce any new policy initiatives, but its passage is important to all Canadians.

Since last October Canada's natural gas marketers have been busy negotiating contracts that benefit both the producers and the consumers. When you stop to think of it, who ever heard of a natural gas marketer in Canada before last year. There may have been a few, but there are certainly more people working in the natural gas business today than ever before. You ask why? Governments are getting out of the gas pricing business during the transition year. Producers can now go out and sell their product. The prices for natural gas in Canada are now established in the market-place where they should be. Natural gas is now able to compete with other fuels for market share. By November 1 of this year all natural gas services will be negotiated in the market.

These changes could not have been introduced at a better time. Imagine the position our natural gas industry would be in if it continued to be tied to Government regulated prices at a time when oil prices have fallen. How could natural gas compete in a market where the dual fuel capacity of industrial consumers provides the flexibility to switch to a competing fuel source including imported oil. How could gas consumers benefit from a lower energy cost? Natural gas must be competitive and the federal-provincial agreement signed last year allows this to happen.

This agreement received my full support when it was signed last October. The changes to the Energy Administration Act before the House today, which allows a wide variety of negotiated arrangements, streamlining the regulatory process

during this transition year, also have my complete support. I respectfully request the approval of the House for this emergency Bill.

• (1510)

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I want to support the Parliamentary Secretary in his request for approval on all sides of the House for this emergency Bill. While I certainly agree with that request, I want to say a few words in order to underline the importance of deleting the ambiguities that presently exist in the natural gas marketing network.

Natural gas marketing and distribution is not an easy subject to understand at the best of times. However, in this transition year from October 31, 1985 to November 1, 1986 there are many ambiguities and many questions, not only in the minds of industry but consumers as well. Hopefully, these mysteries will be eased by this legislation, Bill C-112.

On October 31 the Minister promised a new era for consumers and producers which would be brought about by market sensitive pricing. She said that the pricing would, in effect, provide gradual deregulation during the transition period when the Alberta border and Toronto wholesale prices would be frozen at existing levels. Although this is happening, the problem is that it is not working out the way we had hoped.

I believe the National Energy Board has acted very responsibly and made some very good decisions in the best interests of the country. They have unravelled a good deal of the mystery in this transition period and in the natural gas deregulation and marketing problems. The National Energy Board has stated that with respect to TransCanada PipeLines, private contracts between buyers and sellers will have priority. That is important because there are many bulk purchasers of natural gas in central Canada who will benefit from these private contracts and individual contracts between the buyer and seller. TransCanada PipeLines is no longer in the position of having to be the seller, but in this case can be simply the carrier. That is a step in the right direction.

However, the problem still exists for the small consumer such as the homeowner and the small businessman. They cannot get this preferential treatment through the TransCanada PipeLines. They are unable to organize a special agreement between buyer and seller and receive this preferential status with TransCanada PipeLines. While there will be large reductions in the price of natural gas for the large consumer, I am very much concerned that there will not be much in the way of price decreases for the small consumer, if there are any at all. I hope the Government will take this into consideration because it is not long until November 1.

The other feature deals with what I would call the adjacent border price, whereby natural gas can be sold into the United States, but not at a price lower than that available to Canadians in the area where the natural gas crosses the Canada-U.S. border.

Currently, through the regulated system, the National Energy Board can tell us the exact prices in particular areas because it is documented, largely through the TransCanada PipeLines system. However, what will happen when there are private contracts between sellers and purchasers, particularly large purchasers? This information will not be available to the National Energy Board and I am afraid that the NEB will not have the information upon which to base this adjacent border price. There will be some slippage and consumers in Canada will not be assured that they are getting the benefit of the low prices that Americans will receive. This may not be intentional on the part of the Government, but it can happen and we should correct that situation.

In committee, the National Energy Board and the Chairman in particular said that the Board will need new terms of reference prior to November 1, 1986 in order to be able to deal with this new method of selling and marketing natural gas in this country, and in order to ensure that Canadian consumers in central Canada will receive as low a price as American buyers. I hope that the Government will address this question.

Now that Bill C-112 will eliminate these ambiguities, further policies can be brought into effect so that people in this country, particularly consumers in central Canada, will know where they stand and will have the benefit of the lower prices they should be receiving.

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, as my Party's energy critic, I want to make a few remarks on this Bill. I support its speedy passage. I accept the Parliamentary Secretary's assertion that this Bill would help an orderly transition toward deregulation of the natural gas market by November 1.

This is a very complicated area. One wonders whether one is reading English when trying to understand this material. However, when one recalls that certain principles are involved, the complications of the natural gas market disappear and what is involved becomes rather clear.

When the Government decided to deregulate the price and marketing of natural gas, it had to deal with many contacts already in existence, including some famous take or pay contracts held by TransCanada PipeLines. The Government had to deal with distribution and the interests of producers, consumers and transporters. It seemed that the Government handed this question to the National Energy Board, for it to attempt to unravel the Gordian knot. As my friend, the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan) said, the Board did a good job in trying to deal with that issue. I agree with that statement because it is a difficult issue. While I do not believe anyone is completely happy with the decision, that would have been impossible to achieve.

This is a difficult issue because the interests of producers, shippers and distributors are involved. It is worth a lot of money because Canada exports some $4 billion a year in natural gas to the United States. That is about 5 per cent of

the American market, which means a lot of money for western Canadian producers.

In my remarks I want to outline some of the issues and principles that should be recognized. The first issue is U.S. exports. Natural gas is a non-renewable resource that is clean burning and can be used in many different ways. The problem is that we will deplete our natural gas resource in Alberta, British Columbia and parts of Saskatchewan and will have to go to the frontiers to look for gas there. Your Honour knows what will happen. The cost will dramatically increase for the consumer. Here in Ontario, where we are right now, where many people heat their homes and cook by natural gas, in an expanding market, we must ensure that we do not export all our cheap, non-renewable natural gas at fire-sale prices because there is an opportunity in the American market and we want to grab that. Producers will always say to regulatory boards like the National Energy Board and the Government,"We want to export more if we can because we need the cash flow and then we will reinvest and we will find more gas", and so on. That is true in some ways, but in other ways, when it is a depleting resource, gas will be found in more and more difficult places. It will cost more to transport and will mean higher prices for consumers.

• (1520)

I am proud that the NDP has taken the same position federally, here in Ontario, in the House of Commons, as it took in Alberta. I will refer to a policy statement by the Leader of the Official Opposition in Your Honour's province of Alberta, by the Hon. Ray Martin, who is a New Democrat. He said:

> It should first of all be stressed that New Democrats have never seen the"Brick Warehouse firesale" approach of wholesale exports at the cheapest price possible as any sort of sensible solution to the problems of our natural gas industry. Far better, we have argued, to look at the big picture through a greater emphasis on use of this non-renewable resource here in western Canada, as well as through changes in our pricing and distribution systems which benefit the many small Canadian producers operating here. In this regard, we have advocated gas pro-rationing, gas banking, encouragement of M-Gas and other plants for production of gasoline from natural gas, natural gas substitution for provincial government vehicle fuel and other measures to enhance markets locally.

I have often thought over the years, if I can digress for a minute, that perhaps the little green buses on which we come to the House that burn the oil, should perhaps have been converted to natural gas, as has been done in many companies in Vancouver and with municipal vehicles. In other words, here is the Leader of the New Democratic Party in Alberta saying in Alberta, "Let us not sell out all our gas right now at fire-sale prices". That is not to say we should not export gas. We must export some gas because we must keep the small producers going and we do have a surplus, but we must be very careful that we do not sell it at fire-sale prices. That is not the situation right at the moment, because there is a gas bubble in the United States. Spot prices in the United States have gone down as low as about $2 a thousand cubic feet, recently. However, we must be careful not to export for a quick buck.

The second principle to be kept in mind is that we must try to receive the best possible prices for the consumers. Access must be given to small producers. Let me explain the consumers' part, first. The Government must continue to follow the principle that we should not be selling Canadian gas to American consumers at prices lower than we sell to Canadians. I know there are problems involving transportation charges, distances, that can be adjusted at the borders and areas adjacent to the United States. Basically, we should keep to that principle and I hope the Government will not abandon it. If it does, it can look to us over here to raise it as a political issue. We must give the small producers access to the pipelines and to the markets. That is what members of the NDP in Alberta were saying when they spoke of pro-rationing and so on. The TransCanada PipeLines had a monopoly, one pipeline going from the West to the East, carrying the gas. Contracts were being made for buying gas, and it was being transported and sold. Gas could be purchased quite cheaply from small producers who were desperate for the money, because TransCanada PipeLines had the only access to the pipeline.

As I have advocated in the House over the last few years, we in the NDP feel that the monopoly of TransCanada PipeLines should be broken up or, alternatively, be taken over as a public enterprise. I notice that the National Energy Board did this to some extent in its decision giving producers access to the pipeline. That was a really important step because there cannot be a deregulated, competitive market without there being a deregulated, competitive system.

That is the mistake the Government made in deregulating crude oil. The Government said it would deregulate crude oil under the Western Accord and that it would help consumers and producers. Because there are four or five companies that control most of the transporting, refining and marketing, we ended up having the worst of all possible worlds; that is, consumers paying more than world price. Just look at what Americans pay for gasoline compared to Canadians. Small producers in Alberta are going under because they are selling their oil at the lowest possible price, lower than world price. We do not want to see that with natural gas. We want to see a system where there will be some control over exports and there will be fair prices to consumers. We are worried, with the new deal to which the National Energy Board agreed, that the residential consumer will still not benefit as much as we think possible. Prices should be lower for consumers because the price of oil has come down and the price of natural gas should follow.

I want to say one word about Quebec. Concerning deregulation, we think there would have been a much more positive impact upon Quebec industry and residential consumers had it not been for the Conservative decision last November to cut back funding for new laterals, gas laterals, so that natural gas could be brought into all these Quebec communities. We will be pushing for the federal Government to take further action to develop Quebec and Atlantic markets for gas, both for

national energy security reasons and also to provide a market for domestic producers.

[*Translation*]

I would much rather have a deal between Alberta producers and Quebec consumers, which is better than a sale or contract between Alberta producers and the Americans. This would also be in the interest of Canadian energy security. We in the New Democratic Party of Canada are in favour of expanded market in the Province of Quebec, and we deplore the fact that the Conservative Government did not promote the extension of the gas pipeline further than Quebec.

[*English*]

Perhaps I can end by telling the Government that we will watch this deregulation in November and we hope it will be much better than what the Government has done in trying to deregulate the price of crude oil under the Western Accord, which we consider right now not to be a success, because we think that the ordinary Canadian consumer has not benefited as much as he or she should, nor has the ordinary small producer in Canada. We hope that a different result can be achieved for natural gas. That is why we are pleased to help this Government today by passing this Bill as an interim measure.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and the House went into committee thereon, Mr. Paproski in the chair.

• (1530)

The Deputy Chairman: Order. House in Committee of the Whole on Bill C-112, an Act to amend the Energy Administration Act and provide for certain matters in relation thereto.

Clauses 1 to 8 inclusive agreed to.

Title agreed to.

Bill reported.

Hon. Bill McKnight (for Miss Carney) moved that the Bill be concurred in.

Motion agreed to.

Hon. Bill McKnight (for Miss Carney) moved that the Bill be read the third time and passed.

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I know that we have but a few moments to speak on third reading of this Bill. I would like to make one point; I cannot really resist making it. I would like to have it on the record.

About 10 years ago there was a royal commission in Canada, the Berger Commission on the Mackenzie Valley Pipeline.

Mr. Epp (Provencher): That is when you made your first mistake. There's the conflict.

Mr. Waddell: It was to look into—

Mr. Epp (Provencher): Tell us about it.

Mr. McDermid: Did they pay you anything?

Mr. Waddell: I am getting a hard time, Mr. Speaker, from Members opposite since I used to work for the commission. I remind Hon. Members opposite that the Attorney General of Ontario and the present Minister of Energy of Yukon also worked for the commission.

Mr. McDermid: That says a lot.

Mr. Waddell: There were even some Conservatives who sat on the commission.

What I have to say is that the commission was looking into the advisability of building a large-diameter pipeline to carry natural gas from the Mackenzie Delta, from Prudhoe Bay in Alaska, down through Canada to the lower 48 states. The commission received a great deal of criticism from the industry and people around at the time for recommending a 10-year delay, for various reasons, in building the pipeline.

I wish to say for the record that I have now found what the spot price of natural gas is, something to which I referred in my speech on second reading. It is now something in the order of $2.30 per 1,000 cubic feet in the United States. The pipeline would have carried gas at about $8 to $10 per 1,000 cubic feet. One can imagine how many broke companies we would have had in Canada had the pipeline gone ahead.

Not only did the report of the Berger Commission enhance and stimulate the environmental movement in Canada, and not only was it receptive to the growing native movement and the assertion of small business people to get a piece of the action in industrial developments and megaprojects, but it also helped the big oil and gas companies which would have gone broke had they built the pipeline. It will be built some day because we will run out of natural gas eventually in southern Canada. Let us hope that by the time it is built it will be built by consensus and to the benefit of the people who live in the North, as well as to the consumers who live in southern Canada and the businesses who will build it.

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, in my remarks on second reading I did not thank my colleagues in the Opposition for their co-operation in terms of this Bill. I wish to take this opportunity to thank both my colleagues with whom I have spent the last few weeks in going through a couple of very detailed Bills. The co-operation over the last month has been very good. I believe we accomplished a great

deal. I wish the record to show how much I appreciate the co-operation of the Hon. Members in terms of Bill C-112.

I also might make mention that rumour has it—and it is strictly rumour—that my colleague, the Hon. Member for Vancouver—Kingsway (Mr. Waddell), may not be involved in the energy end of things much longer. For that reason I want to say that we will miss him if in fact he is removed as the energy critic for his Party. However, we wish him good luck—not a lot but some—in whatever endeavour to which he is assigned.

The amendments before us are important to the gas industry. We appreciate Members of the House giving us the time to get them through today.

Motion agreed to, Bill read the third time and passed.

* * *

PENSION BENEFITS STANDARDS ACT, 1985

MEASURE TO ENACT

The House resumed consideration of Bill C-90, an Act respecting pension plans organized and administered for the benefit of persons employed in connection with certain federal works, undertakings and businesses, as reported (with amendments) from a legislative committee.

The Acting Speaker (Mr. Paproski): Pursuant to the order made earlier this day, the House will now proceed to the taking of the deferred divisions on the report stage motions on Bill C-90, an Act respecting pension plans organized and administered for the benefit of persons employed in connection with certain federal works, undertakings and businesses.

Call in the Members.

● (1600)

And the division bells having rung:

The Acting Speaker (Mr. Paproski): The first question is on Motion No. 2. Mr. Young moved:

Motion No. 2

That Bill C-90, be amended in Clause 8 by striking out lines 40 to 45 at page 12 and substituting the following therefor:

"er's own moneys, and an employer shall

(d) be deemed to hold the amounts referred to in paragraphs (a) to (c) in trust for members of the pension plan, former employees, and any other persons entitled to pension benefits or refunds under the plan, and

(e) be prohibited from withdrawal, "skimming" or removal of any pension fund surpluses in any manner or for any purpose whatever."

The House divided on the Motion No. 2, which was negatived on the following division:

(Division No. 287)

YEAS

Members

Allmand
Althouse
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Caccia
Copps
Deans
de Corneille
Foster
Frith
Fulton
Gagliano
Gauthier
Guilbault (Saint-Jacques)
Heap
Henderson
Hopkins
Hovdebo
Kaplan
Keeper
Malépart
Manly
Marchi
McCurdy
McDonald (Broadview-Greenwood)
Mitchell
Nystrom
Orlikow
Ouellet
Pépin
Prud'homme
Riis
Rodriguez
Tobin
Turner (Vancouver Quadra)
Waddell
Young—40.

NAYS

Members

Attewell
Beatty
Belsher
Bernier
Bertrand
Binns
Bissonnette
Blackburn (Jonquière)
Blais
Blenkarn
Bouchard
Bradley
Brightwell
Browes
Cadieux
Caldwell
Cardiff
Champagne (Champlain)
Clinch
Comeau
Cook
Cossitt
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crosbie (St. John's West)
Darling
Daubney
de Cotret
Desjardins
Domm
Dorin
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Fraleigh
Gass
Gérin
Gervais
Girard
Gormley
Gottselig
Graham
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hamilton
Hardey
Hawkes
Hnatyshyn
Horner
Howie
Jacques
James
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kempling
Kilgour
Kindy
King
Ladouceur
Lanthier
Lawrence
Layton
Leblanc
Lesick
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
Malone
Marin
Martin
Masse
Mazankowski
McCain
McCrossan
McKenzie
McKinnon
McLean
McMillan
Minaker
Nickerson
Nielsen
Oberle
Pennock
Plourde
Porter
Price
Ravis
Redway
Reimer
Ricard
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton-Wentworth)
Scowen
Siddon
Speyer
Stackhouse
Suluk
Tardif (Charlesbourg)
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Turner (Ottawa-Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Wise—125.

The Acting Speaker (Mr. Paproski): I declare the motion lost.

Mr. Deans: Mr. Speaker, I rise on a point of order. It may be possible that, given that a couple or three Government Members joined us after the vote—although they may want to speak for themselves—if you sought unanimous consent and received it we could allow the vote taken to be applied to the remaining votes with perhaps three or four additions and so save the time of the House.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, we would agree with that proposition, but I would like to mention that some of my colleagues who were not able to be here in time for the first vote would like to be included. The Hon. Members are: The Hon. Member for Laval-des-Rapides (Mr. Garneau), the Hon. Member for Mount Royal (Mrs. Finestone), the Hon. Member for Trinity (Miss Nicholson) and the Hon. Member for Cochrane—Superior (Mr. Penner).

[*Translation*]

Mr. Ouellet: A point of order, Mr. Speaker. I would remind the House that the study committee chaired by one of our colleagues, the so-called McGrath Committee, had recommended electronic voting facilities for the House. This is one of the last times when, to save the time of the House, I give consent to the New Democratic Party House Leader to apply the same vote as the one just held. I hope that in his wisdom the Government House Leader will see to it that we are provided with a much more modern and much faster voting system than the one we have now.

[*English*]

Mr. Deans: Mr. Speaker, I appreciate very much the generosity of the Hon. Member for Papineau (Mr. Ouellet). I am not the only one who makes such suggestions. I distinctly recall his own House Leader having made a suggestion not at all unlike this yesterday.

Mr. Skelly: Mr. Speaker, I would want my vote for the subsequent votes to be considered with those of my Party.

Mr. Forrestall: Mr. Speaker, I was paired with the Hon. Member for Cochrane—Superior (Mr. Penner). Had I been here on the earlier vote I would have voted with the Government. May I be included as voting in the appropriate manner?

With respect to the point of order raised by the Hon. Member for Hamilton Mountain (Mr. Deans), that suggestion was brought to this House some 25 years ago by a member of the other place.

The Acting Speaker (Mr. Paproski): The Hon. Member for Saint-Denis (Mr. Prud'homme) and then the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan).

An Hon. Member: We could have voted by now.

The Acting Speaker (Mr. Paproski): Order, please.

• (1610)

Mr. Prud'homme: I would like to point out to you, Your Honour, that although my colleague, the Member for Saint-Jacques (Mr. Guilbault) has named some of the Members who would like to be added, I know that a couple of others would like to be added as well. I would like to ensure that everyone who arrived late will be included, and there are some here.

Mr. MacLellan: Mr. Speaker, I would like to be added to the distinguished list which our acting House Leader has put forward.

Mr. Guilbault (Saint-Jacques): I want to ensure, Sir, that the name of the Hon. Member for York South—Weston (Mr. Nunziata) is added to the list.

Mr. Nowlan: Mr. Speaker, I had high hopes for you. As we come close to the end of the session, I do not know what will happen over the summer. However, I am in favour of the suggestion of the Hon. Member for Papineau (Mr. Ouellet). If we had electronic voting I would not have been caught in the elevator and prevented from physically attending here. We could all vote in our offices, if we carried it to the extreme.

Some Hon. Members: Oh, oh!

Mr. Nowlan: Instead of taking all this time we could almost have had a second vote and that vote could have counted.

Mr. Crosby: Mr. Speaker, as indicated by my colleague, the Member for Annapolis Valley—Hants (Mr. Nowlan), we had an important meeting of the Nova Scotia group which delayed our arrival. I would like to be counted with the government Members.

The Acting Speaker (Mr. Paproski): The next vote is on Motion No. 8 standing in the name of Mr. Young. Mr. Young moved:

Motion No. 8

That Bill C-90, be amended in Clause 19 by striking out line 32 at page 25 and substituting the following therefor:

"reflects reasonably current interest rates levied with respect to ninety day treasury bills".

The House divided on Motion No. 8, which was negatived on the following division:

(*Division No. 288*)

YEAS

Members

Allmand	Finestone	Hovdebo
Althouse	Foster	Kaplan
Benjamin	Frith	Keeper
Berger	Fulton	MacLellan
Blackburn (Brant)	Gagliano	Malépart
Blaikie	Garneau	Manly
Boudria	Gauthier	Marchi
Caccia	Guilbault (Saint-Jacques)	McCurdy
Copps	Heap	McDonald (Broadview-Greenwood)
Deans	Henderson	Mitchell
de Corneille	Hopkins	

Pension Benefits Standards Act, 1985

Members

Nicholson (Trinity)
Nunziata
Nystrom
Orlikow
Ouellet
Penner
Pépin
Prud'homme
Riis
Rodriguez
Skelly
Tobin
Turner (Vancouver Quadra)
Waddell
Young—47.

NAYS

Members

Attewell
Beatty
Belsher
Bernier
Bertrand
Binns
Bissonnette
Blackburn (Jonquière)
Blais
Blenkarn
Bouchard
Bradley
Brightwell
Browes
Cadieux
Caldwell
Cardiff
Champagne (Champlain)
Clinch
Comeau
Cook
Cossitt
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crosbie (St. John's West)
Crosby (Halifax West)
Darling
Daubney
de Cotret
Desjardins
Domm
Dorin
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Gass
Gérin
Gervais
Girard
Gormley
Gottselig
Graham
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hamilton
Hardey
Hawkes
Hnatyshyn
Horner
Howie
Jacques
James
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kempling
Kilgour
Kindy
King
Ladouceur
Lanthier
Lawrence
Layton
Leblanc
Lesick
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
Malone
Marin
Martin
Masse
Mazankowski
McCain
McCrossan
McKenzie
McKinnon
McLean
McMillan
Minaker
Nickerson
Nielsen
Nowlan
Oberle
Pennock
Plourde
Porter
Price
Ravis
Redway
Reimer
Ricard
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton-Wentworth)
Scowen
Siddon
Speyer
Stackhouse
Suluk
Tardif (Charlesbourg)
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Turner (Ottawa-Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Wise—128.

The Acting Speaker (Mr. Paproski): I declare the motion lost.

The next vote is on Motion No. 9 standing in the name of Mr. Young. A vote on this motion also applies to Motion No. 1. Mr. Young moved:

Motion No. 9

That Bill C-90, be amended in Clause 21 by striking out line 13 at page 26 and substituting the following therefor:

"ance with section 19 and a Pension Index adjustment calculated in accordance with subsections (1.1) to (1.3).

(1.1) The Pension Index for any calendar year shall be calculated, in the prescribed manner, as the average for the twelve month period ending October 31 in the preceding year of the Consumer Price Index for each month in that twelve month period.

(1.2) For any year for which the calculation required by subsection (1.1) yields a Pension Index that is less than the Pension Index for the preceding year, the Pension Index shall be taken to be the Pension Index for the preceding year.

(1.3) Where at any time the Consumer Price Index is adjusted to reflect a new time basis or a new content basis with a resulting percentage adjustment being made in the figures for that Index, a corresponding percentage adjustment shall be made in all values existing in the Pension Index."

The House divided on Motion No. 9 which was negatived on the following division:

(*Division No. 289*)

YEAS

Members

Allmand
Althouse
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Caccia
Copps
Deans
de Corneille
Finestone
Foster
Frith
Fulton
Gagliano
Garneau
Gauthier
Guilbault (Saint-Jacques)
Heap
Henderson
Hopkins
Hovdebo
Kaplan
Keeper
MacLellan
Malépart
Manly
Marchi
McCurdy
McDonald (Broadview-Greenwood)
Mitchell
Nicholson (Trinity)
Nunziata
Nystrom
Orlikow
Ouellet
Penner
Pépin
Prud'homme
Riis
Rodriguez
Skelly
Tobin
Turner (Vancouver Quadra)
Waddell
Young—47.

NAYS

Members

Attewell
Beatty
Belsher
Bernier
Bertrand
Binns
Bissonnette
Blackburn (Jonquière)
Blais
Blenkarn
Bouchard
Bradley
Brightwell
Browes
Cadieux
Caldwell
Cardiff
Champagne (Champlain)
Clinch
Comeau
Cook
Cossitt
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crosbie (St. John's West)
Crosby (Halifax West)
Darling
Daubney
de Cotret
Desjardins
Domm
Dorin
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Gass
Gérin
Gervais
Girard
Gormley
Gottselig
Graham
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hamilton
Hardey
Hawkes
Hnatyshyn
Horner
Howie
Jacques
James
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kempling
Kilgour
Kindy
King
Ladouceur
Lanthier
Lawrence
Layton
Leblanc
Lesick
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
Malone
Marin

Members

Martin
Masse
Mazankowski
McCain
McCrossan
McKenzie
McKinnon
McLean
McMillan
Minaker
Nickerson
Nielsen
Nowlan
Oberle
Pennock
Plourde
Porter
Price
Ravis
Redway
Reimer
Ricard
St. Germain
St-Julien
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Hamilton-Wentworth)
Scowen
Siddon
Speyer
Stackhouse
Suluk
Tardif
(Charlesbourg)
Thacker
Towers
Tremblay
(Québec-Est)
Tremblay
(Lotbinière)
Turner
(Ottawa-Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current-Maple Creek)
Wilson
(Etobicoke Centre)
Winegard
Wise—128.

The Acting Speaker (Mr. Paproski): I declare the motion lost.

The next vote is on Motion No. 12 standing in the name of Mr. Frith. A vote on this motion also applies to Motion No. 7. Mr. Frith moved:

Motion No. 12

That Bill C-90 be amended in Clause 25 by striking out lines 5 to 44 at page 30, lines 1 to 50 at page 31 and lines 1 to 35 at page 32 and substituting the following therefor:

"25.(1) In this section, "marriage breakdown" means divorce or separation "separation" means the separation of two persons who are spouses of each other.

(2) Notwithstanding section 18 and subject to this section, pension benefits or pension benefit credits shall be divided between the member and the member's spouse in accordance with subsections (3) to (8).

(3) Where a pension benefit is payable to a member under the plan at the time the marriage breakdown occurs,

(a) a pension benefit, the present value of which is equal to one-half of the present value of so much of the pension benefit payable to the member as is attributable to membership in the plan during the period that the marriage existed before the marriage breakdown, shall be payable to the spouse as of the date of the marriage breakdown; and

(b) the pension benefit payable to the member shall be reduced accordingly.

(4) Where the member is entitled to a deferred pension benefit under the plan at the time the marriage breakdown occurs,

(a) the spouse shall be entitled to a deferred pension benefit, the present value of which is equal to one-half of the present value of so much of the deferred pension benefit to which the member is entitled as is attributable to membership in the plan during the period referred to in paragraph 3(a); and

(b) any pension benefit that becomes payable to the member under the plan at any time after the marriage breakdown occurs shall be reduced accordingly.

(5) Where the deferred pension benefit referred to in subsection (4) becomes payable to the member, the spouse's deferred pension benefit shall become payable as a pension benefit in accordance with the terms and conditions of the plan on the later of,

(a) the day on which the pension benefit becomes payable to the member; and

(b) the day on which the spouse attains the age at which an employee becomes eligible for an immediate pension benefit under the plan; provided that the spouse is alive on the later of these two days.

Pension Benefits Standards Act, 1985

(6) Where a member who is entitled to deferred pension benefit referred to in subsection (4) dies before the benefit becomes payable, the spouse's deferred pension benefit shall become payable as a pension benefit in accordance with the terms and conditions of the plan on the later of,

(a) the day on which the member would have become eligible for an immediate pension benefit under the plan; and

(b) the day on which the spouse attains the age described in paragraph 5(b), provided that the spouse is alive on the later of these two days.

(7) Where neither subsection (3) or (4) applies but the member would have been entitled to an immediate pension benefit or a deferred pension benefit if the member's service under the plan had been terminated at the time the marriage breakdown occurred, for the purpose only of making the division pursuant to this section,

(a) the member shall be deemed to have become entitled to a deferred pension benefit at the time the marriage breakdown occurred by reason of termination of his service under plan;

(b) the spouse shall be entitled to a deferred pension benefit, the present value of which is equal to one-half of the present value of so much of the deferred pension benefit to which the member is deemed to have become entitled as is attributable to membership in the plan during the period referred to in paragraph 3(a); and

(c) any pension benefit that becomes payable to the member under the plan at any time after the marriage breakdown occurs shall be reduced accordingly.

(8) The pension benefit referred to in paragraph 7(b) shall become payable to the spouse as a pension benefit payable in accordance with the terms and conditions of the plan,

(a) on the later of the two days described in paragraphs 5(a) and (b), where a benefit under the plan becomes payable to the member; or

(b) on the later of the two days described in paragraphs 6(a) and (b), where the member dies before he or she becomes entitled to an immediate pension benefit,

provided that in each case the spouse is alive on the later of the two days.

(9) The provisions of section 18 and subsection 25 (3) to (8) are subject to the terms of any order of acourt or an agreement between the member and the member's spouse."

The House divided on Motion No. 12 which was negatived on the following division:

(*Division No. 290*)

YEAS

Members

Allmand
Althouse
Benjamin
Berger
Blackburn
(Brant)
Blaikie
Boudria
Caccia
Copps
Deans
de Corneille
Finestone
Foster
Frith
Fulton
Gagliano
Garneau
Gauthier
Guilbault
(Saint-Jacques)
Heap
Henderson
Hopkins
Hovdebo
Kaplan
Keeper
MacLellan
Malépart
Manly
Marchi
McCurdy
McDonald
(Broadview-Greenwood)
Mitchell
Nicholson
(Trinity)
Nunziata
Nystrom
Orlikow
Ouellet
Penner
Pépin
Prud'homme
Riis
Rodriguez
Skelly
Tobin
Turner
(Vancouver Quadra)
Waddell
Young—47.

NAYS

Members

Attewell
Beatty
Belsher
Bernier
Bertrand
Binns
Bissonnette
Blackburn
(Jonquière)

Pension Benefits Standards Act, 1985

Members

Blais
Blenkarn
Bouchard
Bradley
Brightwell
Browes
Cadieux
Caldwell
Cardiff
Champagne
(Champlain)
Clinch
Comeau
Cook
Cossitt
Côté
(Lac-Saint-Jean)
Côté
(Langelier)
Crosbie
(St. John's West)
Crosby
(Halifax West)
Darling
Daubney
de Cotret
Desjardins
Domm
Dorin
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Gass
Gérin
Gervais
Girard
Gormley
Gottselig
Graham
Gray
(Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault
(Drummond)
Gurbin
Gustafson
Halliday
Hamilton
Hardey
Hawkes
Hnatyshyn
Horner
Howie
Jacques
James
Jepson
Johnson
(Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kempling
Kilgour
Kindy
King
Ladouceur
Lanthier
Lawrence
Layton
Leblanc
Lesick
Lewis
MacDonald
(Kingston and the Islands)
MacDougall
(Timiskaming)
Malone
Marin
Martin
Masse
Mazankowski
McCain
McCrossan
McKenzie
McKinnon
McLean
McMillan
Minaker
Nickerson
Nielsen
Nowlan
Oberle
Pennock
Plourde
Porter
Price
Ravis
Redway
Reimer
Ricard
St. Germain
St-Julien
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Hamilton-Wentworth)
Scowen
Siddon
Speyer
Stackhouse
Suluk
Tardif
(Charlesbourg)
Thacker
Towers
Tremblay
(Québec-Est)
Tremblay
(Lotbinière)
Turner
(Ottawa-Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current-Maple Creek)
Wilson
(Etobicoke Centre)
Winegard
Wise—128.

The Acting Speaker (Mr. Paproski): I declare the motion lost.

The next vote is on Motion No. 13 standing in the name of Mr. Young. Mr. Young moved:

Motion No. 13

That Bill C-90, be amended in Clause 25 by striking out lines 33 and 34 at page 30 and substituting the following therefor:

"divorce, annulment, separation or the dissolution of a common-law relationship, be divided equally between spouses to reflect the pension credits earned during the period of the marriage or relationship unless the courts or the parties themselves determine otherwise."

The House divided on Motion No. 13 which was negatived on the following division:

(*Division No. 291*)

YEAS

Members

Allmand
Althouse
Benjamin
Berger
Blackburn
(Brant)
Blaikie
Boudria
Caccia
Copps
Deans
de Corneille
Finestone
Foster
Frith
Fulton
Gagliano
Garneau
Gauthier
Guilbault
(Saint-Jacques)
Heap
Henderson
Hopkins
Hovdebo
Kaplan
Keeper
MacLellan
Malépart
Manly
Marchi
McCurdy
McDonald
(Broadview-Greenwood)
Mitchell
Nicholson
(Trinity)
Nunziata
Nystrom
Orlikow
Ouellet
Penner
Pépin
Prud'homme
Riis
Rodriguez
Skelly
Tobin
Turner
(Vancouver Quadra)
Waddell
Young—47.

NAYS

Members

Attewell
Beatty
Belsher
Bernier
Bertrand
Binns
Bissonnette
Blackburn
(Jonquière)
Blais
Blenkarn
Bouchard
Bradley
Brightwell
Browes
Cadieux
Caldwell
Cardiff
Champagne
(Champlain)
Clinch
Comeau
Cook
Cossitt
Côté
(Lac-Saint-Jean)
Côté
(Langelier)
Crosbie
(St. John's West)
Crosby
(Halifax West)
Darling
Daubney
de Cotret
Desjardins
Domm
Dorin
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Gass
Gérin
Gervais
Girard
Gormley
Gottselig
Graham
Gray
(Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault
(Drummond)
Gurbin
Gustafson
Halliday
Hamilton
Hardey
Hawkes
Hnatyshyn
Horner
Howie
Jacques
James
Jepson
Johnson
(Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kempling
Kilgour
Kindy
King
Ladouceur
Lanthier
Lawrence
Layton
Leblanc
Lesick
Lewis
MacDonald
(Kingston and the Islands)
MacDougall
(Timiskaming)
Malone
Marin
Martin
Masse
Mazankowski
McCain
McCrossan
McKenzie
McKinnon
McLean
McMillan
Minaker
Nickerson
Nielsen
Nowlan
Oberle
Pennock
Plourde
Porter
Price
Ravis
Redway
Reimer
Ricard
St. Germain
St-Julien
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Hamilton-Wentworth)
Scowen
Siddon
Speyer
Stackhouse
Suluk
Tardif
(Charlesbourg)
Thacker
Towers
Tremblay
(Québec-Est)
Tremblay
(Lotbinière)
Turner
(Ottawa-Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current-Maple Creek)
Wilson
(Etobicoke Centre)
Winegard
Wise—128.

The Acting Speaker (Mr. Paproski): I declare the motion lost.

The next vote is on Motion No. 14 standing in the name of Mr. Frith. Mr. Frith moved:

Motion No. 14

That Bill C-90, be amended by adding immediately after line 5 at page 35 the following:

"26.1 (1) Where a pension benefit or a deferred pension benefit was payable after December 31, 1986, the whole or the portion of the benefit, as the case may be (in this section referred to as the "relevant amount of the benefit"), shall be adjusted in each calendar year, as of a prescribed day and in such manner as is prescribed, in accordance with subsection (2).

(2) The adjustment shall be such that the amount of the pension benefit or deferred pension benefit for the purposes of the plan on and after the prescribed day is an amount that is not less than the amount of the benefit for the purposes of the plan immediately before that day plus the lesser of,

(a) 60 per cent of the product obtained by multiplying:

(i) the relevant amount of the benefit by

(ii) the ratio that the Pension Index for the year bears to the Pension Index for the year immediately preceding that year; and

(b) 8 per cent of the relevant amount of the benefit.

(3) Any amount that is added to a pension benefit or a deferred pension benefit in any calendar year pursuant to adjustments in that year is deemed for any subsequent calendar year to be attributable to membership in the pension plan after December 32, 1986.

(4) Where, in relation to any calendar year, a pension benefit becomes payable or the entitlement to a deferred pension benefit arises less than a full year before the prescribed day as of which the benefit is required to be adjusted in that calendar year, the maximum amount that is required to be added to the benefit by way of such adjustment in that calendar year is the maximum amount that would otherwise be required to be so added multiplied by the number of days that the benefit was payable before the prescribed day and divided by the number of days in the calendar year.

(5) The Pension Index for any calendar year shall be calculated, in the prescribed manner, as the average for the twelve month period ending October 31 in the preceding year of the Consumer Price Index for each month in that twelve month period.

(6) For any year for which the calculation required by subsection (5) yields a Pension Index that is less than the Pension Index for the preceding year, the Pension Index shall be taken to be the Pension Index for the preceding year.

(7) Where at any time the Consumer Price Index is adjusted to reflect a new time basis or a new content basis with a resulting percentage adjustment being made in the figures for that Index, a corresponding percentage adjustment shall be made in all values existing in the Pension Index."

The House divided on Motion No. 14, which was negatived on the following division:

(*Division No. 292*)

YEAS

Members

Allmand
Althouse
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Caccia
Copps
Deans
de Corneille
Finestone
Foster
Frith
Fulton
Gagliano
Garneau
Gauthier
Guilbault (Saint-Jacques)
Heap
Henderson
Hopkins
Hovdebo
Kaplan
Keeper
MacLellan
Malépart
Manly
Marchi
McCurdy
McDonald (Broadview-Greenwood)
Mitchell
Nicholson (Trinity)
Nunziata
Nystrom
Orlikow
Ouellet
Penner
Pépin
Prud'homme
Riis
Rodriguez
Skelly
Tobin
Turner (Vancouver Quadra)
Waddell
Young—47.

NAYS

Members

Attewell
Beatty
Belsher
Bernier
Bertrand
Binns
Bissonnette
Blackburn (Jonquière)
Blais
Blenkarn
Bouchard
Bradley
Brightwell
Browes
Cadieux
Caldwell
Cardiff
Champagne (Champlain)
Clinch
Comeau
Cook
Cossitt
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crosbie (St. John's West)
Crosby (Halifax West)
Darling
Daubney
de Cotret
Desjardins
Domm
Dorin
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Gass
Gérin
Gervais
Girard
Gormley
Gottselig
Graham
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hamilton
Hardey
Hawkes
Hnatyshyn
Horner
Howie
Jacques
James
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kempling
Kilgour
Kindy
King
Ladouceur
Lanthier
Lawrence
Layton
Leblanc
Lesick
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
Malone
Marin
Martin
Masse
Mazankowski
McCain
McCrossan
McKenzie
McKinnon
McLean
McMillan
Minaker
Nickerson
Nielsen
Nowlan
Oberle
Pennock
Plourde
Porter
Price
Ravis
Redway
Reimer
Ricard
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton-Wentworth)
Scowen
Siddon
Speyer
Stackhouse
Suluk
Tardif (Charlesbourg)
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Turner (Ottawa-Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Wise—128.

The Acting Speaker (Mr. Paproski): I declare the motion lost.

The next vote is on Motion No. 15 standing in the name of Mr. Young. Mr. Young moved:

Motion No. 15

That Bill C-90, be amended in Clause 27 by striking out lines 17 to 24 at page 35 and substituting the following therefor:

"a pension plan shall use annuity factors that do not differentiate as to sex."

The House divided on Motion No. 15, which was negatived on the following division:

Pension Benefits Standards Act, 1985

(*Division No. 293*)

YEAS

Members

Allmand
Althouse
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Caccia
Copps
Deans
de Corneille
Finestone
Foster
Frith
Fulton
Gagliano
Garneau
Gauthier
Guilbault (Saint-Jacques)
Heap
Henderson
Hopkins
Hovdebo
Kaplan
Keeper
MacLellan
Malépart
Manly
Marchi
McCurdy
McDonald (Broadview-Greenwood)
Mitchell
Nicholson (Trinity)
Nunziata
Nystrom
Orlikow
Ouellet
Penner
Pépin
Prud'homme
Riis
Rodriguez
Skelly
Tobin
Turner (Vancouver Quadra)
Waddell
Young—47.

NAYS

Members

Attewell
Beatty
Belsher
Bernier
Bertrand
Binns
Bissonnette
Blackburn (Jonquière)
Blais
Blenkarn
Bouchard
Bradley
Brightwell
Browes
Cadieux
Caldwell
Cardiff
Champagne (Champlain)
Clinch
Comeau
Cook
Cossitt
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crosbie (St. John's West)
Crosby (Halifax West)
Darling
Daubney
de Cotret
Desjardins
Domm
Dorin
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Gass
Gérin
Gervais
Girard
Gormley
Gottselig
Graham
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hamilton
Hardey
Hawkes
Hnatyshyn
Horner
Howie
Jacques
James
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kempling
Kilgour
Kindy
King
Ladouceur
Lanthier
Lawrence
Layton
Leblanc
Lesick
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
Malone
Marin
Martin
Masse
Mazankowski
McCain
McCrossan
McKenzie
McKinnon
McLean
McMillan
Minaker
Nickerson
Nielsen
Nowlan
Oberle
Pennock
Plourde
Porter
Price
Ravis
Redway
Reimer
Ricard
St. Germain
St-Julien
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton-Wentworth)
Scowen
Siddon
Speyer
Stackhouse
Suluk
Tardif (Charlesbourg)
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Turner (Ottawa-Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Wise—128.

The Acting Speaker (Mr. Paproski): I declare the motion lost.

The next vote is on Motion No. 16 standing in the name of Mr. Young. Mr. Young moved:

Motion No. 16

That Bill C-90, be amended in Clause 28 by striking out line 10 at page 37 and substituting the following therefor:

"death or termination, as the case may be; and

(e) that the collective bargaining agent for the member of a plan may on the agents own initiative,

(i) examine the documents filed with the Superintendent pursuant to paragraph 10(1) and or (2) or section 12 or any regulations made under paragraph 39(i), at the Canadian head office of the Administrator or at such other place as is agreed to by the administrator and the agent, and

(ii) order, in writing, a photocopy of any such documents."

The House divided on Motion No. 16 which was negatived on the following division:

(*Division No. 294*)

YEAS

Members

Allmand
Althouse
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Caccia
Copps
Deans
de Corneille
Finestone
Foster
Frith
Fulton
Gagliano
Garneau
Gauthier
Guilbault (Saint-Jacques)
Heap
Henderson
Hopkins
Hovdebo
Kaplan
Keeper
MacLellan
Malépart
Manly
Marchi
McCurdy
McDonald (Broadview-Greenwood)
Mitchell
Nicholson (Trinity)
Nunziata
Nystrom
Orlikow
Ouellet
Penner
Pépin
Prud'homme
Riis
Rodriguez
Skelly
Tobin
Turner (Vancouver Quadra)
Waddell
Young—47.

NAYS

Members

Attewell
Beatty
Belsher
Bernier
Bertrand
Binns
Bissonnette
Blackburn (Jonquière)
Blais
Blenkarn
Bouchard
Bradley
Brightwell
Browes
Cadieux
Caldwell
Cardiff
Champagne (Champlain)
Clinch
Comeau
Cook
Cossitt
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crosbie (St. John's West)
Crosby (Halifax West)
Darling
Daubney
de Cotret
Desjardins
Domm
Dorin
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Gass
Gérin
Gervais
Girard
Gormley
Gottselig
Graham
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Gustafson
Halliday
Hamilton
Hardey
Hawkes
Hnatyshyn
Horner
Howie
Jacques
James
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais

Members

Kempling
Kilgour
Kindy
King
Ladouceur
Lanthier
Lawrence
Layton
Leblanc
Lesick
Lewis
MacDonald
(Kingston and the Islands)
MacDougall
(Timiskaming)
Malone
Marin
Martin
Masse
Mazankowski
McCain
McCrossan
McKenzie
McKinnon
McLean
McMillan
Minaker
Nickerson
Nielsen
Nowlan
Oberle
Pennock
Plourde
Porter
Price
Ravis
Redway
Reimer
Ricard
St. Germain
St-Julien
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Hamilton-Wentworth)
Scowen
Siddon
Speyer
Stackhouse
Suluk
Tardif
(Charlesbourg)
Thacker
Towers
Tremblay
(Québec-Est)
Tremblay
(Lotbinière)
Turner
(Ottawa-Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current-Maple Creek)
Wilson
(Etobicoke Centre)
Winegard
Wise—128.

The Acting Speaker (Mr. Paproski): I declare the motion lost.

The next vote is on Motion No. 18 standing in the name of Mr. Young. Mr. Young moved:

Motion No. 18

That Bill C-90, be amended in Clause 29 by striking out lines 47 and 48 at page 38 and lines 1 to 9 at page 39 and substituting the following therefor:

"of the employer."

The House divided on Motion No. 18, which was negatived on the following division:

(*Division No. 295*)

YEAS

Members

Allmand
Althouse
Benjamin
Berger
Blackburn
(Brant)
Blaikie
Boudria
Caccia
Copps
Deans
de Corneille
Finestone
Foster
Frith
Fulton
Gagliano
Garneau
Gauthier
Guilbault
(Saint-Jacques)
Heap
Henderson
Hopkins
Hovdebo
Kaplan
Keeper
MacLellan
Malépart
Manly
Marchi
McCurdy
McDonald
(Broadview-Greenwood)
Mitchell
Nicholson
(Trinity)
Nunziata
Nystrom
Orlikow
Ouellet
Penner
Pépin
Prud'homme
Riis
Rodriguez
Skelly
Tobin
Turner
(Vancouver Quadra)
Waddell
Young—47.

NAYS

Members

Attewell
Beatty
Belsher
Bernier
Bertrand
Binns
Bissonnette
Blackburn
(Jonquière)

Pension Benefits Standards Act, 1985

Members

Blais
Blenkarn
Bouchard
Bradley
Brightwell
Browes
Cadieux
Caldwell
Cardiff
Champagne
(Champlain)
Clinch
Comeau
Cook
Cossitt
Côté
(Lac-Saint-Jean)
Côté
(Langelier)
Crosbie
(St. John's West)
Crosby
(Halifax West)
Darling
Daubney
de Cotret
Desjardins
Domm
Dorin
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Gass
Gérin
Gervais
Girard
Gormley
Gottselig
Graham
Gray
(Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault
(Drummond)
Gurbin
Gustafson
Halliday
Hamilton
Hardey
Hawkes
Hnatyshyn
Horner
Howie
Jacques
James
Jepson
Johnson
(Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kempling
Kilgour
Kindy
King
Ladouceur
Lanthier
Lawrence
Layton
Leblanc
Lesick
Lewis
MacDonald
(Kingston and the Islands)
MacDougall
(Timiskaming)
Malone
Marin
Martin
Masse
Mazankowski
McCain
McCrossan
McKenzie
McKinnon
McLean
McMillan
Minaker
Nickerson
Nielsen
Nowlan
Oberle
Pennock
Plourde
Porter
Price
Ravis
Redway
Reimer
Ricard
St. Germain
St-Julien
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Hamilton-Wentworth)
Scowen
Siddon
Speyer
Stackhouse
Suluk
Tardif
(Charlesbourg)
Thacker
Towers
Tremblay
(Québec-Est)
Tremblay
(Lotbinière)
Turner
(Ottawa-Carleton)
Vankoughnet
Vézina
Vincent
Warner
White
Wilson
(Swift Current-Maple Creek)
Wilson
(Etobicoke Centre)
Winegard
Wise—128.

The Acting Speaker (Mr. Paproski): I declare the motion lost.

Hon. Michael Wilson (Minister of Finance) moved that the Bill, as amended, be concurred in.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

The Acting Speaker (Mr. Paproski): When shall the Bill be read the third time? Pursuant to order made earlier this day, now.

Mr. Wilson (Etobicoke Centre) moved that the Bill be read the third time and passed.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I would like to indicate to you that the official Opposition will support this Bill at third reading.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed to the motion will please say nay.

Some Hon. Members: Nay

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it. I declare the motion carried on division.

Motion agreed to and Bill read the third time and passed.

* * *

FARM DEBT REVIEW ACT

MEASURE TO ENACT

The House resumed from Friday, June 20, 1986, consideration in Committee of Bill C-117, an Act to facilitate financial arrangements between farmers and their creditors—Mr. Wise—Mr. Paproski in the Chair; and on the amendment (Mr. Foster) (p. 14801).

The Deputy Chairman: Order, please. May I ask Members to please take their seats. The House is again in Committee of the Whole on Bill C-117, an Act to facilitate financial arrangements betwen farmers and their creditors. When the Committee rose on Friday last Clause 33 of the Bill with an amendment proposed by the Hon. Member for Algoma (Mr. Foster) was under consideration. The Hon. Member for Prince Albert (Mr. Hovdebo) had the floor. I will recognize the Hon. Member for Algoma.

Mr. Foster: Mr. Speaker, the amendment which I proposed was to Clause 33. It reads as follows:

> Where in the opinion of a review panel, a satisfactory arrangement cannot be reached without injustice or undue delay, it shall report its finding to the Board and the Board may refer the matter to a court of competent jurisdiction to formulate the arrangement that it deems equitable under the circumstances.

● (1620)

I proposed that amendment because under this Bill is that the review board really has no effective means of effecting a negotiated arrangement between farmer and creditor. Even where a bank or other lending institution has changed the arrangement or done something markedly unjust to the producer, the review panel has no power to take action. The amendment is not proposed to provide an automatic court review. It simply provides that where there is an injustice or undue delay, the panel can recommend that to the board and the board may refer it to a court of competent jurisdiction.

The concern expressed by agricultural producers across this country is that under the Bill the way it is now drafted a creditor can petition the farmer into a review. Mind you, he has to have the permission of the farmer. However, can you imagine the situation where a chartered bank has called on the review board to undertake a review of the farmer's debts and the farmer refused? He really cannot refuse. In the review itself he is sworn to secrecy, as are the panelists and the creditors. Pressure is brought to bear. The banks or other creditors can sit on their hands for up to 120 days if they can persuade the board to extend the time. Then the whole exercise is over. There is no review by Parliament or anyone else of how the system is working.

If we do not take this action we are saying to the farmers concerned, and the Prime Minister (Mr. Mulroney) has estimated there are 8,000 of them and there may be more, that even where the bank is doing something improper or unjust, the panel will have no power to recommend court or other action. In fact, it is worse than that. They cannot even talk about it outside of the hearing.

This procedure is essential to the proper functioning of the review panel. I have talked with the chairman of the Grey-Bruce pilot project. He spent about five or six months on this, along with a half a dozen farmers and other people knowledgeable and concerned about the crisis. In his opinion there was no way this process would work unless there was a means by which a matter could be referred to a court of competent jurisdiction. In fact, if this amendment is not adopted by the Minister I believe the whole system will stall. We will have thousands of applications to review boards, the farmer will make representations to the creditor in order to reach an arrangement, and it will simply be a case of the review board jaw-boning or arm-twisting. I do not know about you, Mr. Chairman, but I have not had much luck jaw-boning or arm-twisting any bankers I know. I do not think farmers facing this situation will have much more luck either.

The other thing that is developing is that other provinces have enacted legislation. For example, in Saskatchewan a farmer goes before a debt review board and the option is there to refer the matter to a court if no agreement can be reached. Clearly the Premier of that province, who views the situation so seriously that he took on the responsibility of being Minister of Agriculture, made it clear in a press statement a week or so ago that if this legislation is not made stronger he will not use it. He will maintain the existing legislation. The same thing is happening in Manitoba. They have introduced legislation which will give them the option of a court review.

It is for those reasons I think this amendment is absolutely essential, not only to make these boards effective but also to

have a uniform policy under the constitutional authority of the federal Government in regard to bankruptcy. If you look at this legislation in the first paragraph, it deals with the interpretation of an insolvent farmer. The three items referred to are taken directly from the bankruptcy laws of this country. It is under those provisions that this legislation is brought in, although the word "bankruptcy" is not used in the Bill itself.

It is also important that we do not build up a patchwork of legislation. Provincial Governments other than Manitoba and Saskatchewan are going to be under great pressure to do the same thing as those two provinces if we do not make this provision available.

Over the weekend and during the days since this Bill was last before the House I received encouragement and support from the Ontario Federation of Agriculture, the Canadian Federation of Agriculture, the British Columbia Federation of Agriculture, the president of the National Farmers' Union, the Women's Group for Farm Survival in eastern Ontario, individual farmers, and people who served on the Grey-Bruce pilot project. There has been a great deal of support. I have a letter from Reverend Howard Brox, the General Secretary of the United Church of Canada, dated June 24, 1986 in which says with regard to Farm Debt Review Boards:

> The Division of Mission in Canada requests the legislation either be amended to include an effective enforcing role for the review boards or be referred back to the Standing Committee on Agriculture for strengthening.
>
> The concern of the church is for farm families caught in the midst of this farm crisis and we do not believe that the legislation, as it presently stands, will aid them. In fact, those same farm families may be hurt even more if the legislation is not changed so as to strengthen the power of the farm review boards to enforce their recommendations.

• (1630)

I have stronger evidence that this provision is essential. I have in my hand an article from the *London Free Press* of last July 11 in which the Minister of Agriculture (Mr. Wise) himself says that it is essential that this legislation be brought in, that it must be done under the provisions of the Bankruptcy Act, and he indicated his support for reference to a court.

This amendment which I am proposing is not nearly as strong as that because we are not operating under the Bankruptcy Act itself. Under this Bill this is a stand-alone board, but the amendment does propose that where there is, in the opinion of the review panel, injustice or undue delay about to occur, the matter, with the support of the review board for the province or region, can be referred to a court of competent jurisdiction to formulate the arrangement that it deems equitable under the circumstances.

I know that some groups, like the cattlemen, have argued that having this provision will be harmful to farm credit. I simply refer them and other groups like that to the fact that Saskatchewan has had in place a moratorium for almost a year and a half now. They have had the same provision, really a stronger provision than this, in their legislation where when review panels cannot reach an agreement they can refer it to a court of competent jurisdiction. The credit levels there are no tougher or easier than they are in other regions of the country. Clearly the Manitoba legislation will do the same thing.

I would certainly hope that the Minister will look at this amendment, as he promised to do last Friday, with a view to giving it his support.

There is no doubt that the Minister can, under Section 10, establish regulations or rules outlining the circumstances under which references could be made to a court, or if during the first six months or longer period he feels there should be no references to the court of the operation while the whole system shakes down, that would be the Minister's prerogative.

I think that this amendment is essential so that we have one uniform system across the country without a patchwork of provincial laws applying in various ways and giving unequal justice across the country. I think it is essential that the review panels can proceed to negotiate agreements, and when they come across injustice or improper behaviour by a lending institution and the lending institution is not willing to make it right, and are adamant in that regard, then they can recommend to the review board to refer the matter to a court for their consideration.

I would hope, Mr. Chairman, that the Minister would accept this recommendation so that the whole system will be that much more effective, and that we see justice done to the thousands of farmers who are facing serious financial difficulty, or insolvency.

We know that there is going to be perhaps the most dramatic, the most serious restructuring of farm debt in the next two years that we have seen since the 1930s. We know there are thousands of farmers who six or seven years ago had land that was worth $3,000 an acre. It is now worth a thousand dollars an acre. We know that that is common in southwestern Ontario. We know in places like the Peace River where land was worth $800 an acre five or six years ago it is worth $275. We know that certain unscrupulous individuals are waiting until it is down from $275 to $100 an acre to snap it up.

I think it is important that as this massive restructuring of the farm debt takes place we not only do justice to the banks and the lending institutions, but that we do justice to the farmers, especially the young farmers who bought farms in the late 1970s and the farm value per acre drop dramatically and have seen their equity wiped out. They should be given a fair chance to end up operating those farms, that they are not dealt off to the banks or to other lending institutions whose interests are not necessarily in the community itself, but are responding to demands from headquarters in Toronto or some other capital city in our country.

I would hope that the Minister and the members of his caucus would consider this amendment. I put it in good faith believing that there is strong support for it in the country, and believing that it will be a good safety valve for cases where injustice is being done to a farmer. The review panels really want to see action taken to redress those injustices.

Mr. Wise: Mr. Chairman, I listened very carefully to the Hon. Member for Algoma (Mr. Foster). He has given a very good speech. He is dealing with a very important subject. I think that those of us who have had any connection with the financial difficulties in the agricultural industry and have communicated with individuals and farm organizations across the country in the last year or year and a half will know that this particular issue has not just been debated in the House of Commons in the last 20 minutes, but rather has been first and foremost in the public forum, particularly in agricultural organizations for the last year or year and a half.

What we are considering here is whether or not to decide—and I know that the Hon. Member has some conditions attached—to extend the power and the authority in legislation to a court or to a review panel to unilaterally write down debt.

I did say and have said many times, perhaps beginning last June and July—maybe even in September—that I thought that perhaps where every effort was made on a voluntary basis by a review panel and that a decision could not be reached then those cases should indeed be referred to a court.

After making that statement I got the message loud and clear from across the country, from all sectors, all regions, indeed from within the membership of the various organizations which actually took a public position asking for such powers, that we should be aware of that. We should not ignore the fact that the provinces will not accept that at this time.

• (1640)

The Hon. Member talks about the need for a uniform program to apply across the country. We are required to do that in order to be consistent with the Constitution and the Charter of Rights. Therefore, if we moved in that direction we would not achieve that, because I believe, with one or two exceptions, that all of the other provinces would reject it. We would not be doing a service there at all.

I do not want to rule out that change in the future because the Hon. Member will know, as will the Hon. Member for Humboldt—Lake Centre, that we have had some discussion following our last exchange in Committee of the Whole. They know I have accepted some of their amendments, and I believe there are one or two others that I will accept. As well, I will be moving a Government amendment that was really put forward by the Hon. Member for Humbolt—Lake Centre. It refers to the type of review we do.

I firmly believe that there is no question that this is an important issue. However, the proper and appropriate place for careful consideration of this particular issue of extending the power of the court or review panel should be made at the time we review the progress or lack thereof of the review panel and the legislation. That will take place in the appropriate forum, either a legislative committee or standing committee of the House. Given the new powers and authority of the committees, witnesses can appear from across Canada and those committee can deal directly and specifically with that issue. There is no question that it will be the issue. It has been debated in the past and will continue to be debated, even when the legislation is in place and the review boards are operating. We can have a track record and something to review. I am certain that this would be the more appropriate time to review this particular amendment which the Hon. Member is suggesting.

I think we have lost sight of something here. We have lost sight of the fact that we assume that the success rate flowing to farmers will be higher through a court process. I do not believe that. There is certainly more goodwill within the banking community than there was 20 months ago, but how much there is, I am not sure. I expect that it has greatly improved, but we will know that until these review panels have an opportunity to work. I firmly believe that our success rate will be higher under the voluntary process than through cases being decided by the courts.

I cannot accept this amendment and the Hon. Member knows that from the discussions we have had. However, I do not want to leave the impression that we are throwing it out forever. We do not know what we might have to do in this and other areas to continue our support for the agricultural industry in this country.

Mr. Boudria: Mr. Speaker, I just want to add a few words with respect to this amendment that was proposed by my very distinguished colleague, the Member for Algoma.

As the Minister knows, my colleague is not suggesting that the farmer would be asking the courts to take over. He is suggesting that the board be given that prerogative if and when there is an injustice being committed in the eyes of the board. This board is not appointed by opposition Members of the House, or even by the aggrieved farmer or the banker in question. The board is appointed pursuant to this Bill, which is by Order-in-Council, if I read the Bill properly. This means that the Minister will probably personally choose the people who will sit on that board. I trust that they will be people with good and appropriate judgment and will exercise that judgment in an effective manner.

Therefore, I am at a loss to understand why the Minister does not want to give this alternative, which is not necessarily an option in every case, to a board which he appoints by Order-in-Council. While there are parliamentary reviews of Order-in-Council appointments, it is the Minister who will appoint this board. This board is already given the authority to adjudicate in these matters. Yet the Minister refuses to give the board the privilege, when appropriate and necessary, not to judge it again but to ask the courts to do so, if it feels it is in the best interests of the case. I believe this is basically a friendly amendment which does not really challenge what the Minister is attempting to do. I believe we are striving for the same goals, but I am in some difficulty understanding why the Minister does not want to give this board the power, when deemed appropriate, to refer this kind of matter to a court. It is the job of the court to adjudicate in such matters.

The Minister said in his reply to my colleague, the Hon. Member for Algoma, that perhaps there are occasions when courts will not be as effective in dealing with these kinds of matters as the board itself. Surely, when a board believes that the outcome of a case can be enhanced by sending it to the courts, one would think that the same board consisting of competent people would not send a case to court if it felt it was not in the best interests of the case.

I do not understand why the Minister does not want to give his own board the power to refer a particular situation to a court of law. Perhaps he could explain because, with all due respect to the Minister, he has not adequately explained why he does not want to give his own board the power to refer a particular case to a court when it feels it is absolutely necessary or appropriate under the circumstances.

Mr. Hovdebo: Mr. Speaker, I want to make a couple of points on the same issue. Many of the provinces hope that when this Bill is passed and the debt review panel is in place they will not have to implement or develop other legislation that would give the kind of protection to the farmers they hope this Act will provide. It ran out in 1985 and was extended for one year. It runs out again at the end of this year, but the Government has the authority to extend it. Had this particular clause been in place, this referral to courts, I think it might have been able to let it die. It will not be able to do so under the circumstances of this particular Act. I wonder what the Government of Ontario will have to do if, after the Act is passed, it finds that it does not have the kind of teeth that were promised and were to be, it was hoped, part of the Act.

• (1650)

On March 6, 1986, the Minister, in answer to a question by me, promised that the Government would be bringing forth debt review legislation as quickly as possible. When I suggested that it would not have any teeth, he said, "There will be teeth in it. Just wait and see". Now the teeth are what he is pulling out or refusing to put in at this time.

Mr. Chairman, we are not speaking of write-downs in this particular situation. That is not the issue. The Minister, should he let this clause go through to become part of the Act, would still have the authority of writing the regulations to define exactly what the court would review. If he is worried about the problem of write downs, which the banks and some of the financial institutions have indicated, then that could be part of the regulations. However, when there are injustices and when the voluntary agreements are not forthcoming, and the panel has recognized that the voluntary agreement which it intended or tried to impose or put in place is not forthcoming, then it should have the authority to refer that matter to a court of proper jurisdiction and, consequently, give it the opportunity to be settled by a third party or fourth party, as in this case. A second stage will then be available. That is exactly the position that has been taken by a couple of organizations. The Canadian Federation of Agriculture very specifically suggests that the court should be in the process.

In reviewing the proposals for changes in the Bankruptcy Act, we have a series of four options suggested for farmers and fishermen. Two of those options indicate need and the suggestion that a court be placed in the structure for a last level of decision-making, for an overview by someone who has not been involved. It suggests that both the borrower and the lender have the authority or the alternative to refer it to the court. In what is being suggested in this amendment, the people who would refer it to the court would be the panel, the group that has been adjudicating it all along. Out of the four options suggested in the changes to the Bankruptcy Act, two include court procedures, and the one recommended by the committee is definitely a court procedure, as well. Therefore, I do not think that we are suggesting that the Minister put in place something that will get a negative reaction from the financial community, but, rather, something which would allow him to know satisfactorily that there is always a place of appeal for the panel if the creditor, or the farmer, sits back and refuses to co-operate. In most cases, I would imagine it would be the creditor, because the farmer would be there because of difficulty.

Mr. Wise: Mr. Chairman, I hope that we do not spend all of our time dealing with this particular clause, because I know that we can make rapid progress on those remaining, and we must revert back to two or three earlier clauses, on which we have already agreed. I do not know what more I can say on this issue except to say that the message is loud and clear. It is a very important section, a very important issue. It is very sensitive out there. We know what the provincial reaction will be. We know what the majority of individual farmers feel about this and, probably, most of the commodity organizations. Indeed, this amendment has triggered a number of representations to our office. We held a debriefing meeting for the farm leaders yesterday, here in Ottawa. They met the Prime Minister, the Minister of Finance, myself and others in Vancouver, and most of them took the time to come to me yesterday. Most of them were from western Canada. They said, in fact, that we should proceed on the basis of the way in which we are proceeding here. They are very cautious at this time in extending additional powers. It is true that we could amend it. However, our difficulty here is that, as I am told, we cannot set the terms of reference for the courts under regulation. There is some question as to just how, in what detail, one could even establish the actions of the court in legislation. If one looks at the amendment here, a court of competent jurisdiction is to formulate the arrangement that it deems equitable under the circumstance.

I say to the Hon. Member for Prince Albert that the legislation, in my opinion, particularly with the review process that we are attaching to it, will be as effective as the Saskatchewan legislation. The only input the court would have in Saskatchewan would be that it would have the power not to formulate arrangements but, rather, to delay, as I understand it.

I ask for co-operation again to see if we cannot set this clause aside and move forward, make progress. We can get this behind us and we can be provided with an opportunity to work, in the next four to six weeks, to get it in place and allow it to operate. We can come back and review the progress at the earliest time that we have something to review. Therefore, I ask Hon. Members' co-operation in moving along with other clauses.

Mr. Boudria: Mr. Chairman, I want to be very brief and make only one or two quick remarks. Like the Minister, I would like the Bill to go through as quickly as possible. The Minister said something to the effect that we were very limited in what we could do, either by regulation or even, in some cases, by legislation, in so far as directions that we could give to the court are concerned. However, I want to remind Members that what we are asking in this clause is not that at all. We do not want to prescribe how the court will adjudicate the case. We only want to prescribe to the board the authority to refer it to the court. I am sure that the court can deal with this afterwards in whatever way it desires. I just wish to establish the difference for the Minister.

• (1700)

I would also like to offer the Minister a possible further amendment which may satisfy this point. I will put it forward informally for the time being and send a copy of it out in writing to the Minister sometime later. I suggest that after the word "delay" in the third sentence, the following words should be added: "after satisfying the conditions set out in the regulations". It could then set out under what circumstances the board would be able to refer the matter to the court. In other words, the board would have to be satisfied that there has been an injustice or an undue delay, as well as meeting whatever other requirements the Minister puts into regulation. In this way the Minister can make the regulations very tight if he so chooses, giving a small amount of latitude to the board to refer matters to the court. If the board requests that the Minister give it further latitude, because of situations in which it sees that it would require authority, the Minister could then loosen up some of the regulations giving additional power to the board instead of having to come back to the House and ask for a further amendment in order to do just that.

The amendment could be in the form which I have just advocated. Perhaps the Minister's officials could word it in such a way as to ensure that it would do what it is intended to do. In other words, we are trying to give more latitude to the Minister to make it as strict as he likes in order to fulfil that condition, but only so that the board can have that power when required.

I have consulted my colleague, the Hon. Member for Algoma with respect to this particular amendment. He is of the view, as am I, that it would further enhance the Bill. It is a watered-down version of his clause, but we believe it is a compromise with which the Minister could live. After all, he is the one who will have the final authority in terms of making the regulation. He can make it as severe or as loose as he feels is appropriate in order to allow the board to make a reference to the court under whatever conditions are prescribed in the regulations.

Mr. Wise: Mr. Chairman, I do not know that I have anything more to add in response to the Hon. Member's advice than what I have already put forward. I have the clear sense that the issue is so sensitive that it is impossible for us to move on it at this time. I will tell the Hon. Member that if he wants to give me some latitude and do something for the farmers who will be taking advantage of this legislation, then let us move it along.

I wish to leave with the Hon. Member the message that I am not ruling this matter out forever. I think it is very important. It is also very sensitive and complex. The appropriate time for its consideration would be at the time of the review process. However, I must reject it now for all types of reasons. We will undertake to consider that aspect because, indeed, it will be the main focal point when we do the review.

Mr. Althouse: Mr. Chairman, I have two or three brief questions which I wish to ask of the Minister, who has worked with members of both opposition Parties assiduously and effectively to take care of most of the problem areas that we have with the Bill, with the exception of the area dealing with the courts. We heard his arguments in private yesterday, and previously, when we were attempting to redraft clauses of the Bill. I have three short questions which, if answered, would clearly set out the Minister's position.

My understanding is that at this time the Minister does not have the authority of Cabinet to permit this type of a motion. Will the Minister admit that in fact the proposal is consistent with the bankruptcy procedure being proposed by the review committee which studied this area of the law? Is it not in fact the procedure which it recommends we follow, namely, that as a last resort there be a reference to the court?

The Minister seemed to convey in one of his previous responses this afternoon that there is some concern with respect to the way the court authority will be perceived by the provinces. I am not sure I quite understand that position. Will the Minister clarify it? It seems to me that the courts in this country have always been perceived, and I think correctly, as agencies of justice which generally act on behalf of property. Since that is the generally recognized assessment of what the courts do in this country, is the Minister concerned that the courts might rule on the side of the farmer more often than on the side of the banks? Is that the problem?

My third question has to do with provincial jurisdiction. We all know that the provinces still have constitutional authority with respect to property rights and land. My Party has always defended that position. We think that is where property rights ought to remain. Given that the courts are seen as the protectors of property and generally come down on its side, I really cannot understand why the provinces would be opposed to having the board refer certain cases to a court on certain

limited occasions. The provinces have jurisdiction over the land, and the courts generally favour the landed. What is the problem in terms of the provinces with respect to this rather minor, although important, amendment which would give the farmer one last attempt to have his case looked at and adjudicated by a court?

In our system of jurisprudence and in our system of Government the court is deemed to be the place where one can go when one feels that an injustice has been done. That is all this motion is concerned with. It is quite clear that it is concerned only with cases where an injustice appears to have been done and the board would then have the authority to refer.

Will the Minister very clearly spell out what the problem is since this recommendation is consistent with the bankruptcy procedure being proposed by the committee which is studying the issue? It is a recommendation that is preferred by the committee. Why is the Minister afraid of letting the matter go to the courts, in light of the fact that the courts generally favour property? What is the problem in terms of the provinces since they are responsible for property? They would simply come out as the winners in terms of this particular amendment.

Mr. Wise: Mr. Chairman, in response to the Hon. Member's questions I think there is the real possibility that if we accept this amendment then we will violate the record of decision. Because of the sensitivity involved in this respect every party and every group involved in this lengthy process from start to finish was only interested in clarification of one thing. That one thing was: Is there any legislative authority carried in this legislation which will in any way extend power to the courts or a review panel? When the question was answered negatively everyone was on our side. We went through all the steps in considering this proposal. They were quite complicated since they involve a couple of other Government Departments, and we had very close consultations with our provincial counterparts.

I would now like to move to the matter of the provinces. As Hon. Members know, flowing from the First Ministers' Conference the Prime Minister and the provincial Premiers assigned the Ministers of Agriculture the task of establishing working task forces on four or five subjects. Those task forces have been in motion and have been working hard and diligently on those special areas since January. I met with my provincial counterparts and have talked with them on a daily basis. We met specifically on two occasions, the first time in January and the next in March. As the Hon. Member can appreciate, the time we spent on farm finance occupied probably as much time as the time we spent on all of the other subjects put together.

• (1710)

At the January meeting, I wanted to make it very, very clear. I wanted to explain to my counterparts exactly where we were coming from on this piece of legislation. I wanted no mistake made and wanted to know exactly where they were going to stand. I told them that we would not move to the next item on the agenda until I knew exactly where they were coming from.

Representatives from eight of the provinces told me with no uncertainty that they would accept the route we were going. There was no way that they would have any part of a piece of legislation which extended the power of a write-down to a court or a review panel. The two provincial representatives who said they would accept that with some conditions were from the Province of Manitoba and the Province of Newfoundland. That is the score on that question.

Regarding the advisory recommendations, as Hon. Members will know, Ministers have advisory groups, boards or commissions for a great many purposes and they perform a very useful service. The advisory group to the Minister of Consumer and Corporate Affairs on the Bankruptcy Act did a very useful job. A very competent individual looked at the question from an agricultural point of view and the group brought forward a recommendation.

Hon. Members will know that as a Government, we have an obligation and responsibility to study those recommendations. If we think certain recommendations are good, we accept them. Sometimes we think that others might be good as well but perhaps the timing is wrong. To answer the question, we have not accepted all of the recommendations.

Mr. Foster: Mr. Chairman, I listened with great interest to the Minister of Agriculture talk about the reactions of the various provinces. The day he introduced this legislation a few weeks ago, the Saskatchewan Minister of Agriculture, when asked what he thought of the legislation, indicated that he would be examining it and if he did not find it comprehensive enough, he would stick with his own legislation. Clearly his own legislation is much more comprehensive. Under Saskatchewan law, if a deadlock occurs a review board prepares a recommendation which is sent to the court and must be given more weight than in any other province.

I would ask the Minister to recall that when he met with the Minister of Agriculture for Prince Edward Island, he pointed out to him that the banks have incredible powers and are able to put incredible pressures on farmers. For instance, many people who have worked on review boards have suggested to me that the banks often tell farmers, when their notes are due, that if they want their notes extended, the only way that can be done is by putting them on a floating rate.

There are all kinds of injustices which have become apparent to members of these review panels. Not only will they be powerless to recommend to the review board of the province that the matter be sent to a court but they will be powerless to speak of what is going on outside the panel. There is a double whammy there. A great many farmers are concerned about that.

We know that there is going to be a drastic and almost cataclysmic restructuring of farm debt for at least 8,000 or

maybe 10,000 farmers or more in the next few years. Yet there is a danger that a farmer can go into the review process but get no satisfaction because the board has no power and cannot do anything when the process is over because that would contravene a clause of this Bill about communicating anything that was said or done within the review panel. It is rather like a star chamber. The farmer goes to the panel, makes his pitch and the banks sit on their hands for 60, 90 or 120 days. Then everyone is sworn to secrecy. Then the Minister's $50-million program for farm adjustment comes in, the farmer is hustled off his farm and the bank gets the farm. The farmer is out of farming probably for the rest of his life.

When the Minister said that he had across-the-board support from all provinces, he may have thought that that is what he had. It certainly does not appear to be the case from what the Minister of Agriculture for Saskatchewan has said and it certainly does not jibe with what the Minister of Agriculture for Prince Edward Island told me.

I would suggest to the Minister that he only turn to the Hon. Member for Bruce—Grey who is assisting him this afternoon to ask about what was found out in the Bruce—Grey pilot project. Those people found out that the banks made no decisions and waited out the time. After the review process was over, the banks foreclosed and did not make a very serious attempt to reach an agreement.

This amendment in the way it is drafted is not dealing with a court order or restructuring of debt. All it deals with is cases of injustice or undue delay. I would like to see a banker come before this committee this afternoon to say that he wants to be able to be unjust to a farmer who has fallen on hard times and does not want the board to have the right to refer that to a court of justice for the formulation of an arrangement that it deems equitable under the circumstances. It seems to me that there are very few bankers who are hard hearted enough to put that proposition before the committee this afternoon.

The Minister indicated that he agreed to the amendment to Clause 38 or Clause 39 provided that the entire question is referred to a committee of the House. I assume it would be the Agriculture Committee or a subcommittee of that committee. If that committee is to be struck and established next January, it might review the situation and find that this kind of amendment or something equivalent to it might be appropriate. Would the Minister give an undertaking to the House that he will seek support for such an amendment and bring it before the House, assuming that the committee that will review this Act makes such a recommendation? The Minister has already spoken several times about the idea of the review that is being proposed. I wonder if he would be willing to do that, because clearly farm organizations have been asking for this kind of legislation for some time.

Four or five years ago, I believe, the Minister served on a committee of the Ontario Federation of Agriculture, and legislation much stronger than this was before the Finance, Trade and Economic Affairs Committee of the House in June 1984. Legislation much stronger but similar in nature to this legislation was put before that committee two years ago. It is little wonder, since the Minister promised this legislation last July 10, that everyone was amazed that he did not get around to bringing the legislation before the House until mid-June.

• (1720)

The Canadian Federation of Agriculture, the National Farmers Union, the wheat pools, and so on support the amendment which I have put forward. Could the Minister indicate whether he would be prepared to bring in an appropriate amendment, if it is recommended by the standing committee when it reviews the legislation next January or at the beginning of next year?

Mr. Wise: Mr. Chairman, I want to set the record straight. I indicated that I met with my provincial counterparts in January and March. I said that two provinces would accept mandatory write-downs. Since that time there has been a change in the Government of P.E.I.

Mr. Foster: A change for the better.

Mr. Wise: In fact, I think it has some good sense as far as its approach to review legislation is concerned. It recently set up a review panel with no legal power.

Mr. Althouse: Absolutely no power at all.

Mr. Wise: That is correct. The new Government of P.E.I. is just as aware of the situation. It demonstrates understanding, appreciation, and the caution which must be exercised at this time when dealing with the issue.

The Hon. Member asked me to give a commitment now. It would be irresponsible for me to do so, not having the track record of the review boards and not having the advice of the standing committee. Who knows? More than likely the Hon. Member will be a member of the committee. I am sure he would want the committee to have the opportunity to hear witnesses. I would be anxious to receive his recommendations at that time, which I think is the only appropriate time.

Mr. Hovdebo: Mr. Chairman, the Minister keeps suggesting that he will have the track record of the review boards before us. Unfortunately, the recommendations which might force us to make a change in the Act will have gone down the drain as far as farmers are concerned. They will not have had an extra chance.

We suggest that the Minister should include this clause now so that farmers would be given some protection rather than wait for more examples of disaster. I realize that how disasters happen might result in changes. However, farmers will not be given a second chance. In effect, the Government is condemning the first group of people who appear before these panels to being examples of how the legislation should be changed. I think we should include something to safeguard against that.

Mr. Foster: Mr. Chairman, in his comments a couple of minutes ago, the Minister suggested that the people with

whom he discussed the matter wanted to be sure that review boards had absolutely no powers with regard to restructuring debt. If there are to be absolutely no powers with regard to restructuring debt, how does the Minister expect the whole system to function? Clearly that was the problem with the Grey—Bruce pilot project. It dealt with some 25 or 26 applications out of a total of approximately 90. Another problem was that the bankers sat on their hands. The FCC would not restructure their debt. The whole system stalled. Members of the Ontario Federation of Agriculture and other representatives worked very hard, but there was no power of persuasion. In this piece of legislation there are no powers of persuasion. I believe that in Saskatchewan they have the power to refer the matter to a court and to recommend loan guarantees; they have some tools with which to work.

I would be interested in knowing just how the Minister expects the system to work since he said that he does not want any powers for the review panels. Obviously we are dealing with thousands of farmers. The value of their properties has dropped by as much as a third or two-thirds. There will be a drastic restructuring of debt. How does the Minister see the boards having the power to carry out this restructuring of debt when they do not have any more power than that of the Grey—Bruce pilot project and less power than that of the Saskatchewan review panels?

Mr. Wise: Mr. Chairman, I do not know why anyone would want to be so pessimistic or so negative. We have talked about the process for a long time. The provinces want to move in this direction. Farm organizations want to move in this direction. The majority of farmers want to move in this direction. We know that write-downs are going on all across the country. The problem is that it is happening in St. Thomas but not in Aylmer, which is some 12 miles away. There are many inequities. It is happening in one region and not in the other; it is happening in one province and not in the other. It is a very inequitable situation. We want to put some fairness and equity into the system across the country so that regardless of where farmers live, farm, or operate, and regardless of what banks they do business with, at least there are review panels and review boards to assist on their behalf.

I have confidence in the people who will be appointed to these boards. I am encouraged by the reaction of the banking community. We cannot shut them out. We cannot throw stones at them. We need them; we need the banks. To be safe, 75 per cent of farmers are not in a financial situation to use this. The Hon. Member should not think that they are not watching us right now. Their continued success relies very heavily on access to credit from conventional lending institutions.

The other people who are watching us very closely are those farmers who are reaching retirement. It is normal for a farmer to sell his farm and take back a mortgage. That is all he has; it is his pension plan. If we extend the power of a court to write down, those farmers will sell the property but they will do so without taking back mortgages and risking their pension plans.

Mr. Foster: Mr. Chairman, the Minister knows how the system works. Anyone who appears before or serves on a panel will be sworn to secrecy. That is in the Act. What happens when panel members become aware of an injustice, for example, where a bank has deliberately switched a farmer from a flat interest rate to a floating one and charged it for three years or four years? Everyone is sworn to secrecy, so how can such an injustice be redressed? The board is sworn to secrecy, as are farmers. How does the Minister see an injustice being handled? How does the farmer get assistance or redress if the review panel cannot refer the matter to the review board and to a proper court of justice?

• (1730)

Mr. Wise: Mr. Chairman, the best way I can answer the Hon. Member's first question is for him to give me an example. My understanding is that this would not happen, you just cannot do it. Second, the farmer is not sworn to secrecy, creditors are not sworn to secrecy. It is only the panel members who are.

Mr. Foster: Mr. Chairman, I would point out that Clause 36(1) states:

> Except as authorized by subsection (2), no person shall knowingly communicate or knowingly allow to be communited to any person any information obtained from a farmer or from any creditor of a farmer under this Act or knowingly allow any person to inspect or have access to any such information.

It is my information that members of the panel are sworn to secrecy. They cannot blow the whistle, so to speak, on a lending institution which has taken part in an improper or an unjust Act against the farmer.

The Deputy Chairman: Shall the amendment carry?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Deputy Chairman: All those in favour please say yea.

Some Hon. Members: Yea.

The Deputy Chairman: All those opposed will please say nay.

Some Hon. Members: Nay.

The Deputy Chairman: In my opinion the nays have it.

Amendment (Mr. Foster) negatived: Yeas, 6; nays, 27.

Clause agreed to.

Clause 33 agreed to.

On Clause 34—*General*

Mr. Wise: Mr. Chairman, we have amendments to put forward that flow from our discussion earlier. With respect to Clause 34—and I believe Hon. Members have copies and I understand the Table has copies as well—I move:

> That Clause 34 of Bill C-117 be amended:

Farm Debt Review Act

(a) by striking out lines 26 to 28 on page 9 and substituting the following:

"34.(1) notwithstanding any other provision of this Act where a farmer makes an application to a Board under Section 21 but does not enter into"

(b) by striking out line 35 on page 9 and substituting the following:

"made unless, before making the new application, the farmer obtains the written consent of the Board"

(c) by striking out lines 36 to 38 on page 9 and substituting the following:

"(2) notwithstanding any other provision of this Act, where a farmer makes an application to a Board under Section 21 and enters into an"

(d) by striking out line 44 on page 9 and lines 1 to 3 on page 10 and substituting the following:

"after the termination of the arrangement unless, before making the new application, the farmer obtains the written consent of the Board"

We have Clause 34(1) and (2), and then subclause (3) would come out, Mr. Chairman. We are amending both so that the farmer will have the right to apply for a second review panel anytime and he shall be given the second review as long as the board gives written consent. With no consent, the farmer must wait for a two year period, from the date of the application where no arrangement was reached or from the termination of the arrangement if an arrangement was reached. Previously the way it read was that the farmer had to wait for two years no matter whether or not an arrangement was reached.

We have also amended both subclauses (1) and (2) of Clause 34 to eliminate any references to applications made under Clause 16, which has to do with farmers in financial difficulty. As a result, any farmer who has applied under Clause 16 can automatically re-apply under Clause 16 or under Clause 21 at any time. As a result, we have eliminated the need for subclause (3) of Clause 34.

The Deputy Chairman: I would appreciate it if the Hon. Minister would give me a copy of the amendments please. I do not seem to have them here at the table.

Mr. Foster: Mr. Chairman, this is a good amendment. It is simpler than the one which perhaps I had given to the Chair earlier last week. It is very important that the opportunity of the farmer returning for the assistance of the review panel not be foreclosed as the present amendment provides. It seems to me that under the first provision the farmer would have to have an improved financial situation. In subclause (2) if his financial situation were much worse due to some other event, he would be able to approach the review panel for assistance in formulating a new arrangement.

Could the Minister indicate whether it is the Department's plan to provide other rules under Clause 10 as to what the circumstances under which the farmer would be able to apply, or is it just a case of a simple appeal to the board for the opportunity to have a new panel struck and to have the situation reviewed? Would there be circumstances provided under the rule-making powers which the Minister has, and under what circumstances would the board be able to apply for further assistance from a review panel?

Mr. Wise: Mr. Chairman, I would think there would be a pretty wide scope if the financial condition changed rapidly one way or the other. You may have some natural disaster that may occur which could necessitate the re-application. I think it is pretty broad. We would be dealing with that under the terms of reference of the role and mandate of the responsibility of the review board. It would not be written, I understand, in a regulation. I would think it would be written in such a way as to respond in a common sense, logical way which would deem that the farmer was eligible for the application.

● (1740)

Amendment (Mr. Wise) agreed to.

Clause, as amended, agreed to.

Clauses 35 to 38 inclusive agreed to.

On Clause 39—*Coming into Force*

Mr. Wise: Mr. Chairman, we are proposing an amendment to Clause 39. There are a couple of other clauses to be added, but before proceeding we must move this amendment on Clause 39. It was really advanced by my colleague, the Hon. Member for Humboldt—Lake Centre. As a result of the amendment the entire Act will be proclaimed at once rather than different sections at different times. I therefore move:

That Clause 39 of Bill C-117 be amended by striking out lines 33 and 34 on page 10 and substituting the following therefor:

"39. This Act shall come into force on a day to be fixed".

Mr. Althouse: Mr. Chairman, I would just like to confirm what the Minister said. The three Parties agreed to this because in the original Bill the Act could be proclaimed in pieces. Since the accord reached between the three Parties was dependent upon all of the sections being proclaimed at once, this seemed to be the way to handle the matter. We are in agreement with the amendment.

Mr. Foster: We in this quarter agree as well. It is essential that the entire Act be proclaimed at once. Any amendments which have been made could easily be over-ruled if the whole Act was not proclaimed at once.

Amendment (Mr. Wise) agreed to.

Mr. Wise: Mr. Chairman, I still have a little difficulty understanding why we have to do this in the way in which we have to do it. We are creating a new Clause 39 and a new Clause 40 which will result in the old Section 39 becoming Section 41. This section allows for the annual review of the activities of the Board three months after the termination of each calendar year. The review will result in a report being tabled before the committee reponsible for agriculture. Consultations have been held. I therefore move:

That Bill C-117 be amended

(a) by adding, immediately after line 32 on page 10, the following clause:

"39.(1) The Minister shall, within three months after the termination of each calendar year or, if Parliament is not then sitting, on any of the first 15 days next thereafter that either House of Parliament is sitting, lay before

Parliament an annual report on the activities of the Boards established pursuant to section 4.

(2) The report laid before Parliament pursuant to subsection (1) stands permanently referred to such committee of Parliament as is established to review matters related to agriculture."

(b) by renumbering the subsequent clause accordingly.

Amendment (Mr. Wise) agreed to.

Clause, as amended, agreed to.

On Clause 40—

Mr. Wise: Mr. Speaker, with this amendment we are adding a new Clause 40 at the request of the Hon. Member for Humboldt—Lake Centre. This causes us no difficulty at all. It allows for the effectiveness of the Act to be reviewed by the parliamentary committee responsible for agriculture and to recommend to Parliament any changes to the Act it deems necessary at the end of December, 1986. I therefore move:

That Bill C-117 be amended by adding, immediately after line 32 on page 10, the following clause:

"40. Such committee of the House of Commons as may be designated or established by the House for that purpose shall, at the end of the calendar year in which this Act comes into force, undertake a review of the overall effectiveness of this Act and shall, within such time as the House may authorize, submit a report to Parliament thereon including a statement of any changes the committee would recommend."

(b) by renumbering the subsequent clause accordingly.

Mr. Althouse: Does what used to be Clause 39 become Clause 41, which will be the last clause of the Bill? Am I correct in understanding that?

The Deputy Chairman: The answer to that is yes.

Mr. Foster: Mr. Chairman, I think this clause is essential. As I said in debate earlier this afternoon, many farm oranizations feel that they have not had adequate input into this legislation because they did not have an opportunity to make presentations to the standing committee. This amendment will provide for the Act to be put before the House at the end of this calendar year and will allow for recommendations to come forward at that time from the national agricultural organizations. It is essential that it be included in the Act in order to get a complete view of the situation at that time, especially in light of the seriousness of the situation. I want to indicate my support for this amendment.

● (1750)

Mr. Althouse: Mr. Chairman, the Hon. Member for Algoma correctly pointed out that it was necessary to have a review process since the impending suspension of the sitting has made it impossible to hear from the banks, farm organizations and others who might be affected by the legislation. As well, there is very little authority in this Bill as written to encourage a settlement between the Parties. We thought it was absolutely vital to have a review process like that in the Act so that all Parties would be on their best behaviour, knowing that their attitude and actions would be reviewed within a few months. On the basis of that review, perhaps stronger legislation might be proposed. We think this might provide some moral authority to remind both the lender and others involved in the process that their actions will be reviewed and the results or lack thereof will be considered and new legislation may be proposed as a result.

Mr. Foster: Mr. Chairman, I wonder if we can get a commitment from the Minister that the Act will come into force in 1986 and that it would be his intention to have the matter referred to the Standing Committee on Agriculture. The clause does not make it clear. It says "any committee so designated". As I read this, it would take a House order to refer it to the committee. It also says that it comes into force in the calendar year in which the Act comes into force. I assume that it is going to be 1986, but I want a commitment from the Minister that that is when it will happen.

Mr. Wise: Mr. Chairman, the short answer is yes, 1986. I do not know whether I can say it would be the Standing Committee on Agriculture or not, but obviously that seems to be the appropriate standing committee.

Mr. Althouse: I have to confess to having been party to the vagueness of the wording. We had preferred to name the Standing Committee on Agriculture, but with the changes to the Standing Orders and the committees we were not certain that there would still be such a committee as of the end of the year. To be careful, we simply made it vague. We assumed that if there is such a committee it will be referred to that committee and we hope the Minister and the House Leaders would take that into account if in fact we still have standing committees in January of 1987.

Mr. Wise: Mr. Chairman, you will recall that on Friday we stood four clauses, those being Clauses 17, 18, 19 and 20. I think we are now in a position, are we not, to go back and deal with them? We are removing Clause 17, which would allow creditors to apply for a panel where the farmer had failed to pay a debt. As a result of that, we have removed Clause 18(2) which obligated the board to seek the consent of the farmer concerned before a panel would be set up. As a result, Clause 18(3) becomes Clause 18(2) and the new Clause 18(2) eliminates any reference to Clause 17. Clause 19 and Clause 20 would then remain.

Mr. Foster: I proposed this last Friday when we were in Committee of the Whole. I think a Bill like this, which is designed to assist farmers in their worst financial crisis in 50 years, could involve a very intimidating situation if the farmer were to receive suddenly a note from his friendly farm debt review board that his chartered bank had just moved to have him reviewed. At the same time he would have to give his consent under the existing clauses in the Bill. Yet what choice does he have? With this clause removed, had we succeeded in getting an amendment so that where an injustice was done to a farmer the matter could be referred to a court, we could have been pretty sure that this whole procedure would not become one to silence farmers and quietly hustle them off their land. I

am not sure that we have achieved that by not accepting the amendment this afternoon, but I think that removing this clause at least removes the possibility of the farmer being hustled into a debt review situation by his friendly banker. I appreciate the Minister's action in removing this clause. It will make the Bill stronger and the farmer concerned will be able to go through the process without being forced into it by a bank.

The Deputy Chairman: Before we carry on I would like to ask: Shall Clause 40 carry?

Some Hon. Members: Agreed.

Amendment agreed to.

Clause, as amended, agreed to.

[*Translation*]

On Clauses: 17—*Application* and 18—*Appointment of review panels*

Mr. Garneau: Mr. Chairman, I would like to say a few words at this time to point out to the Minister of Agriculture (Mr. Wise) the complications which his Bill entails concerning the administration of the Quebec Farm Credit Bureau. Contrary to what happens in the other provinces, the Quebec FCB is by far the biggest lender when compared with the federal Farm Credit Corporation. When we examine the financial statistics for 1984-85 and 1985-86 with respect to the number of cases of long-term, mid-term and short-term loans, Quebec's Farm Credit Bureau—

The Deputy Chairman: I regret—

[*English*]

It being six o'clock, it is my duty to rise and report progress.

Mr. Foster: Mr. Chairman, I think the Hon. Member has only a couple of points to make. I am sure that if the Minister were to seek unanimous consent to continue for another five minutes or so we could perhaps finish consideration of the clauses.

The Deputy Chairman: I must seek consent of the House.

Progress reported.

The Acting Speaker (Mr. Paproski): Is there consent of the House not to call it six o'clock?

Some Hon. Members: Agreed.

[*Translation*]

FARM DEBT REVIEW ACT

MEASURE TO ENACT

The House resumed consideration in Committee of Bill C-117, an Act to facilitate financial arrangements between farmers and their creditors—Mr. Paproski in the chair.

On Clause 17—*Idem*

On Clause 18—*Appointment of review panels*

Mr. Garneau: Mr. Chairman, I was pointing out that the way the Bill is drafted it might create major problems concerning the administration of public funds in Quebec.

I pointed out that in 1984-85 the Farm Credit Bureau had dealt with close to 9,500 applications for long- and mid-term loans, whereas the federal Farm Credit Corporation made fewer than 100 loans. A few more loans were made at the federal level in 1985-86, but most such loans came from the Quebec Farm Credit Bureau.

Given the way the review panels are established under the legislation, to a certain extent an organization created by the federal Government will administer public funds allocated by another Parliament. In other words a farm loan made—indeed since the legislation covers . . . Clause 3 states that:

This Act is binding on Her Majesty in right of Canada or a province.

This means that people sitting on the review panel—I am sure the Minister will appoint qualified people—will have to make decisions concerning funds allocated by another Parliament where various organizations must report to the Quebec National Assembly.

I wanted to go on record and point out the difficulties involved with respect to the administration and the way public funds are administered, and the responsibilities given to each level of government. The situation in Quebec is particular in the sense that the Farm Credit Bureau has a role to play, much like the federal Farm Credit Corporation.

I think the Minister should have provided that when review panels are set up for loans made by an agency of a provincial government or a provincial legislative assembly, that on these review panels provided in the clauses we are now adopting or debating, with amendments, we have representatives duly appointed by the people and the administrative bodies that are responsible for administering these funds.

When the provisions of this legislation are put in effect, we can expect a considerable rise in the cost of Government administration, especially for the *Office du crédit agricole*, because in some cases they will have to postpone carrying out their mandate for as many as 90 or 120 days, and this will result in a considerable loss of interest and high administration costs.

I would like to ask the Minister whether he has considered these problems and whether he would be able to inform the House—I realize he really wants this Bill to be passed. I also

realize that it is important for Canadians across the country and that we must find a solution to this problem. However, could the Minister perhaps inform the House and give it the assurance that the study that will be carried out, pursuant to the clause we adopted earlier, which will be an argument in favour of revising certain clauses of the Bill—that we will have a chance to put the membership of these panels on a broader basis and that the Quebec Legislative Assembly will be responsible for appointing at least some of the members of the review boards, since these are public funds approved by another parliament?

And second, could the Minister give the House the assurance that, together with his Quebec counterpart and Quebec officials, he will look into the possibility of signing a federal-provincial agreement to deal with this problem? It is a problem which I think is very important, since in Quebec, most farm loans, whether long, medium or short term, are not granted by the federal authorities but by a provincial agency which is called the *Office du crédit agricole*. I wonder whether the Minister could answer these questions?

• (1800)

[*English*]

Mr. Wise: Mr. Chairman, I was interested in the Hon. Member's comments and observations regarding being very, very cautious about putting into law something here in the House of Commons that would unilaterally decree on the duly elected provincial legislature of any province. I suggest that the Hon. Member talk with his colleague, the Hon. Member for Algoma.

Mr. Garneau: I did talk to him.

Mr. Wise: When I was responding to question after question after question about what the provincial reaction would be, the province said no. It is fine, go along with what you suggest to us, but do not extend the power of a court or a review board to unilaterally write down debt. That is why.

Mr. Garneau: That is not what I am asking.

Mr. Wise: Just a minute. Quebec is not paying the cost of the review panels. Ontario is not carrying the cost of that, the federal Government is. We are carrying that.

I do not know if the Member was here throughout the day or last Friday, but if we have a ten-man panel, I have invited our provincial colleagues to submit three names to us. That is a reasonable number to expect from a provincial Government. In addition, I said last Friday that there was an open invitation to all Members of this House to supply us with a list of names of those who would serve on review panels and also on review boards.

If the province does not want to participate as a creditor in a write down, like any other creditor, then there is no legal obligation to do so. I want to tell you that they are very, very sensitive about that.

[*Translation*]

Mr. Garneau: The Minister failed to grasp what I meant. What I am trying to say is that the funds involved where the *Office du crédit agricole* is concerned are not private funds. These are funds that were approved by a Parliament that happens to be the Parliament of Quebec, but it could just as well have been the Parliament of Ontario, if there is one in Ontario, but I know that is how things are done in Quebec. These funds are managed, and the *Office du crédit agricole* must report to the National Assembly, just as here we have parliamentary committees that meet and are supposed to report back to the House. In this particular case, a body that approves funds at the provincial level would be subject to control by a federal system, without there being any participation involved. As far as I know, there has been no federal-provincial agreement on the subject, at least for . . . I don't know about the other provinces, but I am referring to Quebec.

I was not referring to the cost of the system itself but to the cost that would be incurred by the *Office du crédit agricole* in complying with this request. And suppose we take, I don't know . . . How many are there? Maybe 10 per cent, 5 per cent or 8 per cent of these loans. If a 100 or 125 cases are submitted for review, obviously some very high costs will be incurred, not only by the financial institutions, in the case of private institutions that's one thing, but in the case of public institutions, there are certain regulations, and these costs, I don't know how to assess them, but if we say 5 per cent or 10 per cent, this is going to mean an enormous amount in terms of lost interest. And also in terms of additional staff requirements.

I am rather surprised that without prior federal-provincial agreement this Bill should be introduced not only to impose additional costs to the Quebec Farm Credit Bureau and to the National Assembly, but also to create a problem with respect to responsibility for expenditures by a legislative assembly which approved them and the federal Parliament which adopts legislation and tells a group which it has created: You have the mandate. This is not legally binding, of course, but it still amounts to strong pressure.

I have a question for the Minister, for I realize that we cannot expect at this stage—the Bill is to be adopted in the next few minutes—to have the file re-opened with a view to securing a federal-provincial agreement. But I did suggest and ask him to hold discussions with his colleague or with Quebec *Crédit agricole* authorities so see what kind of problems will be created by the administration of this Act and perhaps make the appropriate changes in the future.

• (1810)

[*English*]

Mr. Wise: Mr. Chairman, we have had close and continuing consultations with provincial counterparts in the past on this and other matters. We will continue to do so, particularly at the wish of the Hon. Member.

Adjournment Motion

Clause agreed to.

Title agreed to.

Bill reported.

Mr. Wise moved that the Bill, as amended, be concurred in.

Motion agreed to.

Mr. Wise moved that the Bill be read the third time and passed.

Motion agreed to and Bill read the third time and passed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Swift Current—Maple Creek (Mr. Wilson)—Finance—Transfer of family farms—Tax inquiry; The Hon. Member for Argenteuil—Papineau (Mrs. Bourgault)—National Revenue—Control of charitable organizations; The Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand)—Challenge'86—Funding of social service projects. (b) Request that priority be given to socially useful employment.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF THE HOUSE

Mr. Lewis: Mr. Speaker, there might be unanimous consent that we proceed immediately to third reading on Bill C-128. This would proceed quickly and we would deal with the balance of the stages of the Bill before the House in order that it can pass at all stages.

Mr. Deputy Speaker: Just for clarification, the Hon. Member is referring to Bill C-128?

Mr. Kaplan: Mr. Speaker, I rise on a point of order. I understood my colleague opposite to suggest that we deal with all stages of Bill C-128 before proceeding to Private Members' Hour. That is acceptable to us. I want to indicate to those who have Private Members' business that we will be very brief, a matter of minutes, in dealing with Bill C-128.

Mr. Speyer: Mr. Speaker, I anticipate that my speech will last less than one minute.

Mr. Attewell: Mr. Speaker, could I just have an indication from the New Democratic Party about how long their spokesperson will take?

Mr. Riis: Mr. Speaker, I suspect that our spokesperson will be relatively brief, probably seconds.

Mr. Deputy Speaker: Is there unanimous consent to proceed through all stages of Bill C-128?

Some Hon. Members: Agreed.

* * *

JUDGES ACT

MEASURE TO AMEND

Hon. Ray Hnatyshyn (for the Minister of Justice) moved that Bill C-128, An Act to amend the Judges Act and other Acts in relation to judicial matters, be read the second time and, by unanimous consent, referred to Committee of the Whole.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Danis in the Chair.

On Clause 1

Mr. Kaplan: Mr. Chairman, I will use Clause 1 to make a brief statement, indicating that this is really a housekeeping Bill. We are providing for the unification of courts in a number of provinces, following the example of provinces like Quebec, which have long since taken this progressive step.

I only want to indicate that I hope that now that my own Province of Ontario has a progressive Government, we will shortly see the Province of Ontario apply for a similar unification of its courts.

The other matters referred to in the legislation speak for themselves and I can say on behalf of Her Majesty's Loyal Opposition that we support the Bill.

Clause agreed to.

Clauses 2 to 18 inclusive agreed to.

Schedule agreed to.

Title agreed to.

Bill reported.

Mr. Hnatyshyn (for the Minister of Justice) moved that the Bill be concurred in.

Motion agreed to.

Mr. Hnatyshyn (for the Minister of Justice) moved that the Bill be read the third time and passed.

Motion agreed to and Bill read the third time and passed.

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

PRESENTATION OF SEVENTH REPORT OF JOINT STANDING COMMITTEE

Hon. Bob Kaplan (York Centre): Mr. Speaker, I spoke to members of all Parties on the subject of reverting, by unanimous consent, to the tabling of committee reports, to permit me, as co-chairman of the Joint Standing Committee on Regulations and other Statutory Instruments, to present our seventh report in both official languages.

Mr. Deputy Speaker: Is there unanimous consent?

Some Hon. Members: Agreed.

[*Editor's note: For above see today's Votes and Proceedings.*]

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

THE BUDGET

ADVISABILITY OF REDUCING NATIONAL DEBT

Mr. Bill Attewell (Don Valley East) moved:

That, in the opinion of this House, the government should consider the advisability of introducing legislation to require the government to present an annual budget in which total annual outlays do not exceed total annual receipts and such total receipts will exclude those derived from borrowing and total outlays will exclude those for interest costs on the national debt and for repayment of the debt principal.

● (1820)

He said: Mr. Speaker, it is really quite an honour to speak tonight on this Private Member's Motion of mine, M-86. It was first placed on the Order Paper on December 20, 1985. In the few minutes allotted to me, I want to speak briefly of the background and gravity of this problem, of Canada's record in terms of deficits, the ever increasing national debt of this country, of our Government's achievements so far to turn the situation around and what some other countries are doing, for instance, the United States of America, and then summarize my thoughts and views on the subject. I think we must all attach extreme gravity to the situation. Indeed, we must come to realistic grips with this ever-widening gap of spending compared to what we have been taking in.

I have had numerous discussions with my constituents in Don Valley East and, almost to a person, they are supportive of this type of resolution. Let me just make a few points, because the problem is not unique to Canada. I think it is accurate to say that all levels of government have overspent. Taxpayers are simply fed up and frustrated with the track record, if I could put it that way, of a number of politicians around this world in terms of the lack of prudent thinking and lack of restraint in the spending of their precious tax dollars.

For longer than most voters and most western democracies can remember, one of life's certainties has been the reckless spending by so many governments. Government spending has been increasing for too long as a percentage of Gross National Product. In 1960, for instance, only two countries belonging to the OECD had spending in excess of one-third of their Gross National Product. However, 25 years later, in 1985, 23 out of 24 countries in that organization were spending in excess of one-third of their GNP. In fact, the average was 45 per cent, and it varied from 31 per cent in Switzerland to 64 per cent in Sweden.

Let us examine Canada's record in that respect, and I will return to the last year in which we could boast of a surplus, the year 1969-70, when a surplus of $331 million was recorded. Let me just highlight the fact that the total national debt at that time was slightly under $18 billion. In 1971-72, we went through the $1 billion annual deficit figure, hitting $1.5 billion. In 1975-76, we went through the $5 billion figure, hitting $5.7 billion. In 1977-78, we soared through the $10 billion annual deficit level, and by that time our national debt had climbed to $48.3 billion. In 1982-83, we hit $27.6 billion. In 1983-84, we went through the $30 billion level at $32.4 billion. In 1984-85, a projection was some $38.2 billion, which would have been the case if, indeed, the Government had not changed hands and the Conservative Government had not taken some extreme action which I will recapitulate in a few moments.

It is interesting to point out that if one follows that track record of excessive spending well beyond our means for over a decade, one finds there is a correlation between that and the drop of our Canadian dollar. When that overspending started a decade or so ago, our dollar was something like $1.05 versus the U.S. dollar, and it has slid, year by year, to a level now of some 72 cents. The interest cost now totals some $24 billion or $25 billion a year to service the massive national debt of some $220 billion or $230 billion. That interest cost now, on an annual basis, amounts to $1,024 for every man, woman and child in this country of Canada.

Our spending, as a percentage of GNP, was some 16.6 per cent in 1974-75, at the start of our real problem, and it soared to 45 per cent in 1984-85. Had we let the status quo remain intact, and had this spending pattern continued, we project it would have reached an alarming level of 63 per cent of GNP by 1990-91; but, indeed, the Government has taken several major initiatives to try to turn the situation around.

In November of 1984, the Minister of Finance (Mr. Wilson) made a very comprehensive economic statement of what was to happen over the next few years, and some savings of $4 billion were identified at that time. The Budget in May of 1985 was another landmark in the direction of fiscal restraint, and it was followed by the Budget of February 26, 1986, when again, the annual deficit was forecast to decrease below the $30 billion level. Discretionary spending was decreased to under 3 per cent. Then, of course, another major initiative came to the reporting stage just a few months ago. I refer to the Nielsen

task force. I believe some 989 projects of the Government were reviewed in great detail by a number of private sector people and others. Many people, including myself, are expecting great savings of taxpayers' dollars when the individual committees consider the various options and recommendations within the group.

Let me summarize. By now, most people have heard of the Gramm-Rudman-Hollings Bill in the United States. It was signed into law by President Reagan on December 12, 1985. It is calling for a balanced Budget by 1991. There are some exceptions, but it is basically now taking it out of the politicians' hands because of the pattern that we have seen, because of the lack of discipline that has been enjoyed, and it is putting it in the hands of a mechanism which triggers cuts to be made in defence and other areas if these predescribed levels of spending are not met.

I do believe what our Government has achieved since September, 1984, is of real significance, but it is a mammoth task. Concerning almost every issue we touch, one witnesses kicking and screaming and objections from the other side of the House. This has been the case whether involving transfer payments that we were proposing to increase from $65 billion to $90 billion over the next few years, or involving other areas, because society is so organized these days in terms of constituency groups. Therefore, it is difficult indeed to cut back. I happen to think, as much as I regret saying it, that we need that type of mechanism in this country, literally taking a fair amount of the decision out of the politicians' hands and putting it into legislation. If we just think back into our own lives, and through reading history, we realize that one of the paramount virtues voters expected of their parliamentarians was prudent, careful, conscious, deliberate action in terms of the spending of those precious tax dollars.

I do not think we can be proud in this country, thanks largely to the record that was set up by the previous Government, of what has happened. It is now too large to turn around in a discretionary way. I would urge my colleagues on both sides of the House to vote "yes" when this particular motion comes to that vote. I am honoured that this particular motion is the first Private Members' Motion under parliamentary reform to be chosen for voting. In other words, it will receive up to five hours of debate. It is certainly worthy of that type of earnest debate so that Canadians can become more aware of the real gravity of the situation and why, indeed, it needs legislative action to turn it around and to brighten that outlook and future for Canadians so that we will have some manoeuvrability involving much-needed social programs, whether in health care or education.

• (1830)

We owe it not only to our children but to our grandchildren to turn this around in a meaningful way. I predict that if we can do this, it will be one of the most difficult but rewarding tasks we undertake, not only of the last 25 years but of the last century. It is of that gravity.

I hope to be speaking to this Bill again. However, if it does come to a votable situation shortly, I hope that all Members will join with me in voting in favour of having it referred to a committee where it will receive extensive deliberation. Several weeks ago I visited Senator Gramm in his office in Washington. He is an economist who worked on the details of his Bill, in conjunction with his other colleagues, for over four years. I know that in a few hours we will not be able to put together in this House, or in committee, anything of that nature, because it is a very complex situation. However, we should not let the complexity of it stand in the way of solving this most serious problem.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I consider it a privilege to rise tonight to add my views to the debate on this interesting issue. I have a great deal of respect and admiration for my hon. friend who has introduced this motion. However, I suspect this is where we depart on some philosophical differences.

It is appropriate to remind Hon. Members that there was really only one Government in Canada that for many years balanced its books. It was a Government which felt that running a fiscally-responsible Government was appropriate. While it inherited a mess left by past Liberal Governments, it said: "We think it is useful that after we care for the needs of the people in our province and provide the necessary support and stimulus to the sectors of the economy that we attempt to balance our books". That Government did that year after year and, in a sense, decade after decade. I refer to the Government of Tommy Douglas of the Province of Saskatchewan, a CCF and New Democratic Government. I say that it was the only Government in Canada that for years and years was debt-free. I wish to place that on the record so that we can understand the partisan importance of this particular motion.

I also wish to remind my hon. friend that the biggest proponent of this particular initiative is President Reagan. We do not necessarily want to accept what the President says. However, more important, we do not want to see what he does. If we were to add up all of the deficits in the United States over the last 200 years, including the deficit which came out of the Civil War, the First World War, the Second World War, the Korean War, and back to the Depression, we would see that the deficit of President Reagan in his eight years of administration will mount up to twice the accumulated United States deficit over the last 200 years. So when this individual says that he is concerned about the deficit and plans to take action against it, his actions betray exactly the opposite behaviour.

The motion of my colleague reflects a view of Government in which people see Government as something based on the same principles as the Chrysler Corporation. Their point of view is that Government ought to be run as a corporation is run, with success or failure being determined on the basis of quarterly balance sheets. In other words this motion says that if a Government can balance its books, then it is a good Government. In my estimation, that really misses the point.

Government is not a private profit-maximizing institution. In fact, it has the responsibility to maintain general economic and socially favourable conditions in a country. In many cases a Government has the duty to intervene in the economy if such an initiative will encourage economic growth and prosperity.

This is a very hard lesson for Canada and other countries to learn. It was born out of the experiences of the Great Depression. At that time the traditional *laissez-faire* economics which prevailed suggested that when there was an economic downturn, government spending should be cut back. At that time it was thought that the duty of Government was to reduce its spending to match the reduced revenues which come in during difficult economic times. We saw that as the Depression persisted, unemployment rose and economic and social conditions worsened.

It was in 1936 that John Maynard Keynes wrote his *General Theory of Employment, Interest and Money*. In it he proposed that left to itself, the market economy would settle into permanent recession or depression. He proposed that the State pick up the slack and run a deficit where necessary to inject the needed purchasing power into the economy. President Roosevelt of the United States listened carefully to what Keynes had to say. In a sense Roosevelt followed many of Keynes' theories in terms of his initiatives and the economy of the United States started to turn around. The country of Sweden listened to Mr. Keynes and applied many of his theories prior to those written in 1936. As a result the depression in Sweden was relatively minimal. The conditions in that country were not as oppressive as they were in most other western industrialized nations.

The biggest Keynesian experiment was World War II when the Government had to borrow massively to finance the war effort. Consequently, the economy boomed and unemployment fell dramatically. The question I would put to my hon. friend is this. Would he have advocated in such circumstances that the Government not borrow to invest in the productive capacity to win the war in this case?

The post World War II era shows us that successive Governments have used short-term deficit spending to combat periodic bouts of unemployment and depressed economic conditions. However, in 1975 the government began experiencing consistent budget deficits. Why was this? I suggest that since 1975 the economy grew more slowly. As a result, more payments were required in the form of unemployment insurance and welfare. Of course, fewer revenues came into the federal government coffers as a result of taxes paid that would reflect a strong economy when exactly the reverse was happening. There were difficult economic times which resulted in fewer taxes.

As a result, at this time the federal Government introduced a wide-ranging set of tax expenditures. I call them tax loopholes for generalized descriptive purposes. In 1983 Mr. Lalonde said in his Budget: "The increased federal deficit over the second half of the 1970s was not due to runaway expenditure growth. It was due in large part to a succession of tax cuts introduced in response to weak economic activity". On a number of occasions the Economic Council of Canada has confirmed this eroding tax base and, consequently, fewer and fewer dollars come in as a result.

In my closing comments I wish to say that we are not suggesting that deficits are good. We are not suggesting that the present state of affairs in this country is not something about which to be very concerned. We have to be careful that we do not move ahead blindly, not recognizing the responsibility that we have as parliamentarians. The Government must accept the responsibility that when times are tough an investment might be required. After all, any good businessman knows that to make money one has to invest money.

In order to have a strong economy, we may have to invest a certain number of dollars in the development of transportation systems, ports, in assisting small business and farmers to get into new ventures and so on. In other words, there is a time for the Government to invest in a way that would result in economic prosperity and growth. Consequently, additional revenues through personal, sales, excise and corporate tax could be raised as a result to pay for that growth.

Mr. Turner (Ottawa—Carleton): Let the private sector do it.

Mr. Riis: My hon. friend says that we should let the private sector do it. In many cases I would quite frankly say, yes, let the private sector do it. However, the private sector often calls on us to build new ports, to assist in shipbuilding, to assist farmers and to assist small business. I can go on and on. That is what we do all the time in this House. We do what we can in our own way to assist the various sectors of the economy to enable them to get out, to grow and to expand.

Mr. Orlikow: How much did it cost to build a railway to the coal mines?

Mr. Riis: My hon. friend mentions the building of the railway to the coal mines in western Canada. That is a good example of public expenditures used to provide an environment in which certain elements of the private sector could get on and do their jobs.

• (1840)

In summary, I have three quick points to make. We often hear that the deficit has resulted in inflation. We have seen inflation decrease and decrease over the last number of years. It has gone to the lowest it has been in many years, yet the deficit remains at these excessively high levels. There does not seem to be that correlation that we have been told exists.

We are also told that deficits result in high interest rates as there is a crowding out in the money markets. Governor Bouey himself said many times at Finance Committee meetings that in his opinion, the deficit of Canada was not crowding out money on the money market to force up interest rates. We

know who sets interest rates in Canada. We match the rates in the United States as a result of Bank of Canada policy.

Last, it is suggested that deficits often result in a real interest burden. I would like to suggest that in the last few years, real interest rates have in fact been a problem. As a matter of fact, real interest rates traditionally run at about 2 per cent but in the last number of years, as Hon. Members know, they have been running at 5 per cent and 6 per cent.

Mr. Turner (Ottawa—Carleton): That's too high.

Mr. Riis: Indeed it is too high. I would remind my colleagues that if they wish to look at an example of a political jurisdiction that has met the needs of its constituents at the same time as it balanced its budgets for decades, they should look at the Province of Saskatchewan under the leadership of T. C. Douglas who was a Member of the then CCF and now New Democratic Party. If we are looking for models, may I suggest that Hon. Members look at the economic history of that part of Canada. They will see what a real Government concerned with real fiscal responsibility is able to accomplish.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on the motion standing in the name of Mr. Attewell. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to.

SITTING SUSPENDED

Mr. Deputy Speaker: We will suspend the sitting until 7 p.m. when we will resume with government business.

Some Hon. Members: Agreed.

At 6.45 p.m. the sitting of the House was suspended.

SITTING RESUMED

At 7 p.m. the House resumed.

GOVERNMENT ORDERS

[*English*]

PAROLE ACT AND PENITENTIARY ACT

MEASURE TO AMEND

The House resumed from Wednesday, June 18, consideration of the motion of Mr. Beatty that Bill C-67, an Act to amend the Parole Act and the Penitentiary Act, be read the third time and passed.

Mr. Nunziata: Mr. Speaker, I rise on a point or order. I understand the Hon. Member for Broadview—Greenwood (Ms. McDonald) intends to speak to this piece of legislation but she has a very important and pressing engagement this evening. I would be pleased to set aside my opportunity, allowing the Hon. Member for Broadview—Greenwood to make her submissions. I will then continue with my remarks if I have the unanimous consent of the House.

Mr. Towers: Mr. Speaker, I rise on the same point of order. In that the Hon. Member spoke for three hours the other night, I would think possibly he would agree to the passage of this Bill this evening if we agree to the Hon. Member having the floor. I think we require the permission of the Hon. Member to have third reading this evening.

Mr. Deputy Speaker: If I understand correctly, the Hon. Member for York South—Weston (Mr. Nunziata) is agreeable to giving the floor to the Hon. Member for Broadview—Greenwood (Ms. McDonald) realizing that to be recognized again he will need the unanimous consent of the House.

Mr. Nunziata: Mr. Speaker, I would like to reserve the right.

Mr. Deputy Speaker: Do I understand that the Member wishes unanimous consent now to have the floor after the Hon. Member for Broadview—Greenwood has spoken?

Mr. Nunziata: Yes, Mr. Speaker.

Mr. Towers: Mr. Speaker, that violates the rules of the House of Commons. I have always considered myself to be a fair person. The Hon. Member for York South—Weston (Mr. Nunziata) spoke for three hours the other night. Therefore, I think it is only fair that he can have the floor after the Hon. Member for Broadview—Greenwood (Ms. McDonald) has spoken provided the Bill has third reading this evening.

Mr. Gauthier: Mr. Speaker, I do not think that argument stands. Members here are free to speak and this is the place to speak. Whether the Member spoke for three hours or did not speak is irrelevant to this discussion. The Hon. Member for Broadview—Greenwood has an important engagement. The Hon. Member for York South—Weston (Mr. Nunziata) out of generosity proposes to step aside allowing the Hon. Member for Broadview—Greenwood to make her speech. He will then resume his remarks. I cannot see any difficulty with that, Mr. Speaker.

Mr. Lewis: Mr. Speaker, I think after consideration of the matter that the suggestion made by the Hon. Member for York South—Weston (Mr. Nunziata) makes sense. I think you would find a disposition for the Hon. Member to give precedence to the Hon. Member for Broadview—Greenwood (Ms. McDonald) to speak first. At such time as she has completed making her contribution to the Bill we would be prepared to return to the Hon. Member for York South—

Weston. I think if you seek unanimous consent, Mr. Speaker, you will find it is there.

Mr. Deputy Speaker: Is there unanimous consent for the Hon. Member for York South—Weston (Mr. Nunziata) to yield the floor to the Hon. Member for Broadview—Greenwood (Ms. McDonald) following which the Hon. Member for York South—Weston will be recognized?

Some Hon. Members: Agreed.

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I would like to thank Hon. Members opposite and the Hon. Member for York South—Weston (Mr. Nunziata) for giving me an opportunity to speak on this important subject of gating. I want to begin in a more general way by looking at how we Canadians have the problem with which we are faced. We have to look at the question of gating within the context of security we seek for society.

People often forget that in Canada we are extremely fortunate because we do not have a high crime rate and we do not have a high rate of violent crime. We do, however, have a very high rate of punishment. We send a large number of people to prison compared to other countries, far more than western European countries and we send them to prison for very long periods of time. Part of this, I suspect, is the influence of television. Canadians think we have far more of a crime problem than we actually do and think we have far more violent crime than we actually do. People see so much in fictitious situations on television which is largely American television. It is perhaps an exaggeration for American society but it is even more of an exaggeration for our society. We have this context of fear with which people approach the subject.

We have people saying we need these new tough measures. They are not new tough measures. They are very old measures, measures of repression that we have got away from and instituted a rule of law which is better. Yet people think we need these extremely severe measures to deal with our crime problem, exaggerating the nature of that crime problem and the extent of violence in our own society. A number of extremely important organizations and experts on the subject have intervened and have given us the benefit of their advice. I would like to begin with the Canadian Association of Elizabeth Fry Societies.

The Elizabeth Fry Society is well known for its work in the field of dealing with prisoners and for making recommendations to Government as to the design of a safe system for society and a humane system, one that achieves a reasonable balance. I happen to be a member of the Canadian Elizabeth Fry Society. I cannot say I am an active member but I support its work whole-heartedly. I want to quote from the brief it prepared to intervene on Bill C-67. It is strongly opposed to these measures:

"The measures proposed in Bill C-67 to protect society, however, are far too sweeping, offend principles of fundamental justice, and provide no assurance that violence will be reduced. The measures do not address the roots of the problem of violence but rather, at best, are likely to more than delay future violence by a few prisoners, while unreasonably unjustly extending the loss of liberty of many.

That is a fundamental criticism of this Bill. It will result in some people remaining in prison for a longer period of time. However, not indefinitely. Let us not be under any illusion that this will lock up dangerous people, that the key will be turned and they will never get out again. Most prisoners are eventually released into society. This means people will be released after many years, not necessarily in any more fit state to be returned to society and not necessarily prisoners who might cause further violence.

There are no assurances this Bill will make any one Canadian any safer than we are without this legislation.

Let me turn to another criticism voiced by the Elizabeth Fry Societies:

Bill C-67 would give new powers to the Parole Board to place a detention order on certain prisoners until warrant expiry, or until the order is lifted. These powers will effectively change the role of the Parole Board to a detaining body, which we normally leave to courts which ensure due process, from that of a releasing body.

That is one of the fundamental objections which the NDP has to this Bill. It is giving powers to the Parole Board that ought properly to be exercised by a court of law with all of the protections for the accused in a court of law, a procedure that we have developed over the years. The next criticism reads:

The fact that the Parole Board would be able to use this detaining power in relation to anticipated rather than actual behaviour, based on criteria contained in Regulations which are themselves broad and which can be amended without parliamentary scrutiny, make the provision particularly offensive to existing traditions of due process within the Canadian criminal justice system. It is likely that the new provision will also be found to contravene Section 7 of the Charter of Rights and Freedoms.

That is a very serious objection that has been raised, the possibility that the courts of our country, up to the Supreme Court of Canada, would find this legislation to be contrary to the Charter of Rights. There is a substantial reason for them so doing. The Canadian Association of Elizabeth Fry Societies is supportive in principle of the proposal that all prisoners be reviewed for conditional release by the date of day parole eligibility, as a way of accelerating the release of prisoners who do not pose a threat to society. I heartily endorse that recommendation as well. We are sending too many people to prison, people who are not risks to Canadian society. We keep them there at enormous expense. We do not provide more security for Canadians, but it costs taxpayers a great deal of money. The association's recommendation is a very eminently sensible one.

• (1910)

Also the Canadian Association of Elizabeth Fry Societies has a number of objections to the proposed detention order. They relate to the arbitrary, illogical, and broad list of schedule offences to be used to identify prisoners who will automatically be considered for a detention order. The list is broad, and that is reason for the objection. Also they relate to the power to extend loss of liberty on the basis of a belief about future behaviour, predictions about which are not much better

than guesswork, rather than a court adjudicated criminal conviction.

This is one of the most serious objections to the legislation. This would mean people would spend time in prison, not on the basis of what they have done, which we agree is grounds for detaining people, but on the basis of a guess in terms of what they might do in the future. This is fundamentally contrary to our criminal justice system which has evolved over the years. That system includes a protection against this kind of abuse of power. This is a backward step. It is returning to abuses which we like to think we got away from.

Another objection relates to the absence of due process in the manner in which the review and decision will be made, such as lack of prior full disclosure of information to the prisoners, and inclusion of substantive matters in regulation rather than in law. Clearly there will not be full disclosure to prisoners. Of course there is a possibility that they will be detained on matters which are not subject to parliamentary scrutiny and can be changed without Parliament having anything to say about it. In fact they are very broad and very vague. This is entirely contrary to our notions of justice. People should be in prison only if they have violated a specific offence. Another specific objection relates to the erosion of the earned remission program and the principles upon which it is based.

What has happened is that we have very long sentences in Canada. In fact, they are becoming longer. One of the reasons sentences are so long is the provision for earned remission called "good time off". Judges know that there is a possibility or a very likely probability that a prisoner will get this time off or a good proportion of it. Of course it is a carrot to the prisoner to be well behaved in prison because of the fear of loss of this good time. It is clearly an incentive to good behaviour. Judges know that prisoners will likely be getting out a substantial period before the end of the sentence ordered. As a result they make the sentence longer, expecting that a normal prisoner will have earned at least a substantial amount of that time off, if not all of it. Therefore, penalties are adjusted accordingly.

We have had this process, and we have seen sentences becoming longer. Here we have a provision which will keep people in prison for the period judges expected they would otherwise be out and gave them a longer sentence than would have been considered appropriate under the circumstances of the case.

Also the Canadian Association of Elizabeth Fry Societies opposed the "one-chance" mandatory supervision provision whereby revoked prisoners who were originally convicted of a schedule offence, or one of the listed offences, would not be released again until the expiry of their warrant, thus losing existing and future remission. This means that these people will not have an incentive to good behaviour in that period. It also means making an extremely important decision at one point in time when the person might change subsequently. I think it suggests something very nasty about human nature. It suggests that we cannot have hope that people will change or reform. Surely our society is based upon an understanding that people change and grow. That possibility should be allowed for. Instead what we have is the "one-chance" provision. If that chance is missed, no matter how much a person changes nor what experiences the person may have, he or she has missed it. It seems as if that is extremely arbitrary and reflects a very nasty understanding of human nature.

According to the Canadian Association of Elizabeth Fry Societies, this appears to be a further sweeping, arbitrary, unfair measure, particularly given that it would be applied against prisoners revoked whether for the commission of a criminal offence or for a technical reason. We must understand that persons could lose their time under mandatory supervision, not because they committed a crime but because they violated some rule. This is blatantly unjust and cannot be supported, given the wide range of behaviour which could be involved. It could be a fairly trivial matter which caused the breach. It need not have been a serious matter.

Mandatory supervision has become a scapegoat for the crime problem in Canada. By focusing on an ever-restrictive mandatory supervision program, we continue to avoid the key questions which must be addressed if violent or dangerous crime is to be effectively combated. Human and financial resources must be directed toward relieving those conditions which create or contribute to the development of violent or dangerous people. That is the only way in which we will achieve any kind of security in society. It is not by longer and longer sentences for people who will eventually be released when their sentences come up. Very few people actually die of old age in prison; most people are eventually released. The way in which to achieve security is to attack violent and dangerous behaviour. For example, we have the need for stronger measures to deal with pornography and the need to get at the root of conditions which encourage violent behaviour.

These are the constructive things we can do. We are not helpless in the face of violent crime. There are many things which Parliament can do. There are many things which we as a society can do. However, they must be constructive things which get to the heart of the problem. We should not simply fool around with it to give an impression to the public that we care about security and that we are trying to do something in that regard, when in fact we are not, when in fact we will just build more prisons and lock up more people for longer periods of time. That will not solve the problem.

As well, the Canadian Association of Elizabeth Fry Societies called for the abolition of mandatory supervision in the past because it believed that it undermined the purpose of earned remission and because supervision could only be effective if it was voluntary. It does not support this type of piecemeal, arbitrary demolition. The association wants a better system, not the backward step which the Bill before us proposes.

Over all we would hope that Parliament would not proceed with this legislative package because it cannot be expected to provide a genuine increase in the long-term safety of Canadian

society and will only exacerbate the misconceptions and problems which it purports to address. That is what is so very fundamentally wrong with the piece of legislation before us.

I have quoted fairly extensively from the excellent brief of the Canadian Association of Elizabeth Fry Societies. I should like to add that the John Howard Society also made quite important and quite useful submissions on the same matter. The board of the John Howard Society of Kingston felt that it was important to offer its support to the accelerated release of low-risk inmates. It certainly felt that Canada incarcerated far too many people and for far too long. It also indicated that removing people from the community did little to improve their ability to function in the community. It supported efforts to provide real alternatives to incarceration.

This is what the people who know the most about the subject are telling us. They are telling us not to move in that direction. They are telling us to empty prisons of low-risk people and non-violent offenders. Also they are telling us to attack the real roots of the problem. Many experts have made the statement that these measures will not protect society. Underlying these measures is the presumption that we can predict who is likely to be dangerous. However, social science research and the experiences of the National Parole Board to date indicate that the ability to predict dangerousness is non-existent. I am afraid that is all too true. Hundreds and hundreds of studies have shown that psychiatrists cannot predict, judges cannot predict, and Parole Boards cannot predict. I might add that a person's conduct in an institution is not an indication of what he will do after release. We have people who violate the rules and lose their good time, but that is not an indication they are bad risks afterwards. Conditions inside a prison and outside are very different. We set up the system using criteria from inside a prison to prevent people who are not necessarily the worst risks at all from getting out. We do not know who the worst risks are. I think it is fraudulent for Parliament to pass a Bill purporting to say that we will keep the high risk persons in prison, have experts decide whether or not they should be released, and as a result provide security. Experts cannot make those predictions. Psychologists have been trying for more than 100 years to make these kind of predictions and have not been able to do it successfully.

• (1920)

It is also important to ask ourselves whether keeping a "dangerous person" in prison until his warrant expiry date will even begin to deal with the problem of crime and violence. In the time between mandatory supervision and the warrant expiry date will that person become any less dangerous, whatever that means? What we can say for certain is that we will keep people in jail for longer periods of time, and that will contribute to the overcrowding problem and create further hostile feelings among the prisoners about the system. Clearly that is not what we want. We have overcrowded prisons already. The staff who have to deal with them already have enough problems on their hands. This is just another problem because it removes one of the incentives to good behaviour. Neither will it provide us with any security afterwards. The John Howard Society suggests it will likely increase violence in prisons. It suggests that we look at the history of mandatory supervision and remission. Prior to 1971 there was no mandatory supervision. Prisoners were released as a result of remission with no form of supervision. Remission has been a part of the system for nearly 100 years. It has been a method of giving an incentive to people to behave in prison. It has served that function. Here we risk losing that.

The Canadian Council on Social Development has made interventions. Its proposals are constructive. It cares about the security of Canadians. It comes up with a list of recommendations for action, projects in the family, the community and the school. It wants to see implementation of family violence intervention programs, improved child care services, respitory care programs for single parents when they are not available, special programs to counteract the negative effects of family violence, positive parenting programs, community programs. All kinds of methods are at our disposal which will reduce the root causes of violence. They will work positively towards creating a more secure society.

In conclusion I simply want to say that this legislation is a fraud. It cannot do what it purports to do. It is falsely based and we have to go back to square one. We have to go back to positive measures to deal with violence and we should not be offering this illusion that more prisons and keeping people in them longer will provide anyone with any greater measure of security.

Mr. John Nunziata (York South—Weston): Mr. Speaker, I am very pleased to continue my submissions on Bill C-67. I would first like to thank the Hon. Member for Broadview—Greenwood (Ms. McDonald) for her submissions. I listened very carefully to what she had to say and I must admit that I concur almost completely.

I would like to comment briefly on the history of this Bill and how the Government is dealing with it. Here we are at 7.25 p.m. on the day before the House adjourns for the summer. We have been sitting around on this legislation for over a year. I spoke on it last Wednesday evening. One would have thought, given the pronouncements of the Solicitor General (Mr. Beatty) over the last year, that he would bring this Bill back for debate the following day. When he spoke on Wednesday evening he indicated it was an important piece of legislation and that it was absolutely essential that it be passed as quickly as possible. Why then did he not bring it back on Thursday morning? The Government decided instead to go to other legislation, notwithstanding the pronouncements regarding the importance of this legislation.

The Bill deals with the concept of mandatory supervision. The guts of the Bill concern giving authority to the National Parole Board to decide whether or not an inmate should remain incarcerated until his or her warrant expiry. I indicated last Wednesday that the Official Opposition is generally supportive of the thrust of the legislation. In fact, the previous

Liberal Government introduced a Bill similar in nature. However, we do have a number of concerns, the major one being who should have the discretion to decide whether or not a detention order should be issued concerning a particular inmate. Under the present legislation, an inmate, after serving two-thirds of his or her sentence, is entitled to be released if he or she has been of good behaviour. Inmates can also be released on day parole after serving one-sixth of their sentence. The inmate would be released in the morning and return to the institution at night. The National Parole Board must conclude that the inmate is not a threat to society and that he or she is deserving of release on a daily basis.

• (1930)

An inmate is also entitled to apply for full parole after serving one-third of his or her sentence, and the same considerations apply when the National Parole Board is deciding whether or not to release an inmate after he has served one-third of his or her sentence.

There are those who are incarcerated in penitentiaries who are not released on day parole and who are not released on full parole, at least at the earliest eligibility date. There are those who are refused parole at first instance, but at some subsequent time re-apply for parole and are granted parole. There are those, however, who are not granted parole at all. These are inmates who, the National Parole Board decides, are a threat to society, or who have not conducted themselves in an appropriate fashion while incarcerated. They are forced, under the present legislation, to serve two-thirds of their sentence. After serving two-thirds of their sentence the inmate is released on condition. There are conditions attached to mandatory supervision, such as that the inmate might be required to remain in a particular community, or might not be permitted to associate with certain individuals or groups of individuals. The inmate might be required to report to the police or some other correctional authority on a weekly or daily basis.

It is important to note that under mandatory supervision once an inmate is released after serving two-thirds of the sentence there is a period of supervision. There is a period within which the authorities can exercise some form of control over the inmate. It is important that there be a period of time within which the necessary authorities can try to assist the inmate in rehabilitating himself or herself to assist the inmate in trying, once again, to lead a law-abiding life.

You can understand how important it is that there be a period of supervision, especially when an inmate has served a lengthy period of time. Let us take for example an inmate who has served 12 years in a penitentiary, who has been refused day parole, who has been refused full parole, and who is released on mandatory supervision. For 12 years this particular individual has been behind bars, has not had the opportunity to carry on a life that is law abiding, does not have the opportunity to do day-to-day things that we often take for granted. These might include such things as going to the corner grocery store and purchasing some goods or groceries and making change, for example. If you serve 12 years in a federal penitentiary, it is a different world out there when you go out and try to assimilate back into society.

Mandatory supervision is a way of trying to assist individuals, of keeping an eye on inmates who are released by way of conditions. This particular concept of mandatory supervision was introduced in 1970. Now we have had 16 years of experience with regard to mandatory supervision, and while the whole concept is well intentioned and was considered to be a tremendous step in the right direction in terms of correctional philosophy and practices, we have found over the last 16 years that there are, indeed, problems associated with regard to mandatory supervision.

Many of the problems are perceived. Society generally is concerned about the release of inmates, and there have been a number of celebrated cases which have received considerable publicity, causing the public to call into question the area of mandatory supervision. Not only did the public question mandatory supervision, but they also started to question parole, not necessarily understanding the distinction between the release of inmates on mandatory supervision and the release of inmates on parole.

So, in effect, any of the shortcomings associated with mandatory supervision in a certain respect tainted the otherwise more successful parole system that exists in Canada.

We have had a number of cases over the last number of years that have caused considerable concern in the community. The Clifford Olson case, if I am correct, was one such case where the individual was released on mandatory supervision. There was a case about a year and a half ago where an individual, after serving a lengthy period of time in a federal penitentiary, was released on mandatory supervision and while out in society on mandatory supervision that particular individual committed a number of other murders. There was a great deal of concern in the community, so it was felt that the concept of mandatory supervision, as we know it, had to be amended in order to give the authorities—and I use that term loosely—more discretion to decide whether or not an inmate should be released.

Last Wednesday I referred to a discussion paper entitled "Mandatory Supervision", which was a report of the committee on mandatory supervision dated March 9, 1981. The Solicitor General of the time decided that it was important for his Department to study the whole concept of mandatory supervision.

It is a rather extensive report, and I commend it to Hon. Members opposite who have an interest in this whole area. I notice there are a number of Members opposite who are keenly interested in this particular debate. I know that at committee a great number of Members expressed an interest in this particular area. It begins with an introduction and a summary of mandatory supervision. It goes into the terms of reference which initiated this particular study. It speaks generally of the

study itself. It reaches certain conclusions to which I would like to refer a little later on. The report was published under the authority of the Hon. Bob Kaplan, former Solicitor General of Canada. The authors also looked into the history and objectives of mandatory supervision. They looked at the origins of mandatory supervision, the implementation of mandatory supervision, and the history of the legislative changes over the last 30 or 40 years or so. They made an in depth examination of the objectives of the MS program. They also compiled a number of statistics, which are very essential in considering this whole area. I would like to refer to those statistics, if I might, at this point in time.

They compared the difference between mandatory supervision and parole over a five-year period, in January of 1975 to December, 1979. At page 18 of this particular report they indicate the number of parole and mandatory supervision releases in 1973, 1974 and 1975.

• (1940)

The House will recall that last Wednesday the Solicitor General introduced third reading of Bill C-67. He indicated at the time that this particular legislation with regard to detention orders would only apply to a handful of inmates in federal penitentiaries. I believe the figure he used was approximately 100.

In order to keep the discussion in context, I think it is important to understand that we are only dealing here with approximately 100 individuals on an annual basis.

In 1973, there were 1,780 inmates who were released on mandatory supervision. In 1974, that number went up to 2,382, and in 1975, to 2,431. It is important to compare the number of releases on mandatory supervision with the number of releases on parole, and we are speaking of full parole. As I indicated, in 1973, there were 1,780 inmates released on mandatory supervision, compared with 1,191 who were released on parole. The comparative figures for 1974 are 2,382 released on mandatory supervision, and 1,359 released on parole. In 1975, 2,431 inmates were released on mandatory supervision, compared with 1,264 who were released on parole.

This tells us a number of things but, unfortunately, we do not have up to date statistics with regard to this particular matter. First, in that three year period, the number of inmates released on mandatory supervision increased on an annual basis from 1,780 to 2,382 to 2,431. On the other hand, the number of those released on full parole went up from 1,191 to 1,359, and back down to 1,264. Obviously, fewer inmates are released on full parole than are released on mandatory supervision.

Let us return to the figures for 1973. There were 1,780 released, of when 234 inmates had their mandatory supervision revoked without committing a new offence. In other words, they somehow breached a condition of mandatory supervision and for that reason 234 of the 1,780 were brought back into penitentiary because of a revocation without committing a new offence. That amounts to 13.1 per cent who were brought back.

Of the 1,780 inmates released, 445 of those inmates, or 25 per cent, had their mandatory supervision revoked with a new offence. This means that while free on mandatory supervision, they committed a new offence contrary to the Criminal Code of Canada and were reincarcerated.

Of the 1,780 who were released in 1973, exactly 1,100 inmates, or 61.8 per cent, completed their mandatory supervision successfully. In 1973, a full 61.8 per cent completed the supervision period successfully and up until the time of the warrant expiry.

Let us examine the figures for 1974. There were 251 inmates who had their mandatory supervision revoked for breaching conditions that were attached to mandatory supervision. That represents 10.5 per cent. Six hundred and sixteen, or 25.9 per cent had their mandatory supervision revoked because of the commission of a new offence. There were 1,506 of the 2,382 who successfully completed their supervision.

In 1975, of the 2,431 inmates who were released on mandatory supervision, 329, or 13.5 per cent, had their mandatory supervision revoked without committing a new offence. Six hundred and twenty-three, or 25.6 per cent, had their mandatory supervision revoked for committing a new offence. One thousand four hundred and seventy-seven inmates, or 60.8 per cent, successfully completed their period of supervision.

It is interesting to note from these very limited statistics that over the course of this three year period, the figure with respect to those who successfully completed their period of mandatory supervision remained somewhat constant—from 61.8 per cent, to 63.2 per cent, to 60.8 per cent. I suggest that if we had more complete statistics, that particular experience would have continued since 1975, over the course of the last 11 years. There will always be about 60 per cent to 65 per cent of inmates who are released on mandatory supervision who successfully complete their period of supervision.

Mr. Prud'homme: That will save us a lot of money.

Mr. Nunziata: My colleague, the Hon. Member for Saint-Denis (Mr. Prud'homme), points out that that must save a lot of money. He is quite correct and perhaps I can divert from this subject for a moment to speak about the costs involved in incarcerating individuals in federal penitentiaries.

As all Hon. Members are aware, it costs in excess of $40,000 to incarcerate a federal inmate on an annual basis. That figure is increasing every year for each individual who is in a federal penitentiary.

The House will know that there are approximately 11,000 inmates in federal penitentiaries across Canada. That does not include those individuals who are incarcerated in provincial institutions for which, of course, the costs for incarceration are similar.

As I pointed out the other day, those individuals who commit criminal offences and are sentenced to a period of incarceration in excess of two years are sentenced to serve their time in federal penitentiaries, while those individuals who are given a sentence of less than two years serve their time in provincial institutions. Regardless of where an inmate serves his or her period of incarceration, there is a tremendous cost to society. Not only does it cost $40,000 to incarcerate an individual in a federal penitentiary, I am advised that it also costs in excess of $100,000 to build one new prison cell. Furthermore, that does not include costs of support services associated with running federal penitentiaries.

• (1950)

As Your Honour knows, a number of months ago the Nielsen task force made a number of recommendations regarding various federal Government programs. The task force examined close to 1,000 different federal programs. One area studied in particular was that of prisons and reformatories. The task force recommended and concluded that there should be a moratorium on all future construction of prisons in Canada and that there should in fact be a concerted effort on behalf of the federal Government to try to reduce the prison population. I would like to make some further submissions on that matter later.

The bottom line, to answer my friend, the Hon. Member for Saint-Denis, is that it is extremely costly to keep inmates incarcerated and to run federal and provincial institutions in Canada so, where possible, it is important to try to reduce the prison population, not only to reduce costs to the taxpayers of Canada, but to assist in trying to rehabilitate certain people who are sentenced to federal prisons.

It is quite clear, given the over-abundance of evidence, that Canada has a higher rate of incarceration than most western democracies; but, as I pointed out when I was last speaking to this legislation, Canada also has one of the safest societies anywhere in the world. I suppose there will be those who argue that if the cost of a safe society is a higher rate of incarceration, then it is a cost that we should bear as taxpayers and as a society. However, I would submit that just because we incarcerate more individuals in Canada does not necessarily mean that the crime rate will drop.

I would like to return for a moment to the discussion paper and the statistics with regard to the release of individuals on mandatory supervision. It is important to compare the statistics of those released on mandatory supervision and those released on full parole. I was indicating that while approximately 60 per cent to 65 per cent of inmates released on mandatory supervision successfully complete their periods of supervision, we should compare that percentage with those on parole. You might ask, Mr. Speaker, and it would be a good question, "What is the percentage of individuals who are released on full parole who successfully complete their period of parole?"

I notice that the Minister of National Health and Welfare (Mr. Epp) has been listening very attentively to my submissions. I believe he was also here the other night to listen to my submissions. I am sure he would be interested to know that in 1973, 68.5 per cent of those inmates released on full parole successfully completed their period of parole. In other words, while out on parole, their parole was not revoked, either for committing a new offence or for breaching a condition of release. In the same period, 61.8 per cent or 62 per cent of those on mandatory supervision successfully completed their period of supervision. So, the difference is not that great, mandatory supervision versus parole.

Let me make my case a little stronger and let me delve a little deeper into these statistics which are extremely enlightening, I found. Once again, I commend them to Hon. Members opposite. In 1974, of the 1,359 inmates released on full parole, the parole of 9.2 per cent was revoked for a breach of condition. The parole of 16.5 per cent was revoked after committing a new offence, and 69.6 per cent successfully completed their period of parole.

For 1975, the statistics are similar in nature. The parole of 11.1 per cent was revoked without a new offence having been committed. The parole of 14.3 per cent was revoked after a new offence having been committed, and 65.6 per cent successfully completed their period of parole.

What do these statistics tell? They tell a number of things. First, with respect to the number of people who successfully complete mandatory supervision, the figure is constant. With regard to those who successfully complete parole, once again, the figures are somewhat constant. However, what is important is that the figures for full parole are not that different from the figures for mandatory supervision. So, then, why do people argue, for example, that parole is far more successful than mandatory supervision if there is a similar percentage of those who are released on parole or mandatory supervision and successfully complete their period?

Some astute Hon. Members opposite might point out, if they took the time to study these statistics, that those who are released on mandatory supervision, of course, are not under supervision for as long a period of time as those who are released on parole. It only makes sense that they are not, because those who are released on mandatory supervision serve, at the very most, one-third of their sentence in the community, because they have been refused parole up until the two-thirds mark of their sentence. As well, there are many who are released on parole who serve a full two-thirds out in the community, having served only one-third of their sentence in the institution. Therefore, it could be argued that it is more difficult to successfully complete parole than it is to successfully complete mandatory supervision. However, before so arguing, it would be important to study some other important statistics that I believe tell the tale. If Hon. Members opposite want to turn to page 19 of the discussion paper, and perhaps I can just hold on a moment until all Hon. Members opposite turn to page 19—

Mr. Prud'homme: I'm sure the Minister will.

Mr. Nunziata: I think it is important that they refer to page 19 as I am referring to the statistics. I notice that the Minister of Justice (Mr. Crosbie) is referring to page 19 of *The Toronto Star*.

Mr. Crosbie: *The Halifax Herald*.

Mr. Nunziata: I am asking him to turn to page 19 of the discussion paper regarding mandatory supervision. Obviously, page 19 of *The Toronto Star* is more interesting to the Minister than this particular legislation; and, as he is the Minister of Justice, if I can divert for a moment, he should take a very keen interest in this legislation rather than reading *The Toronto Star*.?

• (2000)

We all know that *The Toronto Star* is an extremely important publication of the Conservative Party. We appreciate the journalistic abilities of those who write for that paper. Notwithstanding the fine quality of that particular newspaper, which has the largest circulation of any newspaper in Canada, tonight is the night to focus on Bill C-67. If the Minister of Justice does not have a copy of the discussion paper from which I am reading, then perhaps a page could pick up a copy and deliver it to the Minister. If the Minister of Justice would like me to suspend my remarks until he is in receipt of a copy of the discussion paper, then I would be pleased to comply.

An Hon. Member: Go ahead, sit down.

Mr. Nunziata: Obviously, the Minister of Justice is not interested. However, I notice that all the Liberal Members in the House—

Mr. Forrestall: All three of them!

Mr. Nunziata: —are referring to it. I commend it to my colleagues for a thorough discussion with regard to this particular legislation. I note that the Hon. Member for Mount Royal (Mrs. Finestone), who is sitting by my side, is taking notes with regard to this legislation. She is doing that because she would like to explain to her constituents who had the good sense to elect her the ramifications of Bill C-67 when she returns to her constituency this summer. I would like to take this opportunity to thank the Hon. Member for her support.

I would now like to return to the discussion paper. I refer Hon. Members to page 9, in particular the table numbered five. It is a table which sets out offences committed by federal inmates while on mandatory supervision and on parole. It refers to those released from January, 1975, to December, 1979, and readmitted with a new conviction as of June, 1980. To compile this information, the researchers looked at all the individuals who were released on mandatory supervision and those who were released on parole between Janaury, 1975 and December, 1979. They put together a chart to illustrate the reasons for these particular inmates being readmitted. It is important to note that we are dealing only with those readmitted after having committed a new offence.

The Hon. Member for Mount Royal asks me if I am talking about recidivism. That is precisely to what this chart refers. It refers to those who are recidivists, those who have committed a crime after having served a period of incarceration in an institution. These are very important statistics. The table sets out offence types. With respect to crimes against the person, nine individuals after having been released on parole committed murder. This is compared to 31 who committed murder after having been released on mandatory supervision. Looking at these statistics, one could almost conclude that parole is far more successful than mandatory supervision. The Parole Board can say: "We were right and we are right. We can predict violent behaviour because only nine of those individuals released on parole committed murder while 31 released on mandatory supervision committed murder".

We cannot simply rely on the straight numbers. In this case it is important to look at the percentage of the total. As I indicated earlier, we know that fewer individuals are released on parole than are released on mandatory supervision. The nine murders represent 1.3 per cent of the total of inmates released on parole while the 31 murders represent 1.2 per cent of the inmates released on mandatory supervision.

Mr. Forrestall: I wish you would make the point you are trying to make.

Mrs. Finestone: Why don't you listen!

Mr. Forrestall: I am listening and I have read it.

Mr. Nunziata: The Hon. Member for Dartmouth—Halifax East (Mr. Forrestall) asks what is the point I am trying to make.

Mr. Forrestall: You are trying to waste time, that is what you are doing.

Mr. Nunziata: I would ask the Hon. Member to be patient. I would ask him to give me an opportunity to develop my argument.

Mr. Forrestall: I am sitting here patiently waiting for it.

Mr. Nunziata: The Hon. Member should continue to sit. He should continue to be patient. He will be rewarded for his patience. As my mother often tells me: "You will be rewarded if you are patient. Your time will come. Patience, my son".

Let us now turn to the subject of manslaughter. Of those released on mandatory supervision, some 21 committed manslaughter, or .8 per cent. Of those released on parole some nine committed murder, or 1.3 per cent. Between the two numbers there is a difference of .5 per cent. If we combine the figures for murder and manslaughter, we will find that 18 individuals who were released on parole committed a form of homicide, either murder or manslaughter. Some 52 homicides

were committed by individuals released on mandatory supervision.

I would just like to go down the list with regard to the other offences against the person and try to compare those statistics with regard to those released on parole and those released on mandatory supervision. There were no convictions for attempted murder for those released on parole. However, there were 11 convictions for those released on mandatory supervision, or .4 per cent. There were 10 convictions for rape for those released on parole and 25 for those released on mandatory supervision. There were four sexual assaults in the first category versus 23 in the second. There were 17 other forms of assault in the first category versus 153 in the other. There were six kidnappings versus 15. There were 127 robberies committed by those on parole and 394 committed by those on mandatory supervision.

With regard to convictions for robbery, of those released on parole that figure represents 18 per cent of the total whereas only 15 per cent of the total inmates released on mandatory supervision committed robbery. In fact, more individuals released on parole were convicted of robbery than individuals released on mandatory supervision.

• (2010)

The statistics are similar with regard to crimes against property. There were 192 convictions of break and enter of those out on parole versus 737 of those out on mandatory supervision. Even though the figure is higher, it only represents 28 per cent versus 27 per cent.

The bottom line of this particular chart is that there is not that much difference on a percentage basis between crimes committed by those released on mandatory supervision and crimes committed by those released on parole. However, the absolute numbers are important.

Among those released on mandatory supervision, there were 52 homicides. The question we must then ask is if Bill C-67 was in effect between 1975 and December 1979, could we have saved any of those 52 lives? I suspect that we could have. If the authorities had the discretion to keep incarcerated inmates that were believed to continue to pose a threat to society, those inmates who committed the 52 homicides might not have had the opportunity to do so. Perhaps they would have remained incarcerated. Sooner or later, however, those inmates who committed those crimes would have to be released even if this legislation were in effect. That particular fact seems to have escaped the Solicitor General.

When the Solicitor General made his submissions on this Bill, he seemed to suggest that the Bill would somehow ensure the protection of society from those inmates who would be released and would commit more crimes. At no point in time did the Solicitor General express a concern or opinion with respect to what would happen to those individuals after they were released. There was not even a recognition of the fact that sooner or later, these inmates would have to be released into society.

If we are to keep inmates incarcerated to warrant expiry, until they have served their complete sentences, do we not think that these particular inmates will be that much angrier with society and that much more vindictive? What guarantees do we have that society will be safer just because these inmates were kept incarcerated for a longer period of time? The unfortunate reality is that we cannot provide that guarantee. However, I suppose the guarantee we as parliamentarians can provide is that at least for a further period of time, be it two years, five years or six years, a particular inmate will be kept incarcerated and will not have the opportunity to commit a new crime.

It seems to me that in many respects, we are simply prolonging the inevitable. Sooner or later, these inmates will be released into society. It seems to me that we as a society should concentrate our collective efforts on trying to rehabilitate those incarcerated in institutions to try to ensure that they do not become recidivists, commit another crime and be readmitted to institutions.

How do we rehabilitate these people? I feel that more effort could be spent on that. For hundreds of years, penologists have studied the treatment of offenders and the prevention of crime but they have not been able to eradicate crime from society. I would submit, though, that tremendous steps have been taken in the correctional area over the last 25 or 50 years and indeed, because of the efforts of society, the rate of recidivism has in fact been reduced.

As I indicated at second reading stage, in committee and on a number of occasions already, this legislation is a step in the right direction as far as the Opposition is concerned. I know that the New Democratic Party as represented by the Hon. Member for Burnaby (Mr. Robinson) opposes this legislation in a very definite way. In fact, I believe members of the New Democratic Party intend to vote against this legislation.

I would like to indicate why we believe this legislation is a step in the right direction. We recognize that there is a problem. We have seen the statistics and we have seen what happens when inmates are released on mandatory supervision. Our inevitable conclusion is that there is a problem and that problem must be addressed. The former Solicitor General, the Hon. Member for York Centre (Mr. Kaplan), recognized the problem a number of years ago and introduced legislation designed to deal with it.

It is clear that we simply cannot release into society inmates who pose a clear threat to society. We as Parliamentarians have an obligation to ensure that legislation is in place to somehow keep incarcerated those who pose a clear threat to society. I would submit, though, that those individuals are few in number and represent a small percentage of the total number of inmates in federal institutions.

• (2020)

The legislation gives the National Parole Board the power to order detention until warrant expiry of any inmate who meets the criteria set out in the legislation itself. As I indicated at some length on June 18, we in the Liberal Party believe very strongly that that power or discretion ought to be properly exercised by a court of law. We do not believe that the National Parole Board, given its collective wisdom, experience, and expertise in this particular area, should be in a position to deprive an individual of his or her liberty. We do not believe that the National Parole Board should do it because it is not a court of law. Only a court should deprive an individual of his or her liberty. We also believe that procedural safeguards exist when a court of law is making that determination. We can be assured that the process will in fact be followed if a court of law makes the decision.

We all know that the National Parole Board, during the course of the Conservative mandate, seems to have been rendered the happy hunting ground for Tory hacks, flacks, and Party supporters. The sister-in-law of the Secretary of State for Exernal Affairs (Mr. Clark) was appointed to the National Parole Board. Other prominent Conservatives have also been appointed to that board. I am not calling into question, at least not at this point in time, the abilities of the individuals who have been appointed to the National Parole Board. However, the fact remains that as far as the public is concerned, there might be a perception that it is pure and blatant patronage when individuals are appointed to the board.

Bill C-67 increases the number of people who can sit on the board. The point I am making is that although these people gain a considerable amount of expertise while sitting on the board, they should not be put in a position where they have to decide whether or not an inmate should be kept incarcerated.

As I indicated a few moments ago, the Bill will allow the National Parole Board to issue detention orders. It is true that the legislation provides that that particular order is reviewable after a year's time. Once again, an inmate can apply to be released after a year. Notwithstanding that the inmate is allowed a review after a year, we still firmly believe that it is a decision which ought to be made by the courts.

We have another concern with regard to the nature of the discretion. Criteria are established by the legislation and indeed are set out in it. The National Parole Board does not have a blanket, *carte blanche* discretion to decide which inmates should not be released on mandatory supervision. Certain criteria are enunciated in the legislation, and the National Parole Board, the deciding body, must refer to those criteria.

An inmate could be identified as posing a high risk to public safety if he or she meets the criteria set out in the Parole Act. The first criterion in the legislation refers to whether the current offence for which the offender was convicted resulted in serious personal harm such as loss of life or major physical or psychological damage. At first instance the National Parole Board must look at those inmates who are presently incarcerated and are about to be released on mandatory supervision. It will be specifically looking at those who were convicted of offences which resulted in serious personal harm such as loss of life or major physical or psychological damage. There is a Schedule attached to Bill C-67 which outlines the offences.

For example, if an inmate is serving time for committing manslaughter, the National Parole Board will decide whether or not a detention order should issue. Manslaughter is one of the offences listed in the Schedule attached to the Bill. I should like to point out very briefly the offences to which the National Parole Board must refer in order to determine which inmates should be kept incarcerated. It will look at all inmates convicted of causing injury with intent, a breach of Section 83 of the Criminal Code, the use of a firearm during the commission of an offence, pointing a firearm, a prison breach, manslaughter, attempted murder, assault causing bodily harm, overcoming resistence, assault, assault with a weapon, causing bodily harm, aggravated assault, unlawfully causing bodily harm, assaulting a police officer, sexual assault, sexual assault with a weapon, threats to a third party, aggravated sexual assault, kidnapping, robbery, arson—setting fire to another substance—setting fire by negligence, and conspiracy to commit murder.

If an inmate is serving a period of incarceration for having committed one of these crimes, then he or she satisfies the first criterion laid out in the legislation. Once those particular inmates are identified, the National Parole Board must decide whether reasonable grounds exist to conclude that the person is likely to commit, prior to the expiry of his or her sentence, a violent crime which will result in harm.

As I pointed out the last time we discussed this Bill, one cannot predict with any degree of certainty whether an individual is likely to commit a violent crime which will result in harm. That simply cannot be done. At committee the experts told us that it was near impossible to predict violent behaviour with any degree of certainty. That is not to suggest that we should not at least try. In order to ensure that society is protected, it is important for authorities, to the best of their ability, to predict or decide whether a person is likely to commit a violent crime that will result in harm. If an inmate is serving a person of incarceration for having committed a crime enumerated in the Schedule, and the National Parole Board decides that reasonable grounds exist to conclude that the person is likely to commit a crime, then a detention order will issue. This means that the inmate will not automatically be released on mandatory supervision.

There is a further provision in the Bill which caused us some concern. Of course we indicated our concerns at committee. With regard to the discretion given to the Commissioner of Corrections in the sense that even if an inmate does not meet the first criteria, that is the inmate has not been incarcerated for a crime that is enumerated in the Schedule, the Commissioner of Corrections, as long as he has reasonable grounds to believe an inmate is likely to commit, prior to the expirty of

sentence, a violent crime that will result in violent harm, he may refer the case to the Chairman of the National Parole Board for a detention hearing. This legislation is giving a lot of power to the Commissioner of Corrections. If someone is serving a period of incarceration for, let us say, a crime against property, break and enter, and there are reasonable grounds to believe—whatever that means, that is a pretty loose standard—as long as the Commissioner believes or has reasonable grounds to believe that an inmate might be violent if released, he may refer the case to the Chairman of the National Parole Board for a detention hearing.

• (2030)

We do not believe that the Commissioner of Corrections should have that discretion. We believe the criteria with regard to the type of crime an inmate has committed should be restricted to those inmates who are serving time for having committed crimes against the person. As you know, inmates who do not meet the criteria as I have indicated that are outlined in Clause 2 of the Bill, but are not judged to pose a high risk and are released on mandatory supervision, will not be entitled to a remission again if that first release is revoked by the Parole Board.

I spoke at some length on this issue last day. It is referred to as "one shot mandatory supervision". This provision in the Bill will effectively allow inmates only one chance for release. In other words, if the inmate is released and breaches a condition of mandatory supervision, then that inmate will not be able to earn remission after the inmate is reincarcerated.

I know the hour is late and Hon. Members are anxious to do whatever they plan to do after they leave the hallowed halls of Parliament. I have spoken at some length on Bill C-67, and so I now intend to conclude my remarks.

Some Hon. Members: Hear, hear!

Mr. Nunziata: I notice Hon. Members opposite are applauding. I know they are not applauding because I am about to conclude my remarks, they are applauding because of the content of my submissions. I know over the course of the last four hours that I have been able to convince Hon. Members opposite and, in particular, the Minister of National Health and Welfare that the legislation is imperfect. I know he has been on the phone to the Solicitor General, trying to persuade the Solicitor General to bring in a few amendments that will accommodate the concerns of Her Majesty's Loyal and Official Opposition, the concerns of the Elizabeth Fry and the John Howard Societies. One of my colleagues, the Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins) said that Members opposite are truly appreciative of my submissions. I would like to thank him.

Seriously speaking, Mr. Speaker, we do not intend to obstruct this legislation. We have not in any way obstructed the passage of it. We were anxious when this Bill was introduced in June, 1985 to deal with it. We expedited second reading debate. The legislation was referred to committee. The Official Opposition was very responsible and constructive at committee, suggesting some very worth-while points. We listened attentively to all the individuals and groups who appeared before the committee and we expedited passage through committee.

This Bill was reported out of committee over five months ago. The Government and the Solicitor General have sat on this legislation since that time. Then they have unmitigated audacity to tell the House of Commons, with a few precious hours remaining in this session of Parliament before the summer break that the legislation is important, urgent and ought to be passed immediately.

I would like to say through you to the Solicitor General and the Government opposite, Mr. Speaker, that the Official Opposition resents very much the way the Government is operating. The Government has had ample opportunity to bring this Bill forward over the last five months but has refused to do so. It then turned around and has attempted to blame the Opposition for delaying the legislation.

Be that as it may, the legislation is a step in the right direction. We intend to support it. Of course, we cannot give any guarantees as to what the Senate might do with this Bill. The Senate has expressed its opinion on a number of occasions by way of several reports that have been passed on to the House. The Senate will deal with the Bill when it is referred there.

I would like to thank you, Mr. Speaker, for giving me the opportunity to speak to this Bill. I know you have given me ample opportunity to speak to the very serious concerns of Bill C-67. I have tried during the course of my submissions to point out the flaws in the Bill. There are several. Groups and organizations have also pointed out the problems.

I note that my time is almost up because I have been given the signal by my Whip that it is time to conclude. I have tried to satisfy concerns on all sides of the House but it has not always been easy. I have appreciated the opportunity to speak and I look forward to speaking to Bill C-68, which I understand the Government will be introducing immediately following third reading of this Bill.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to, Bill read the third time and passed.

• (2040)

PAROLE ACT

MEASURE TO AMEND

Hon. John C. Crosbie (for the Solicitor General) moved that Bill C-68, an Act to amend the Parole Act, the Penitentiary Act, the Prisons and Reformatories Act and the Criminal Code be read the third time and passed.

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, it is not my intention to delay the passage of this Bill. In fact, we want to pass it very quickly this evening. I would, however, like to give this explanation.

Bill C-68 addresses concerns of a more technical nature than Bill C-67. It, nonetheless, contains important changes to the conditional release statutes which are long overdue. The last significant amendments to the Parole Act and the Prisons and Reformatories Act were made in 1977. Oversights were made at that time and concerns have arisen since which require amendments to clarify, consolidate and correct the statutes. The amendments in this Bill are intended to clarify the calculation and administration of sentences as well as to facilitate the operation of the National Parole Board, the Correctional Service of Canada and provincial correctional departments. I trust that the House will see fit to pass this Bill very quickly.

Mr. John Nunziata (York South—Weston): Mr. Speaker, I appreciate the opportunity to speak on Bill C-68. As the Parliamentary Secretary has pointed out, Bill C-68 is complementary to Bill C-67. It is technical in nature. It is an Act to amend the Parole Act, the Penitentiary Act, the Prisons and Reformatories Act and the Criminal Code. On behalf of Her Majesty's Loyal and Official Opposition I would like to indicate that the Liberal Party intends to fully support the Government with regard to Bill C-68. It is a companion Bill to Bill C-67 and we do not have any serious objections to it. Our legal experts have examined this Bill in minute detail. We believe that the Bill should be passed by Parliament as quickly as possible. Therefore, I do not intend to make any further submissions with regard to Bill C-68.

I would like to take this opportunity to recognize that my hon. colleague has arrived so I can sit down. At times it is like a hockey game. The coach tells the player to get on to the ice and drag the puck because we are leading. For the last hour my coach has been telling me to drag the puck. Blame it on J.R. Therefore, you will understand that I may not have been as coherent as I otherwise would have been. Given the opportunity, I can be very succinct in my remarks.

I would like to take this opportunity to thank my Whip who is, without question, the best Whip in the House. He is a friend and colleague and we all appreciate his efforts over the last 20 months. I would like to take this opportunity as well to wish each and every Member in the House a happy and safe summer holiday.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to and Bill read the third time and passed.

Mr. Lewis: Mr. Speaker, there have been discussions among the Parties. We have agreed that since we have now received third reading of Bills C-67 and C-68 we will proceed immediately to the Adjournment Debate. I think that you will find unanimous consent for that motion.

Mr. Gauthier: After meaningful deliberations on all sides of the House, we agree with that.

Mr. Althouse: Mr. Speaker, I would like to confirm that is my understanding of the agreement that was reached.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

FINANCE—TRANSFER OF FAMILY FARMS—TAX INQUIRY

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, during Question Period on May 27 I asked the Minister of Finance (Mr. Wilson) if he would consider amending the provisions of the Income Tax Act to make available the tax free intergenerational roll-over of farm land to those Canadians who have farmed almost all their lives but who, through illness or advancing age, are not now actively farming. I wish to utilize this opportunity to expand on the question because the legislation is complex and because there appears to be confusion between the definition of land qualifying for the lifetime $500,000 capital gains exemption and the definition of lands qualifying for the intergenerational roll-over.

The problem in each instance relates to the capital gains tax which was instituted in 1972 and has since been viewed with less than enthusiasm by the farm community. Farm land was valued as at valuation day, December 31, 1971, and carried this value as an adjusted cost base for calculation of future gains. It also happened that farm land values escalated very rapidly through the 1970s and, although values are now dropping owing to discouraging world commodity prices, there remains today the potential for considerable capital gain to arise in the event of some dispositions.

The outrage of the farm community to capital gain was sufficiently strong that modifications were made to the Act on several occasions. In 1973 provision was made for a tax free roll-over between parent and child so that in the traditional family farm situation the parent could elect to transfer title to his land to a child at the parents adjusted cost base without tax provided the land was, at the time of the transaction, being used by either parent or any child in the business of farming.

The requirement that the particular land be used in the business of farming at the time of the transaction has caused considerable problems. This requirement led to the widespread usage of custom work contracts. Through the custom work contracts the traditional lease situation was converted into a contractual arrangement on paper so that the elderly or retired owner of land was still able to satisfy Revenue Canada that he or she was using the land in the business of farming. This was done by demonstrating through the custom work contract that the owner still made certain management decisions relating to the land, held a current delivery permit book, received the proceeds of the crop, wrote cheques for various custom work operations and generally assumed some degree of risk.

Meanwhile, however, those unfortunate people who were unaware of the subtleties of the law and simply leased their land to neighbours, either for crop share or cash, and then in good faith proceeded to transfer their titles to their children, found themselves subject to capital gains tax. Land owners in similar circumstances who died were deemed to have disposed of their land at fair market value at the date of death and their estates were, in turn, subject to capital gains.

Certainly, Mr. Speaker, the enactment of the immediate $500,000 lifetime capital gains exemption for farmers was welcomed by all concerned with agriculture. The capital gains exemption is available to those who are either actively farming the particular land at the date of the deal or who have farmed that land for any five years. This is obviously quite a wide definition which accommodates those Canadians who may have farmed most of their lives but who are retired or inactive at the time of the disposition or who, on death, became subject to the deemed disposition provisions.

The problem today is that so much publicity and attention has been given to the lifetime capital gains exemption that many Canadians believe the intergenerational roll-over between parent and child is likewise to be available on the same conditions. That is, where land is being farmed by transferor at the date of the deal or for any five years during which the land was owned by him. In fact that is not so. The tax free roll-over is available only where either parent or a child is actively farming the land. If neither is involved, the roll-over does not apply even though the transferor may have farmed the particular land most or all of his life.

• (2050)

With respect, I believe the definition of land eligible for the intergenerational roll-over should be expanded so as to be the same as the definition of land qualifying for the lifetime capital gains exemption. This could be done by applying the definition of "qualifying farm property" prescribed under Section 110.6(1) of the Income Tax Act to Section 70 and Section 73 which govern the transfer of farm property by parent to child either *inter vivos* or on death. In other words, add the five-year usage clause to the roll-over criteria.

Some say this is not an important or pressing matter because the lifetime capital gains exemption is still available to those who might unwittingly find themselves ineligible for the intergenerational roll-over. Therefore, it is only those Canadians with in excess of $500,000 capital gains who would be affected. Unfortunately, the tentacles of the alternative minimum tax enter into the picture. While it is true that in almost all situations any tax paid under those provisions would be recovered as a credit against future tax payable, nonetheless there has to be payment up front and future recovery over a period of years. Furthermore, I am advised that the AMT payable by a deceased's estate on a deemed disposition can only offset tax paid during the previous three years.

Clearly there are some additional complications for those who have not had proper advice. However, the fact remains that there is no logical reason for the distinction, and the difference in the definitions of land qualifying. Those in the know can still structure their affairs through phoney custom work contracts and artificial contrivances. Why put them to the trouble? Why not put all farmers on the same footing? Why should it matter one iota whether the land is custom farmed or rented for crop sharing or cash? Why not simplify the Act by standardizing the definition, thereby removing an irritating impediment to effective farm state planning and management?

I see my time is almost up. I thank you for this opportunity to elaborate on this problem. I again urge the Minister to consider amending the provisions of the Income Tax Act to make available the tax free roll-over to those Canadians who have farmed for a considerable part of their lives, but who, through illness or advancing age, find that they are not now actively farming and therefore not eligible.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am pleased to respond to the Hon. Member for Swift Current—Maple Creek (Mr. Wilson) who asked whether the rules concerning the intergenerational roll-over of farm land could be applied to something which has already been used by the taxpayer in the operation of the farm but which, for one reason or another, was not used immediately before the roll-over.

As the Hon. Member pointed out, Mr. Speaker, when the Minister of Finance (Mr. Wilson) announced that the lifetime $500,000 capital gains tax exemption would be immediately available to farmers, a special provision was made concerning farm lands which were not in use at that time, provided they had been used during at least five years in the past.

However the inter-generational roll-over of farm land differs from the capital gains tax exemption in several respects. First, as you know, Mr. Speaker, the $500,000 capital gains tax exemption is available to all Canadians, whereas the special provision for farmers does nothing more than speed up the process.

Therefore the distinction between active and inactive farm land does not matter much because the roll-over is restricted to two successive generations and applies only to farmers.

The purposes of these two measures are also quite different. The capital gains tax exemption is meant as a reward for individuals who have made successful investments and an incentive to make more investments.

On the other hand, the roll-over provisions apply not only to capital gains but also to depreciation and gains from eligible real estate, the idea being to encourage active farm land roll-over from one generation to the next. This objective is achieved by deferring taxes which would otherwise be payable with respect to the roll-over and which might reduce the assets and compromise the profitability of the operation. In this way, cashflow problems in connection with tax payable on inter-generational roll-over of farmland are avoided.

The Minister of Finance (Mr. Wilson) agrees to a certain extent with the specific example given by the Hon. Member, referring to taxpayers who have stopped operating their farm due to illness or advancing age. It is difficult to make a distinction between these and other cases where the owner of the land was not farming.

In view of these considerations and especially the fact that up to one-half million dollars in capital gain per person would be tax-extempt in any case, I don't think it would be desirable, for the time being, to broaden the application of provisions governing the inter-generational roll-over of eligible farm property.

Nervertheless, as the Hon. Member is well aware, this Government is very much interested in ensuring that the Canadian family farm remains viable, as demonstrated by the many measures we took previously in this area.

Mr. Speaker, it was with this principle in mind that the Minister of Finance said on May 27 of this year that he would take another look at the proposal. I would therefore urge the Hon. Member to continue his positive contribution towards the development of a satisfactory system for the inter-generational roll-over of farm property.

[*English*]

NATIONAL REVENUE—CONTROL OF CHARITABLE ORGANIZATIONS

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, on June 17 I put a question to the Parliamentary Secretary to the Minister of National Revenue (Mr. Valcourt). I asked what Revenue Canada is doing to ensure that public confidence is maintained in the charity sector in view of the creation by the Canadian Council of Better Business Bureaus of philanthropic advisory services. The BBB apparently saw the need for such a watch-dog service to protect consumers by providing information on which charities meet their standards. The Bureau commented that Revenue Canada does an inadequate job of policing Canada's 50,000 plus registered charities. Both the Consumers' Association of Canada and the umbrella National Voluntary Organization, on the other hand, are aware of the role played by Revenue Canada, and that public awareness of this audit and monitoring role may be misunderstood as Revenue Canada can only advise that audits are carried out and all complaints are treated seriously and followed up. Confidentiality provisions preclude dissemination of information concerning an audit action on a particular charity.

The charities are critical of the means by which the BBB plans to attack perceived abuse by a very small number of registered charities and those entities that hold themselves out as registered. It is evident that the public should be fully informed of the extent of the audit and monitoring role played by Revenue Canada in this area. I ask the Parliamentary Secretary to discuss this with the Minister to ensure that Revenue Canada not only perform this vital function, but also that the public is informed as to the nature and extent of this function.

[*Translation*]

Mr. Speaker, I also want to mention that volunteer organizations would like to receive more tangible recognition that would act as an incentive to further develop and renew their work in the community. In fact, the organizations are complaining today about "burn-out" among their members.

Mr. Speaker, I have asked for a special committee to be set up to make an in-depth study of the role of volunteers in Canada and to report to the Minister of Finance and the Department of the Secretary of State with recommendations on the best way for this Government to encourage more Canadian men and women to get more involved.

Mr. Speaker, our population is aging, and it will not be long before we need more room to house the elderly. The State will no longer be able to provide. We will need, as a society, the involvement of volunteers in our communities. Mr. Speaker, I think we should look at what other countries do for their volunteers.

In the United States, for instance, since we are in the middle of free trade talks, Mr. Bruce Davies, a tax adviser for the U. S. Congress Ways and Means Committee, told me that the United States now has a tax incentive for volunteer work, which means that all personal expenses in connection with a volunteer program or job may be deducted as a direct contribution from one's income tax. For instance, they can deduct 12 cents a mile for trips made to provide volunteer services and they can also deduct the cost of uniforms purchased by a service organization. Just think, Mr. Speaker, how little things like that could help out Canadian voluteers continue their work in their community.

Mr. Speaker, there is also an organization in the United States that is called *Action*, and President Reagan hopes that it will be an incentive to companies and individuals to provide a public service on a volunteer basis instead of letting the Government do it.

Before I finish, Mr. Speaker, I would like to say that I was just at a meeting with some women who told us about their problems in connection with the financing of women's groups. These are all volunteers who every day try to help women that are less fortunate that they are. Mr. Speaker, in my riding a centre for women in need was recently set up, and I must say that without volunteer help, these women would never be able to receive a service that is extremely important, especially in remote areas like mine. I therefore hope, Mr. Speaker, that this Government will find a way to encourage more volunteeers to get involved and help their less-fortunate fellow citizens. I hope that the concerns raised by the Quebec Trade Practices Commission will receive a logical response, and I am very happy to have been able to take part in the adjournment debate this evening. Mr. Speaker, perhaps I may take this opportunity to urge you to look around this summer in your riding at what is happening to volunteer work and when you come back in September perhaps you and I could support a request to the Minister for tax incentives for our organizations.

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I should like to explain the role of Revenue Canada Taxation concerning the registration and control of charitable organizations.

• (2100)

[*English*]

In applying for registration, an applicant has to provide information that is sufficiently clear and detailed for departmental officials to determine whether the organization is, in fact, charitable at law, and whether the Income Tax Act's operational requirements for registered charities will be satisfied.

Great care is taken in reviewing applications. Where they feel it is necessary, officials of the Department will request further information and, where appropriate, encourage representatives of the applicant organization to meet with them.

[*Translation*]

Registration acceptance or refusal must not be considered as a judgment on the value of the activities and goals of the organization or of the motives of the individuals involved. The legislation only allows the department to make sure that the benefits offered to charitable organizations registered under the Income Tax Act are available only to those organizations which intend to operate in accordance with the rules established under tax legislation and common law.

[*English*]

After an organization has registered, it is required by law to file each year an information return containing a confidential accounting of its entire operations during the last year. A percentage of these information returns are reviewed and, where appropriate, further inquiries are made. This is the same as the review process that applies to regular tax returns.

Every charitable organization must provide annually a public information return containing financial information. Copies of these returns are made available to the public on request. This procedure does not preclude interested parties from also obtaining information directly from the charity itself or from provincial regulatory bodies.

Every year the Department carries out a number of audits and investigations on the basis of information on its files or supplied by the public. The departmental reviews that are made of certain charities include examination of some of the following matters; amount of receipted donations spent on charitable activities to ensure that the dispersement quota as required by income tax legislation is being met; adherence to filing and public disclosure requirements; a review of charitable activities to ensure that the legal definition of charity is still being met; a review of political activities to ensure that they are incidental and ancillary to the organization's charitable activities, and a review of receipting policies and procedures.

• (2105)

A number of refinements in administration have been put in place in the last year, after consultation with the voluntary sector. These include new and clearer explanations of how to register a charity, as well as new and simpler annual reporting requirements.

The Department is satisfied that the overwhelming majority of charitable organizations carry out their admirable work fully within the law. However, all complaints are treated seriously and, if warranted, are acted upon.

If a charitable organization is found to be overstepping the boundaries of charities, or is in breach of the technical rules contained in the Income Tax Act, the Department makes every effort to encourage it to correct the situation.

The ultimate step of revoking an organization's registration is, we have found, seldom necessary. In fact, only 18 charities have had their registered status revoked for cause in the past 12 years, whereas some 1,200 organizations are deregistered annually for administrative and other reasons.

CHALLENGE '86—FUNDING OF SOCIAL SERVICE PROJECTS. (*B*) REQUEST THAT PRIORITY BE GIVEN TO SOCIALLY USEFUL EMPLOYMENT

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, on May 26 I put a question to the Minister for summer employment. While I believe her official title is Minister for Youth, since she has no other responsibility

but summer employment, I suggest it is more accurate to call her the Minister for summer employment.

In any event, on May 26 I put the question to her with respect to the funding of Challenge '86, the summer employment program of the Government. On that day, a coalition of community groups from across the country met with her and the Minister of Employment and Immigration (Miss MacDonald), to protest the fact that funding for a large number of community groups in this country for summer employment projects had been cut or had been eliminated altogether.

For example, in Montreal, the Association for Retarded Children, which has been funded in past years for approximately 30 people to take care of retarded children at summer camp, had been cut back to five or six. As a result, a large number of retarded children will not be going to camp.

There were other community groups that had also been cut. These include groups helping senior citizens, community groups helping disadvantaged youth, as well as community groups working on environmental projects. An important project in my riding was one which helped young people with drug problems. That was cut back altogether, with no funding at all.

There are two reasons why so many of these groups were left without funding or were seriously cut back. One is the cut in total funding for the summer employment program by $19 million over last year. In 1985, Challenge 85 had a budget of $205 million. For 1986, the budget is $188 million.

If that is not bad enough, in addition to this cut in funds, the Government also introduced a quota system. I call it a quota system because that is what it really is. It is a quota system which allocated a greater percentage of that money to the private business sector. The Government used these public funds to assist private business with their summer employment programs. Of course, this left the community groups, who have no other source of funding except governments and charitable organizations, short of money.

I asked the Minister to reconsider these quotas and cuts and restore the program to the way it was so that these worth-while groups could get funding. She made no reply, except to suggest in her answer that I was totally opposed to students getting jobs in the summer. That is ridiculous. Of course, I am for students getting jobs. I want them to have meaningful employment and, at the same time, I want that employment to provide useful social work in the community.

Despite her suggestions to the contrary, I would admit that there are some good jobs being funded under the present program. Of course, when the Government spends $188 million some good jobs will obviously be funded. That is not the point of my criticism or the criticism of the groups which came to see the Minister that day. The point is that the Government cut back and put in place a priority which gave more money to the private sector which, I maintain, it did not need.

In the past, the criteria for summer employment projects was to provide some socially useful services. That is no longer the criteria. Therefore, we now have summer employment projects where people are cutting grass on golf courses, piling boxes on shelves, serving ice cream and other such things. These are worth-while, but public funds should not be given in order that they be accomplished. People will sell ice-cream in the summertime, anyway; people will cut their grass in the summertime, anyway, and they will pay people to do it.

• (2110)

If we consider the pattern of funding of this program over the last few years, we will see that in 1984, under the Summer Employment Program, $126.4 million went to the community sector. In 1985, the amount to the community sector went down to $116.8 million. This year, under the SEED program, which is part of Challenge '86, it has gone down to $82.55 million. Furthermore, if we consider the pattern as to how the average grant works out, we will see that in 1985 the average grant for community organizations was $15,600 and in 1986 it is down to $8,800. The average number of work weeks funded under the Challenge 85 program for community groups was 66.5 weeks, and in 1986 it is down to 36.2 weeks.

These criticisms that I bring to the House, contrary to what the Minister says, are not my own criticisms. She tries to pretend that these are the criticisms of people in the Opposition and that we are criticizing simply to be negative. I have seen editorial after editorial and have received letters from group after group making these criticisms, and I make them on their behalf.

My allotted time has just about finished. I will sit down. I had expected that the Minister, who is only a junior Minister, would have been here to answer my criticism; but, no, we will probably receive an answer from some Parliamentary Secretary who is not even familiar with the dossier but who will read a set piece prepared by some bureaucrat in the Department of Employment and then sit down without even understanding what he is reading to me. Our only hope in these debates is that we can reach beyond this Parliament and touch the people outside, sensitizing them so they know what is really going on in this country with respect to summer employment and other job-creation programs.

[*Translation*]

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, on behalf of the Minister of State (Youth) (Mrs. Champagne), I would like to give the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) a more specific answer to the question he raised last May 26. The quality of elements in the new job planning, Challenge '86, is designed to create jobs which will give students practical work experience and training which will ease their transition from school to the labour market. In that respect, the private sector plays a leading role since in any event it will hire graduating students seeking permanent jobs.

[*English*]

Mr. Speaker, I am familiar with this dossier. I am aware of the good work that Challenge '86 has done in my own riding. It does not make sense to rely only upon the non-private sector to assist in providing the employment, training and experience young people need. The private sector is the engine of our impressive economic recovery, and the Government wants to encourage economic renewal by training our young people to enter this dynamic new labour market rather than allowing them to be left behind.

The summer programs of the previous Government relied upon the non-private sector to meet the employment needs of young people; but Challenge '86 puts the employment needs of young people first. However, the Government is not discriminating against the non-private sector through the Challenge '86 program. Under Challenge '86, students will work for organizations concerned with alcohol abuse, battered women and the mentally retarded, and will also support community recreational activities and child-care services. In fact, some 64.9 per cent of the funds are still being provided to the non-private sector, as compared with 35.1 per cent for the private sector. However, many of the jobs provided by the non-private sector not only promote community services but also offer training and work experience that will benefit students when they eventually seek permanent employment. That fact is a key to the success of our summer programming. All applications are assessed equally, whether they are from the private or non-private sectors, and are judged on the basis of the quality of the training and work experience that they provide and how they enhance the career prospects of students.

• (2115)

Challenge '86 calls upon the private and non-private sectors to propose jobs which will help students make the school-to-work transition, jobs that will provide real employment experiences and training in areas that are related to what they are taking in school and therefore benefit their future entry into the exciting labour market of the 1980s.

Mr. Deputy Speaker: A motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 9.18 p.m.

HOUSE OF COMMONS

Friday, June 27, 1986

The House met at 11 a.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ENVIRONMENTAL AFFAIRS

ST. CLAIR RIVER—TOXIC BLOBS

Hon. Herb Gray (Windsor West): Mr. Speaker, last week it was reported that many months after a major effort to remove the toxic blob of dangerous pollutants from the bottom of the St. Clair River, more blobs of the same chemicals are now turning up and Dow Chemical, the apparent source, cannot figure out why. The federal Minister of the Environment (Mr. McMillan) has been giving the impression that the matter has been solved. Last January he issued a report of a special federal-provincial working group which made some 24 recommendations on how to prevent the recurrence of the blob and similar problems involving the St. Clair River.

The Minister must tell us immediately why these toxic blobs have been recurring in the past three months, why he has allowed this to happen, what he is doing to stop it, what has been done and what will be done to implement fully all the recommendations of the special working group. The recurrence of the blob strongly suggests that with the spotlight of media attention away from him, the Minister is asleep on this matter. The people of the Windsor area want answers from the Minister. Even more, they want and expect action now.

* * *

TARIFFS

TARIFF ON IMPORTED ENGLISH-LANGUAGE BOOKS

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, the imposition of a 10 per cent tariff on English-language books has proven to be sorry mistake, hurting Canadian publishers and authors as well as ordinary Canadians who like to read. It also risks retaliation on the part of Americans who may end the exemption allowing Canadian printers and binders to work on American contracts and not lose authors' copyrights. This small but growing Canadian printing industry should not be put at such risk.

It is hard to imagine a more misguided tariff. It is one which does damage to Canadians and Americans and does nothing to help the shake and shingle producers.

The book tariff will raise an estimated $36 million, yet the Government's new money for book publishing amounts to a more modest $4 million. This tells us all too sadly how serious the Government is in its support of Canadian book publishing. I call on the Government to withdraw the 10 per cent tariff on books.

* * *

[*Translation*]

EDUCATION

ESTABLISHMENT OF CEGEP IN VAL-D'OR, P.Q.

Mr. Guy St. Julien (Abitibi): Mr. Speaker, under the chairmanship of Mr. Jacques Nadon, members of Val-d'Or's *Corporation de développement de l'enseignement supérieur* have taken the initiative to establish a CEGEP in Val-d'Or.

At a Quebec City meeting with provincial Higher Education Minister Claude Ryan and Abitibi East Minister Raymond Savoie, corporation members drew the Ministers' attention to the fact that, compared with other regions in the Province of Quebec, the Abitibi region has always been deprived of adequate educational institutions.

Mr. Speaker, the corporation stressed the urgency of improving access to community college studies for anglophones, native people and adults. The corporation rallied the support of Mr. Ryan who will travel to Val-d'Or in late August 1986 to meet with the various interest groups.

Mr. Speaker, the residents of Abitibi and I fully appreciate the work done by Mr. Savoie and the corporation.

* * *

● (1105)

[*English*]

THE DISABLED AND THE HANDICAPPED

PROPOSED TOURIST BUREAU FOR THE DISABLED

Mr. Bob Hicks (Scarborough East): Mr. Speaker, I draw to the attention of the House my support for a very worth-while and commendable proposal put forward by a constituent of mine for the establishment of a tourist bureau for the disabled. This proposed tourist bureau for the disabled would keep on file up to date, accurate information on transportation needs for disabled tourists travelling within and outside Canada.

S.O. 21

I am fully aware that various Departments of the Government, namely, Tourism, Transport, the Secretary of State, and Employment and Immigration, have all had the opportunity to evaluate this proposal and make constructive suggestions. All Ministers of these respective Departments are to be commended for their genuine interest and understanding in meeting the increasing needs faced by the disabled.

I sincerely hope, however, that some form of financial assistance will be found for this commendable and innovative proposal.

* * *

EXTERNAL AFFAIRS

MINING OF NICARAGUAN WATERS BY UNITED STATES—CONDEMNATION BY WORLD COURT

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, yesterday the World Court condemned the United States for mining Nicaraguan territorial waters contrary to international law. The United States Government has said that it will ignore this judgment. What a sad day for leadership in the western world!

Here we have another example of the greatest power in the NATO Alliance systematically undermining international institutions which are the only alternative to military power in resolving international disputes. This comes one day after the United States House of Representatives voted $100 million for military aid to the Contra terrorists fighting to overthrow the legitimate Nicaraguan Government.

The United States has also sabotaged the Contadora peace process in Central America. It seems that the U.S. has forsaken the negotiated peaceful settlement of conflicts for a policy of military solutions. It appears that the policy of the present U.S. Government is "might is right", which is the law of the jungle—

Mr. Speaker: Order, please. Sixty seconds.

* * *

ENERGY

PRICE OF GASOLINE IN OTTAWA AREA

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, local consumers in Nepean—Carleton are being treated unfairly in respect of the cost of gasoline. The average price for gasoline in the Ottawa area during June was 44.8 cents per litre, while prices in other metro areas in Ontario were from 4 cents to 6 cents per litre less. There is a strong implication that these price differences are a result of oil companies recognizing a stable market and regulating prices.

Canadians are aware that our country is operating in a deregulated market where the price of gasoline is not set by government but by market forces. However, a 4 cent to 6 cent per litre differential is too great a difference and cannot be accounted by transportation costs.

I ask the Minister of Energy, Mines and Resources (Miss Carney) to investigate this example of potential price maintenance and to raise this concern immediately with Petro-Canada, which is now one of two major market trend-setters in the Ottawa area.

* * *

UNEMPLOYMENT INSURANCE

EFFECT OF REGULATION ON PENSIONS OF FORMER WHITE FARM EQUIPMENT WORKERS

Mr. Derek Blackburn (Brant): Mr. Speaker, I am speaking this morning on behalf of some 600 outraged former White Farm Equipment workers in Brantford, Ontario.

Their pension program was just settled this past week. Most of them will be receiving a paltry $1,500 lump sum, to be invested over the next 25 years or 30 years in the hope that by the time they turn 65 years of age they will be receiving about $130 per month.

The problem is that those who are on unemployment insurance—and I understand there are about 300 of them—will have their UI benefits cut off, thus reducing the pension pay-out by at least half.

In view of the fact that almost all the 600 workers were laid off nine months before the new iniquitous UI regulation was brought in last January, I call upon the Minister of Employment and Immigration (Miss MacDonald) to rescind that regulation and allow these White Farm workers to receive at least the paltry $1,500 or $2,000 for which they worked for some 15 or 20 years.

* * *

EXTERNAL AFFAIRS

THIRD WORLD RESEARCH AND DEVELOPMENT

Mr. William C. Winegard (Guelph): Mr. Speaker, I have just finished reading a new book entitled *With Our Own Hands*. It is a story about research and Third World development. On the whole it is a success story. It is of interest to Canadians for two reasons. First, it is about IDRC. Second, it concerns, directly or indirectly, several Canadian research institutions including the famous university in Guelph.

I have asked the President of IDRC for enough copies to give to all Members of the House.

• (1110)

SPORTS

CANCELLATION OF TRAVEL SUBSIDY FOR UNIVERSITY ATHLETES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I rise today to protest the elimination by the Minister of State for Fitness and Amateur Sport (Mr. Jelinek) of the travel subsidy for students to travel from Atlantic and Pacific Canada to attend Canadian university athletic competitions. From an original $500,000 allotted by Liberal Governments, to $378,000, to zero by the Conservative Government for university athletic travel subsidies, is another example of the Government's disdain for regional equality.

The purpose of the federal travel equalization grant to the Canadian Inter-University Athletic Union was to allow students from universities in British Columbia, Alberta, and other parts of western Canada right through to Memorial University in Newfoundland, to attend and participate in competitions across Canada. I must ask, Mr. Speaker, if some of the taxpayers' money that is spent on the Prime Minister's (Mr. Mulroney) foreign travel could not be spent just as effectively on travel for students from British Columbia and Newfoundland to attend their university competitions.

The Minister has given me an undertaking to meet again with the university representatives. I will be following the results.

* * *

HOUSE OF COMMONS

TRIBUTE TO PAGES AND STAFF

Mr. Don Ravis (Saskatoon East): Mr. Speaker, it is appropriate today to pay tribute to all the men and women who have made our jobs as Members of Parliament immeasurably easier over the last year. To the messengers, mail people, cafeteria and restaurant staff, committee and House Clerks and all the other House of Commons staff, on behalf of my colleagues on both sides of the House I offer my sincere thanks and appreciation.

I would also like to thank a very special group of young Canadians whose cheerfulness and dedication have been a fine example to us all. The 40 House of Commons Pages have worked very hard for all Members this year while at the same time attending university full-time. This year's Pages were chosen from hundreds of qualified applicants. They represent all the potential Canada's youth have to offer.

I know that the memories and friendships formed this year will remain strong as the Pages continue their individual endeavours, and I want to wish them all the very best as they pursue their careers in their chosen fields.

Whatever they do, wherever they go, I know my colleagues join me in wishing them every success. I would not be surprised if some of them returned to sit in the House of Commons as Members of Parliament. God bless them!

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

REGIONAL INDUSTRIAL DEVELOPMENT

RESTARTING OF FORMER GULF PLANT IN MONTREAL EAST

Mr. Richard Grisé (Chambly): Yesterday, Mr. Speaker, Montreal East residents heard another good news: the Lavalin engineering firm announced that it would restart the former Montreal East Gulf plant through its Phénolmont affiliate. This investment by a Quebec private sector concern will create over 200 jobs when production begins in January 1987. This is further indication that prospects for the Montreal East petrochemical industry are brightening. As Hon. Members may recall, last year our Government gave financial support to Pétromont to help the company maintain its operations.

Notwithstanding what many Opposition Members may have stated last winter, Montreal East will remain a major petrochemical centre. Although Opposition Members took a negative approach with respect to employment in Montreal East, our Government has always been convinced that a positive position was justified in this instance.

[*English*]

Once again the Government has fulfilled its political engagements for the Montreal region. That is a good Government, Mr. Speaker.

Some Hon. Members: Hear, hear!

* * *

INDIAN AFFAIRS

MISMANAGEMENT IN MANITOBA REGION

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, the Minister's special investigation into the Manitoba region of the Department of Indian Affairs substantiated charges made by the Manitoba chiefs. Departmental officials had incorrectly coded disbursements of funds, had been involved in misleading reporting, had underfunded programs that had been transferred to Indian band control, and had cut existing programs. Further, departmental officials at a high level had made incorrect statements to the Public Accounts Committee of the House. In spite of these very serious charges, the Minister has not yet sat down with Manitoba chiefs to discuss what must be done to correct this situation.

The chiefs put their reputation on the line when they made the charges. Today the Government's credibility with Indian people is on the line. The Minister must sit down with the Indian chiefs to work out a proper response to these charges of departmental abuse.

ORAL QUESTION PERIOD

[*Translation*]

HOUSE OF COMMONS

TRIBUTE TO PAGES AND HOLIDAY WHISHES TO MEMBERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, with your permission, I too would like to congratulate the students from Carleton University and the University of Ottawa who served us so well as pages this year and I would like to wish them a good summer.

I also wish all Members on both sides of the House a pleasant and, if possible, relaxing summer.

* * *

DISASTERS

STATUS OF CRIMINAL INQUIRY INTO AIR-INDIA CRASH

Right Hon. John N. Turner (Leader of the Opposition): My question is directed to the Solicitor General and concerns a rather delicate matter. I am referring to the Air-India crash in which 329 people, most of them Canadians, lost their lives.

The Solicitor General is aware that the victims' families are still very much affected by this disaster and are waiting for answers.

Could the Minister report to the House on the status of the criminal investigation being conducted by Canada and inform the House when he expects it to be completed?

• (1115)

[*English*]

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, I can indicate that the criminal investigation is still under way. We are not in a position to lay charges at this time, but the investigation is continuing.

REQUEST FOR ROYAL COMMISSION INVESTIGATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would like to address a supplementary question on this subject to the Prime Minister. There have been public inquiries into this crash in both Ireland and India, yet the majority of passengers on the plane were Canadian. This week both the Secretary of State for External Affairs and the Canadian Security Intelligence Review Committee indicated that the plane was bombed by terrorists. Does the Prime Minister not feel that it is in the public interest to have a Canadian Royal Commission thoroughly investigate this crash?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, an unprecedented degree of resources has been committed to this police investigation. The police and the Government are determined to prosecute those responsible for this act of horror.

SECURITY INTELLIGENCE REVIEW COMMITTEE REPORT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in its report the Security Intelligence Review Committee says:

> We were concerned with the intelligence produced in this matter and the quality of airport security in general.

This is a matter of intense public importance. Would the Prime Minister not agree that we need a wider and public inquiry of this crash?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, the Canadian Aviation Safety Board has looked into this. There are ongoing police investigations and, as well, investigations by the Canadian Security Intelligence Service under way.

Yesterday the Member for York South—Weston indicated that the individuals suspected of being responsible for the Air India crash had been able to flee the country and escape prosecution. That is not the case.

Mr. Blackburn (Brant): What is the case?

Mr. Kaplan: Do you know who they are?

REQUEST FOR JUDICIAL INQUIRY

Mr. John Nunziata (York South—Weston): Mr. Speaker, it has been over a year since the tragedy occurred. There has been an inquiry in Cork, Ireland, and another in India. We still do not have the benefit of those two reports, specifically the report conducted by Judge Kirpal in India. Many disturbing questions remain unanswered. The Security Intelligence Review Committee has now called into question the role of the Security Intelligence Service.

I would like to direct my question to the Prime Minister. In view of the questions that have been raised in this matter, and in view of the fact that many of the passengers were Canadian, will he undertake now to initiate a judicial inquiry in order to answer the disturbing questions which remain unanswered?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, in the Hon. Member's question he indicated quite correctly that the Security Intelligence Review Committee is presently reviewing whether the work done by CSIS was adequate. Let us allow it to do that job.

GOVERNMENT POSITION

Mr. John Nunziata (York South—Weston): Mr. Speaker, I fail to understand why the Government of Canada is reluctant to initiate a judicial inquiry. In view of the circumstances surrounding the tragedy, it seems obvious that there ought to be a Canadian inquiry. I would like to direct the question again to the Prime Minister. In view of the sensitivities involved in this particular tragedy will he assume his role and order a judicial inquiry into this matter to answer all the questions which remain unanswered?

• (1120)

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, the Hon. Member should be fully aware of the fact that there is an ongoing police investigation here. The RCMP, CSIS, and others are actively looking into all aspects of the Air-India tragedy. As well, they are investigating the bombing of Narita Airport in Tokyo. It would be completely counter-productive if we were to set up some sort of parallel inquiry in competition with the police investigation currently under way. What individual Members of Parliament should be doing is not giving misinformation on the floor of the House of Commons, as the Hon. Member did yesterday, and not urging competing judicial inquiries. Rather, we should be allowing the police and CSIS to do their job.

* * *

PHARMACEUTICAL INDUSTRY

INQUIRY CONCERNING INTRODUCTION OF LEGISLATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. Within an hour the Government will introduce a Bill which will increase drug prices for Canadians from coast to coast. Will the Prime Minister now acknowledge to the House that the reason the Government is doing this on the last sitting day before the recess is because it is part of President Reagan's agenda spelled out in his May letter to Senator Packwood?

Mr. Speaker: Order, please. Yesterday I allowed questions about a Bill which is not yet introduced. The Hon. Member is now saying that he wishes to ask questions about a Bill which is about to be introduced. That gets us right into the area of Orders of the Day. I ask him to phrase his question to the Government on policy matters without reference to a Bill in that sense, please.

Mr. Broadbent: Mr. Speaker, I believe I am clearly in order but I accept your ruling. Does the Government intend to introduce a Bill as a follow-up to President Reagan's stipulation to a U.S. Senator that it was an unfulfilled agenda item to clear up this kind of irritant? Specifically, was it as a result of a request made by the Vice-President of the U.S. to the Prime Minister when he was here two weeks ago? Is that why we are going to have a Bill which will increase the price of drugs to Canadians?

Right Hon. Brian Mulroney (Prime Minister): The Vice-President of the United States never raised any such matter with me.

Mr. Broadbent: It is interesting that he did raise it with me after he talked to the Prime Minister, and said it was one of the items on his agenda.

Some Hon. Members: Oh, oh!

CANADA-UNITED STATES TRADE NEGOTIATIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the President has indicated that before there is a trade agreement there has to be a clearing up of all these irritants, among which the Americans have always included the drug industry. Why is Canada making sacrifices in the fishing, logging, and publishing sectors, and now in drugs, and the Americans get the benefits?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend's statement is of course as inaccurate as his prediction that the last Budget would cost 150,000 jobs. The last Budget created hundreds of thousands of jobs. He was wrong then and he is wrong again.

Legislation introduced in the House is designed to increase access to international markets, including American markets. We deal with specific matters from time to time, as does any Government. We deal with those items in a way consistent with the national interest. If my hon. friend disagrees with any piece of legislation, as he does from time to time, he will express his views in the House of Commons at an appropriate time and vote against it.

POSSIBLE EFFECT ON CONSUMERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, does the Prime Minister think by introducing this legislation on the last day before the summer recess that Canadians will ignore the fact they are going to pay millions, and I will just leave it at millions, of dollars in higher drug prices? Are they going to forget that during the summer any more than pensioners forgot what the Government tried to do to them on the eve of last summer's recess?

• (1125)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my honourable friend should get out of the prediction business. He is a good Member of Parliament, but he does not do very well when he looks to the future. He is wrong nine times out of ten and he is wrong again today.

You can be sure that legislation that is brought in now or any other time, which can be criticized by my honourable friend, and perhaps improved pursuant to constructive suggestions, is designed to be helpful to job creation, to

regional growth, and to new jobs created here in Canada, which we need. Notwithstanding a job-creation record where more jobs were created in Canada than all of western Europe combined, we must do more.

Some Hon. Members: Hear, hear!

DURATION OF DRUG PATENTS

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is directed to the Prime Minister. Twenty-four hours after the U.S. Trade Commission hammered the Canadian softwood industry, what sense does it make for the Government to put forward legislation today to increase the patent life for the multinational American drug companies? How are we enhancing our Canadian trade bargaining position by this kind of a—

Mr. Speaker: Order, order, order, please. The Chair is in a difficulty because the same problem is now raised here where questions are being asked about legislation that is not yet before the House. Either it is anticipation or it is hypothetical. Order, please.

I think the Member can ask a question on policy matters without reference to the specific Bill.

Mr. Frith: Mr. Speaker, twenty-four hours after the U.S. Trade Commission has hammered the Canadian softwood industry, does the Prime Minister consider it wise that his Government would table legislation in this House that is going to increase patent life for the American multinational drug companies, and how is that move going to improve our bargaining position by this type of giveaway?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the last lesson that anyone needs on anything in terms of skill is from the Liberal Party, and from this particular Member. We saw, when the Leader of the Opposition was Minister of Finance, spending rose 23 per cent a year, the debt grew by 50 per cent, and debt service grew by 85 per cent. It was a result of those skills that he brought to bear that the country almost went belly up. That is the problem with the little Liberal attitude. Ours is progressive. We believe in international trade, competitiveness, increased productivity, and 600,000 new jobs already in Canada.

Some Hon. Members: Hear, hear!

INTELLECTUAL PROPERTY RIGHTS

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, we will not take any lessons from a Prime Minister who gave away FIRA, and the National Energy Program.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Frith: How can the Prime Minister defend this legislation when his own report on intellectual property rights states that stronger intellectual property protection will not necessarily result in changes in trade patterns between Canada and the U.S., but will accomplish the goal of stronger international protection benefiting the American nationals financially?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in the McMillan Binch newsletter it said that the National Energy Program is a legislative nightmare laced with ministerial and bureaucratic discretion. Then it said we cannot afford the outflows associated with more FIRA-induced Canadianization. The Leader of the Opposition was applauding our position.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. The idea today is to get as many Members recognized as possible.

* * *

STATUS OF WOMEN

FUNDING OF WOMEN'S PROGRAMS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have an important question to direct to the Secretary of State. Yesterday representatives of many women's groups reminded the Minister of Canada's commitment to UN conventions to eliminate discrimination against women, to the Nairobi forward looking strategies, to improve the status of women, and also to equality under our own Canadian Charter. In view of these commitments that Canada has made, will the Minister reconsider the new 5 per cent cut to Secretary of State women's programs which is, in fact, a 16 per cent cut from 1983 commitments?

• (1130)

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, I may remind the Hon. Member that in 1983, funding for the program to promote the status of women was around $5 million, and that this year, the Government will be allocating $12,453,000 to defend the status of women in Canada.

[*English*]

VOLUNTARY WORK DONE BY WOMEN

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the Minister has not answered the concerns that were expressed yesterday. Does he not realize how little women's groups get now, how much voluntary labour they put into their efforts, as well as the uncertainty involved? Will he end their uncertainty and restore full funding for women's programs?

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, last night I met 60 representatives from various

Canadian organizations with whom we had a very good exchange of view. Although they obviously thought more money could be spent, they acknowledged that it was quite reasonable of the Government, considering all the financial restrictions it must cope with, to allocate nearly $13 million to defend the rights of women. And we intend to continue to do so, but I repeat, always in terms of the resources available to us.

* * *

DEREGULATION

AIR SAFETY—HIRING OF ADDITIONAL INSPECTORS—GOVERNMENT POSITION

Hon. André Ouellet (Papineau): Mr. Speaker, my question is directed to the Minister of Transport. Will the Minister finally admit that deregulation diminishes air safety, as experience has shown in the United States? And why did the Minister fail to obtain an authorization from Treasury Board to hire an additional 250 or 300 inspectors to do a good job?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, just the other day I announced further funding for the upgrading of airport security in this nation. That provides for additional person years as well as enhanced equipment, enhanced research and development, and a whole series of initiatives which will improve airport security. I am sure the Hon. Member recognizes that both safety and security have improved immensely since we have taken over as the Government.

Mr. Ouellet: The Minister's answer so far has been very timid.

AIR SAFETY

Hon. André Ouellet (Papineau): Mr. Speaker, there have been no additional inspectors and I think the Minister's attitude has to change. Does he realize that Canadians are not prepared to sacrifice air safety just for a few dollars in savings? Is he prepared not to implement Bill C-126 which he introduced yesterday before his Department has hired the additional inspectors needed to do the job?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, neither are we prepared to sacrifice safety, nor shall we.

CHALLENGE '86

JOB RE-ENTRY PROGRAM—TRAINING OF SECURITY GUARDS AT GAINERS PLANT IN EDMONTON

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. The Minister knows that her Department has historically claimed that it refuses to become involved in labour disputes. For example, this refusal means that strikers do not get unemployment insurance.

Does the practice of non-interference by her Department still exist, since the Minister is now giving taxpayers' money for on-the-job training of security guards at her old friend Peter Pocklington's Gainer plant in Edmonton?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, this is a training project for unemployed women in a non-traditional field. These women had been in the project long before the strike began. They are not scabs, as the Member called them yesterday. They are there to get training. We are interested in the training.

Mr. Blackburn (Brant): It is morally wrong and you know it.

Miss MacDonald: I will continue to monitor this program to see that the training continues to be adequate.

LOCATION OF TRAINING

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, is the Minister not aware that there are dozens of establishments in Edmonton that use security guards and that this kind of on-the-job training could take place at one of those establishments instead of with her ideological twin, Peter Pocklington?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I do not quite know who my twins are, I have not looked this morning to see who else looks like me. At least I do not look like the Hon. Member.

Some Hon. Members: Hear, hear!

Miss MacDonald: I notice that the Hon. Member did not raise this question when this training was taking place some weeks ago. I assure him that I am interested in the quality of the training. If there is anything about that environment that deteriorates or is not conducive to training, I will see that changes are made.

* * *

TRANSPORT

REGIONAL DEVELOPMENT FACTOR

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Minister of Transport. He will know that last August, in St. John's, Newfoundland,

Canada's Premiers unanimously passed a resolution saying that commercial viability of transportation links must be balanced with regional economic development objectives in order that the potential of each region can be realized. The Minister of Transport ignored the specific request of the Canadian Premiers that this principle be included in the legislation that he tabled yesterday. They wanted something beyond a mere recognition that transportation is important to regional development, and that transportation policy should recognize the need to combat regional disparity. It is not there. Why?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, if the Hon. Member took time to read the Bill he would see that in the preamble, Clause 3, it is clearly stated that transportation is recognized as a tool for economic development. That has never been stated in previous transportation legislation. It is part and parcel of the agreement that was signed by all the provinces and the Minister of Regional Industrial Expansion approximately a year ago. It forms a very integral and vital part of the Government's approach to regional economic expansion.

REQUEST FOR AMENDMENT OF PROPOSED LEGISLATION

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the Minister would not want to mislead the House inadvertently by suggesting that the Premiers endorsed this tepid statement of fact. Will the Minister insert a clause in that Bill that will ensure that the regional disparity programs of other federal Departments and provincial Governments will not be destroyed because of the deregulation approach that is being taken, which simply has a market-place philosophy rather than a philosophy that recognizes the need to combat regional disparity?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, this transportation Bill is the best news for regional economic expansion this country has ever seen.

Some Hon. Members: Hear, hear!

Mr. Tobin: That is not true and you know it.

Mr. Mazankowski: Before the Hon. Member inadvertently misleads the House, perhaps he should have attended the technical briefing which we sponsored for the opposition Parties yesterday, which they refused to attend. Maybe they would understand the Bill a little better if they had attended that meeting.

* * *

CANADA POST CORPORATION

MAIL DELIVERY IN NEW SUBDIVISIONS

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is directed to the Minister responsible for Canada Post. The Parliamentary Secretary has said that Canadians waiting for home delivery in new subdivisions can forget it. Instead of developing policy at the Post Office by slips of the tongue, will the Minister ask Canadians whether they support his plans to treat some Canadians as second-class citizens, or whether they want him to re-examine whether rapid debt reduction at the Post Office is realistic?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I have answered that question many times. We are looking at many alternatives in the Post Office. We will introduce a corporate plan soon and we will give all the details then.

REQUEST FOR PUBLIC CONSULTATION

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, does the Minister agree with the Prime Minister when he said in 1984:

> The Progressive Conservative Party feels that Canada Post's current program of rapid debt reduction is unrealistic, and is the underlying cause of problems with regard to—declining postal service—

Will the Minister personally ask Canadians whether they want to be treated fairly or want to have rapid debt reduction at the Post Office? If he does that, does he not think that the message will get through to his cabinet colleagues?

Mr. Speaker: Order, please.

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I can say yes to both questions.

Mr. Keeper: Then do something.

* * *

• (1140)

NATIONAL DEFENCE

RESPONSIBILITY FOR NEW BRUNSWICK FOREST FIRE

Mr. Bob Hicks (Scarborough East): Mr. Speaker, my question this morning is directed to the Associate Minister of National Defence and involves a promise made by the Minister to residents of Upper Gagetown, in New Brunswick, who suffered material, financial, and emotional loss because of the disastrous fires that occurred earlier this spring. In view of the Hon. Minister's statement that quick and generous compensation from the Government would take place, could he tell the House if there has been any progress whatsoever, in this respect, to report to the residents prior to the summer recess?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, a board of inquiry has indeed established that the Department of National Defence was responsible for starting the fire on the range at Camp Gagetown. I have sought and received Treasury Board approval for some of

the funds to compensate those affected, and I am told that the cheque-writing will start next week.

* * *

[*Translation*]

RAILWAYS

CN SHOPS IN MONCTON—LAY-OFFS—GOVERNMENT POSITION

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, my question is directed to the Minister of Transport. Last week, CN made it clear that 437 workers would have to take early retirement or be transferred, this in addition to the 225 employees who lost their jobs last fall, which gives us a total of 662. Will the Minister acknowledge that his Government has a responsibility and a duty to restore to the Moncton area the several hundred jobs that have now been lost, or is he simply going to wash his hands of the whole affair, as he is doing now?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I think the Hon. Member has a duty to ensure that the negotiations between Canadian General Electric and CNR proceed in an orderly fashion. I think the successful completion of that transaction would be good for Moncton, good for the Atlantic region. I would hope that the Hon. Member, rather than being so negative about this approach, would look at the brighter side and to the future in terms of a new manufacturing industry with tremendous spin-off benefits which will provide a long-term, stable future for the workers and for the community of Moncton.

[*Translation*]

REQUEST FOR APPOINTMENT OF SENIOR MINISTER TO REPRESENT NEW BRUNSWICK

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, the news about General Electric is good news, but it is just not enough. My supplementary is directed to the Right Hon. Prime Minister.

[*English*]

Will the Prime Minister appoint a senior Minister for New Brunswick so that the province can regain the clout it once had in Cabinet and counter the forces that seek to drain the lifeblood out of Atlantic Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in response to the reference to "clout", I would just point out a fact released by Stats Can, that more jobs were created in 20 months in Atlantic Canada than were created in total between the 1980 and 1984 elections. There was no clout previously. There was a bunch of phoney people trying to spread borrowed dollars around, and people in Atlantic Canada know that is false and misleading.

[*Translation*]

CROWN CORPORATIONS

REQUEST FOR CLARIFICATION OF POSSIBLE CANADAIR SALE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the President of the Treasury Board. Could the Minister confirm to the House that recommendations made by the Canada Development Investment Corporation argued against selling Canadair to the private sector because the offers made were inadequate? And could he give the House the assurance that the Government will not insist on privatizing Canadair against the recommendations of the CDIC which is acting as the Government's agent?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I welcome the opportunity to answer this question and give my hon. colleague the assurance that the privatization process is unfolding as it should. We received the recommendation from the Minister responsible, following a recommendation by the board of directors of the CDIC. The recommendation was submitted to the privatization committee, which in turn will prepare a recommendation for submission to Cabinet.

[*English*]

CANADIAN OWNERSHIP ISSUE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, the Minister's answer is totally uninformative. Could he tell the House if there is a recommendation or if there are acceptable offers? Will he assure that Canadair stays in Canadian hands, since there is a bid from Bombardier, and will he also assure the House that the House will have a chance to consider the deal before it is finalized, rather than presenting us with a *fait accompli* over the summer?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I will be happy to tell my hon. colleague that there are acceptable bidders. The recommendation was a positive one. It will be studied further, presented to Cabinet, and then due process will take course.

* * *

CUSTOMS AND EXCISE

SCREENING OF POTENTIAL SECURITY RISKS

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, my question is directed to the Minister responsible for Canada Customs. At the major U.S.-Canadian border crossings, U.S. custom officials have computer terminals to assist them in screening potential security risks. In light of recent cases and given the need for increased security at all of our points of entry, does the Minister have any plans to implement some high-tech system to assist our custom officials, who are the initial contact in identifying people who are potential security risks and are trying to enter Canada?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, our Department, in consultation with the Department of Immigration and the RCMP, is currently evaluating a number of such systems. We have recently completed a pilot project at Pearson International Airport. We are evaluating that at the present time.

At present our officers are issued special advisories; and also they have access to the on-line automatic procedures that are available to the Department of Immigration. So, these types of facilities are available and we will be improving them.

* * *

BANKS AND BANKING

ESTEY COMMISSION COSTS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of Finance. According to the Government's own figures, the administrative costs of the Estey Commission, $1,172,000 up to the end of March, pale in comparison to the Government's expenditures on legal and financial advice, including $1,588,000 to prepare the Minister of Finance and the Minister of State for Finance for testimony, one day each, before the commission. Will the Minister tell the House when he expects to receive the Commission's report?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I should comment to the Hon. Member that there is much work that was done by the lawyers for the Government in support of the work done by the Estey Commission in getting the material ready for the Estey Commission, to help the commission do its job. As far as the specific question is concerned, I have not been advised by the commission when it is expecting to report. We do hope that it will be soon, because there is legislation that we want to get on with, as the Hon. Member is well aware.

LEGAL COSTS

Miss Aideen Nicholson (Trinity): Mr. Speaker, since the Minister and the Minister of State have repeatedly said that the decision to bail out the Canadian Commercial Bank was based on the best information available, why was it necessary to spend $1.6 million on coaching for the two Ministers to defend this decision before Mr. Justice Estey?

Hon. Michael Wilson (Minister of Finance): Well, Mr. Speaker, I think I responded to that question. There is much work that goes on in support of the activities of the members of the commission to provide them with the various pieces of information that they need from the Department in order to help them do their job. That is the basis for the work that has been done.

I caution the Hon. Member again concerning the way she has expressed the so-called bail-out. It was support of the depositors in the banks, not the banks themselves, that was the result of the expenditure by the Government of Canada.

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APARTHEID

SOUTH AFRICA—JOINT COMMITTEE REPORT

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Prime Minister. As he knows, the special joint committee, in its report, has identified an absence of any significant progress in the termination of apartheid in South Africa and recommends full economic sanctions. Does the Prime Minister not agree that this provides powerful support for imposing the full economic sanctions he promised over six months ago? Does he not think it is about time the Government acted to impose those sanctions, now?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that the Government's action was also joined to the serious view that the best kind of action would be to try to induce a common front among all Commonwealth countries—

An Hon. Member: Still waiting for Maggie?

Mr. Mulroney: —including the United Kingdom, obviously. We received that degree of unanimous support in Nassau. It has been helpful and effective. We would look forward to the same kind of support in August. There have been meetings in Europe, yesterday and today. We have had direct communication with Prime Minister Gandhi, Prime Minister Hawke, President Kaunda and others with regard to building that kind of common front. Nationally, I met yesterday with the leadership of the CLC, Mrs. Carr and others, who have been so helpful on the issue in Canada and abroad. We are trying to put together that kind of coalition that will maintain Commonwealth unity but will also provide effective action against the evil of apartheid.

Some Hon. Members: Hear, hear!

• (1150)

REQUEST THAT CANADA IMPOSE ECONOMIC SANCTIONS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I do not recall all of those conditions being placed upon the absolute promise of the Prime Minister to impose full economic sanctions if there was no progress in dismantling apartheid. What the report, which represents the views of Canadian people, asks of the Prime Minister is this. Will the Prime Minister and this Government impose immediate sanctions as a model of the minimum level of sanctions that should be applied by the Commonwealth? Will Canada not exert leadership, the kind of leadership that the report states the Government should present to the rest of the world?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I sympathize with the sentiments expressed by my hon. friend. I do not think that there is any doubt about where anyone in the House stands on this very fundamental issue. There is a great deal of unanimity in the country; but we have important meetings in train. I will be meeting with Prime Minister Thatcher here on July 13. We will then be meeting with the Commonwealth Heads of Government in London during the first week of August. The question, I suppose, is this. Does acting unilaterally now not preclude the effectiveness of Canada's participation in building a common approach? My hon. friend is signalling no. He will find many Commonwealth leaders, including leaders of black Africa, who disagree with him.

* * *

[*Translation*]

EMPLOYMENT

UTILIZATION OF CHALLENGE '86 PROGRAM FUNDING

Mr. Marcel R. Tremblay (Quebec East): Mr. Speaker, yesterday the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) levelled serious accusations concerning the utilization of Challenge '86 program funding, the kind of remarks which denigrate a program whose achievement has been to provide young Canadians with worthwhile work experience during summers.

[*English*]

Will the Minister responsible answer yes or no with respect to whether the allegation made in this House yesterday by the Hon. Member for Notre-Dame-de-Grâce—Lachine East is based on true facts?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the reference of the Hon. Member for Notre-Dame-de-Grâce—Lachine East to a Challenge '86 project yesterday is false. It is not a Challenge '86 project.

Mr. Guilbault (Saint-Jacques): What program is it?

Miss MacDonald: It has no federal funding involved. It was simply a case of a private employer going to a Canada Employment Centre for students and hiring young people for the summer from his own funds. As happens so often, the Hon. Member from N.D.G. has made false accusations. He should stand in his place and apologize.

Some Hon. Members: Hear, hear!

[*Translation*]

PUBLIC WORKS

REQUEST FOR CLARIFICATION OF CONTRACT AWARDING POLICY

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have a question for the Acting Minister of Public Works, once again concerning the departmental contract awarding policy.

A few days after the report on the contract awarding policy was tabled in the House, Canadians have learned today through the daily newspaper *Le Devoir* that, in 1984-85, 570 contracts valued at $6.9 million were awarded in Quebec without the benefit of public tenders.

Can the Minister tell the House whether the fact that over half of these contracts were awarded to people who contributed to the election fund of the Conservative Party of Canada is sheer coincidence?

[*English*]

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, the Minister of Public Works is absent from the House on government business. I am sure that he would be very pleased to answer the Hon. Member's question when he returns to this place.

Some Hon. Members: Oh, oh!

Mr. Boudria: Mr. Speaker, supplementary question.

Mr. Speaker: Order, please. That is a take-notice answer. We do not give supplementaries on take-notice answers. The Hon. Member for Essex—Windsor.

Mr. Boudria: Mr. Speaker—

Some Hon. Members: Sit down, sit down.

Mr. Boudria: Mind your own business.

Mr. Speaker: The Hon. Member for Essex—Windsor.

Mr. Boudria: Mr. Speaker—

Mr. Speaker: Order. The Hon. Member knows that when a Minister takes notice simply for another Minister our practice is not to grant a supplementary question. The Hon. Member for Essex—Windsor.

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TRADE

CANADA-UNITED STATES NEGOTIATIONS—AUTO PACT PROVISIONS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Acting Minister of Regional Industrial

Expansion. Yesterday Mr. Reisman continued the Government's campaign of misrepresentation on the Auto Pact and the safeguards it contains. Will the Minister publicly confirm that the Auto Pact safeguards do apply on a company-by-company basis and that this has given the Government the leverage to get individual companies to initiate new investments and new jobs here in Canada?

Hon. Don Mazankowski (Acting Minister of Regional Industrial Expansion): Mr. Speaker, I am not precisely sure of what Mr. Reisman has said. I would want to check in detail the comments he has made before responding to the Hon. Member's question.

NEGOTIATOR'S MANDATE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my supplementary question is for the Prime Minister. Will the Prime Minister confirm that despite Mr. Reisman's personal opinions his mandate as negotiator is to fight to maintain those safeguards which everybody on each side of the industry is convinced gets jobs and investments here in Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, of course we are seeking to create more jobs and to attract more investment into Canada. In fact there have been a couple of billion dollars go right into the riding of the Hon. Member for Oshawa.

Mr. Broadbent: Because of the safeguards?

Mr. Mulroney: No, because of the new climate that has been created. I cannot comment on all of Mr. Reisman's observations. I did not see them all. I did see one in which he said that the Hon. Member from Windsor did not know what he was talking about, and I do not disagree with that.

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NATIONAL RESEARCH COUNCIL

INDUSTRIAL RESEARCH ASSISTANCE PROGRAM

Mr. David Berger (Laurier): Mr. Speaker, my question is for the Minister of State for Science and Technology. Yesterday the Opposition was accused by the Minister of creating confusion regarding the National Research Council's Industrial Research Assistance Program. Unfortunately, the Minister does not realize that it is his failure to communicate, consult, and provide this House with full information that has created the confusion.

Will the Minister level with this House and admit that there were no consultations and that, if there is confusion, it is because of his failure to state his policies clearly and to advise the House of the full import of his decisions?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, the House will have heard me tell the Hon. Member on several occasions now that he will have access to everything that has been communicated to the National Research Council with respect to this program. It may take the Hon. Member a little longer to comprehend what has happened, but there is certainly no longer any confusion in the NRC, or any place else.

PROGRAM FUNDING

Mr. David Berger (Laurier): Mr. Speaker, will the Minister cancel the cut in the Industrial Research Assistance Program which will deprive some 2,000 small and medium-sized businesses of vital research support? Will he enter into real consultations with the Council, as members of the Council have asked, and as he is obliged to do under the law?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, again I repeat that there have been no cuts to the program to which the Hon. Member makes reference. As has been the practice in the past, parts of the program—and it is 5 per cent of the program this year—will be used for space-related activities. That is a decision which the Government has made in its wisdom. It was communicated in a timely fashion to the people who are managing the program for us.

Mr. Speaker: One question. The Hon. Member for Winnipeg—Birds Hill.

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NUCLEAR ENERGY

DISPOSAL OF NUCLEAR WASTES

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. The Minister will likely be aware that the Minister of State for the Environment for the United Kingdom visited the underground research laboratory in Lac du Bonnet a couple of weeks ago. Can the Minister assure the House that the visit of the British Minister in charge of Britain's nuclear program has nothing to do with things that the Minsiter has mentioned before about the commercial possibilities of Canada becoming a radioactive garbage dump for the world? Will she tell us why that Minister was visiting that site? Will she reassure us about the Government's intentions with respect to Lac du Bonnet?

• (1200)

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I cannot comment further on the answers I have already given in the House. We have no intention of allowing—

Mr. Blaikie: Why was the Minister there?

Miss Carney: We have no intention of allowing the riding of the Minister of National Health and Welfare to become a

radioactive garbage dump, as was suggested, and I cannot tell the Hon. Member why the Minister from Britain was visiting. Permission is not required for visiting Ministers to go to Manitoba.

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HOUSE OF COMMONS

TRIBUTE TO PAGE STAFF

Mr. Speaker: Order, please. Today, sadly, we must say goodbye to a special part of the parliamentary family, our Pages. Bright, personable, dedicated, they are that and much more. They have seen us at our best and otherwise. They tell me that they feel privileged to have spent this year here. Little do they know that the privilege is all ours, the privilege of having their enthusiasm and their intelligence pushing us daily to live up their expectations of us.

I am certain that we would want to thank these extraordinary and exemplary young Canadians most sincerely and to wish them Godspeed and every possible good fortune.

Some Hon. Members: Hear, hear!

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POINTS OF ORDER

ALLEGED MISATTRIBUTION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, during Question Period the Prime Minister (Mr. Mulroney) purported to recite something about the Foreign Investment Review Act from a document that he tried to attribute to me. I would like to say to him and the House that those were not my words.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I indicated that it was from a McMillan Binch newsletter—

Some Hon. Members: Oh, oh!

Mr. Mulroney: That is exactly what the record will reflect. At that time I believe my right hon. friend was a partner with a willing pen.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. Order.

ALLEGED MISSTATEMENT

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, during Question Period, the Minister of Employment and Immigration (Miss MacDonald) said, in reference to a statement that I made yesterday during

Question Period that the PC Fund was funded by the Challenge '86 Program, that she checked and found that it was completely false. I must tell her that before I raised the question yesterday I called her Department to find out if the information that was given to me was correct. I asked for a list of the Challenge '86 funded programs in Ottawa. Her Department refused to give me this information. If the Minister would make public a list of all the programs in Canada that are funded under that program, we would never find ourselves with this kind of problem. If she were more open and would make known—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order.

Miss MacDonald: Mr. Speaker, on the same point of order—

Mr. Speaker: Order, please. Hon. Members know that this is what happens when a point of order is raised that is not a point of order. The Hon. Minister seeks to reply but it is not a point of order. I think she has already had her comment.

Miss MacDonald: Well, it may not be, but on the same point of order that was raised by the Hon. Member—

Mr. Speaker: Order, please. There is no point of order.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Chair cannot hear because of the noise coming from the government side.

* * *

[*Translation*]

POINT OF ORDER

REQUEST THAT A MESSAGE FROM THE SENATE BE PRINTED IN THE DEBATES OF THE HOUSE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, yesterday the Senate sent a message to the House of Commons concerning Bill C-62, along with another message which was not read in the House because there was no Royal Assent and, for reasons which I fail to understand, this does not appear either in yesterday's *Votes and Proceedings*.

As it must be done, I would like the Chair to make public both the message and the observations of the Senate concerning Bill C-62. I think this should be included in *Hansard* because I think it is important that the House be aware of them and know that the Senate have made an important comment on a Bill which has not yet been given Royal Assent, but which will necessarily go through this process later today, I think.

I urge the Chair to give every consideration to my request because I think it is serious. A very important message has

been conveyed to us and I suggest that the Chair ought to read the entire message before we go on to something else.

[*English*]

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I rise on the same point of order simply to put in a caveat with respect to the point raised by the Hon. Member for Ottawa—Vanier (Mr. Gauthier) about messages between the two Houses. I do not want to get involved in a protracted procedural argument at this point in time but, as Your Honour is aware, I think it is the tradition, custom and convention of the two Houses of Parliament that they do not reflect upon the decisions of the other place.

With respect to messages that are received in the normal way dealing with amendments or other procedural or substantive matters relating to Bills, of course there is an established practice that has developed.

I would simply suggest to you, Mr. Speaker, that when you are looking at this particular matter, it would set a very dangerous precedent indeed if we were to start sending little love letters between the Houses dealing with our views of the truth as we see it in each place.

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I rise on the same point of order because I was the principal critic of the Bill when it was before the House. In this situation, the Senate has not amended the Bill, has not defeated the Bill but has respected conventions and has passed the Bill recognizing the role of the House of Commons as the elected body in Canada. However, it has in a way put forward its views in this message. It has attempted to convey to the House its dissatisfaction with the Bill.

I would ask you, Mr. Speaker, to have the message printed in *Hansard*. To my way of thinking, that would be a way of providing better accommodation between the two Houses considering that there is a majority held by one Party in one House and there is a majority held by another Party in the other House. That would be a reasonable accommodation considering that this is the elected House and the other is not. I think that would be a very reasonable approach to the problem.

Hon. Herb Gray (Windsor West): Mr. Speaker, I would simply ask you to check to see if messages of this kind from the other place have been read to the House before. If I am correct—and I may not be correct—you may find such a precedent, and if you do, I think it is a precedent which must be followed. The matter of the relationship between the two Houses and the suggestion of the government House Leader of the other place reflecting on this place are not at issue. It is simply a question of whether this has been done before. If it has, it should be done again.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, it is regrettable that we have to spend so much time on a matter such as this. I would like to suggest that the whole thing could be resolved if the Government would take our advice and abolish the Senate.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I rise on the same point of order. I notice that the full text of the message has been made public. It is contained in the edition of *Votes and Proceedings* of Thursday, June 26. This being the case, it seems to be a reasonable way of dealing with the matter. There is no necessity for it to be recorded in *Hansard* because it is in *Votes and Proceedings*.

• (1210)

Mr. Speaker: I thank Hon. Members for their interventions. The matter has been absolutely dealt with in the traditional House way.

To answer the Hon. Member for Windsor West (Mr. Gray), such messages are often printed in our *Votes and Proceedings* when they are received from the Senate. The ones which are verbally read to the House are usually notices of an indication that Royal Assent will occur later that day, in order to inform the House that that is what will happen. Many times in the past these messages have been received from the Senate and printed in *Votes and Proceedings*. This is the way we have handled it before.

If Hon. Members are asking me to review whether there is a point of order with regard to whether it should be printed there—in fact it has become the practice—I would be happy to review that practice, but I see no point of order.

Is the Hon. Member for Saint-Denis (Mr. Prud'homme) rising on a separate point of order?

* * *

TRIBUTE

RETIREMENT OF JEAN DRAPEAU

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I am sure the House will not object if I take just a short moment to render homage to Jean Drapeau, a long-service Mayor of Montreal who just announced his retirement. His fabulous personality will be long remembered and missed for many years to come.

[*Translation*]

Long live Jean Drapeau who has served Montreal, his province and his country so well!

[*English*]

POINT OF ORDER

EFFECT OF PROROGATION ON REQUEST FOR GOVERNMENT RESPONSE TO COMMITTEE REPORT—SPEAKER'S RULING

Mr. Speaker: I have one more matter with which I must deal. Unfortunately it is a little longer than normal. Yesterday the Hon. Member for Ottawa—Vanier (Mr. Gauthier) asked me to deal with a matter, and I think it is important to deal with it before we break for the summer recess.

The Hon. Member raised a point of order as to the effect of prorogation on requests made for Government responses to committee reports. Implicit in the Hon. Member's query is the understanding that normally the effect of prorogation is to abolish all pending proceedings. However, an exception is made in some respects. Standing Order 121 provides:

A progrogation of the House shall not have the effect of nullifying and Order or Address of the House for returns or papers, but all papers and returns ordered at one session of the House, if not complied with during the session, shall be brought down during the following session, without renewal of the Order.

Standing Order 99(2) which pertains to responses to committee reports reads as follows:

Within 120 days of the presentation of a report from a standing or special committee, the Government shall, upon the request of the committee, table a comprehensive response thereto.

It would be well perhaps to engage as briefly as I can at this point in some textual analysis of the terms "order for return" and "Standing Order". As noted in Citation 412 of Beauchesne's Fifth Edition, at page 150, an order of the House is a decision of the House directing that something be done. Abraham and Hawtrey in "A Parliamentary Dictionary", Third Edition, at page 186, define a return as "a paper or document presented to either House in pursuance either of its order or an address". By combining these two definitions we may deduce that an "order for return" is a short form of stating that there is a decision of the House directing that a paper or document be presented to it.

A Standing Order is, as its very name implies, an order of the House which is to have a continuing effect. In my view by its adoption of Standing Order 99(2) on February 24, 1986 the House therefore made a decision directing that within 120 days of the presentation of a report from a standing or special committee, the Government shall, upon the request of the committee, table a comprehensive response thereto. In other words, the House thereby made a continuing order for the return of requested responses and, by virtue of Standing Order 121, further ordered that such returns should survive prorogation.

It seems to the Chair that the same reasoning developed earlier in these remarks can be applied in respect of responses to petitions as required by Standing Order 106(8) which provides:

The Ministry shall, within 45 days, respond to every petition referred to it.

The practice has developed of tabling these responses in the House. It would therefore appear that that practice has accorded to responses to petitions the status of returns ordered by the House, which are capable of surviving prorogation.

Mr. Gauthier: Mr. Speaker, I accept your decision, and I think I agree with it also. However, I just want to make one important point. If the report in question had not been adopted by the House, would it still be an order of the House? If the report is pending, in other words no concurrence motion has been made, does Your Honour's ruling still apply?

Mr. Speaker: The answer to that question is that if Standing Order 99(2) applies today, it applies tomorrow.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8),I have the honour to table, in both official languages, the Government response to the following 16 petitions: 331-547, 331-548, 331-582, 331-587, 331-594, 331-612, 331-616, 331-618, 331-620, 331-621, 331-623, 331-707, 331-708, 331-710, 331-739 and 331-749.

* * *

[*English*]

WESTBANK INDIAN BAND

TABLING OF DOCUMENTS

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if I could have one of your stronger pages, I would table some documents. In accordance with Standing Order 67(1), I have the honour to table, in both official languages, the documents related to the Westbank Indian Band.

Mr. Speaker: Perhaps the Parliamentary Secretary will understand that I hope he does not have any further tablings today.

* * *

INTERPARLIAMENTARY DELEGATION

PRESENTATION OF FINAL REPORT OF CANADIAN SECTION OF CANADA-U.S. INTERPARLIAMENTARY GROUP

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House, in both official languages, the final report of the

official parliamentary delegation of the Canadian section of the Canada-United States Interparliamentary Group, which attended the twenty-seventh annual meeting of the Canada-United States Interparliamentary Group in Tucson, Arizona from February 28 to March 3, 1986.

* * *

COMMITTEES OF THE HOUSE

ELECTIONS, PRIVILEGES AND PROCEDURES—SECOND REPORT OF STANDING COMMITTEE

Mr. Albert Cooper (Peace River): Mr. Speaker, I have the honour to present the second report of the Standing Committee on Elections, Privileges and Procedure and, if the House gives its consent, I intend to move concurrence in the report later this day.

ENVIRONMENT AND FORESTRY—FIRST REPORT OF STANDING COMMITTEE

Mr. Lorne Greenaway (Cariboo—Chilcotin): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Environment and Forestry to which, pursuant to Standing Order 99(2), the committee requests a comprehensive response.

This report on forest resources and industries in eastern Canada is the result of a study undertaken by the former Standing Committee on Fisheries and Forestry and concluded by the Standing Committee on Environment and Forestry. The report contains 27 recommendations, including a recommendation that the Government consider the creation of a department of forestry.

Knowledge, vigilance, concerted action, and integration have become keywords for all of those involved in the forest industry. The present time is crucial for our forest resources and their many uses. Canadians must draw upon their reserves of ingenuity and flexibility to guarantee that this great resource will last forever.

Through this report the Standing Committee on Environment and Forestry hopes to encourage timely exchanges of ideas and to have thus contributed to the discovery of appropriate solutions.

CANADA PETROLEUM RESOURCES ACT—REPORT OF LEGISLATIVE COMMITTEE

Mr. Fred McCain (Carleton—Charlotte): Mr. Speaker, I have the honour to present the report of the legislative committee on Bill C-92, an Act to regulate interests in petroleum in relation to frontier lands, to amend the Oil and Gas Production and Conservation Act and to repeal the Canada Oil and Gas Act, as amended.

MULTICULTURALISM—THIRD REPORT OF STANDING COMMITTEE

Mr. Gus Mitges (Grey—Simcoe): Mr. Speaker, I have the honour to present, in both official languages, the third report of the Standing Committee on Multiculturalism.

In relation to its mandate under Standing Order 96(3)(d) relating to multiculturalism, your committee is pleased to present a report summarizing activities in its first year of existence.

The committee met 22 times, and 14 of these sittings were open to the public. Appendix I contains a list of dates of committee meetings, together with the names of those who appeared as witnesses.

ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT—SECOND REPORT OF STANDING COMMITTEE

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I have the honour to present the second report of the Standing Committee on Aboriginal Affairs and Northern Development to which, pursuant to Standing Order 99(2), the committee requests a comprehensive response.

The North has expressed a desire to get on with solving its problems, creating employment, and building for the future. The committee sincerely hopes that its 21 recommendations will be helpful, and I thank all those who helped present the report.

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

* * *

● (1220)

PETITIONS

REQUEST FOR DOOR-TO-DOOR MAIL DELIVERY IN WINNIPEG

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have a petition signed by some 50 of my constituents who say that in their opinion that all Canadians pay taxes and, therefore, pay for the services of Canada Post and that no Canadian should have to receive second or third-class postal service. They humbly pray and call upon the House of Commons to direct Canada Post to change its policy of installing group and community mail boxes in new neighborhoods and to reinstate daily door-to-door delivery to all homes in Winnipeg.

AIR CANADA—EMPLOYEES RIGHT OF FREE SPEECH

Mr. Les Benjamin (Regina West): Mr. Speaker, I have the duty and the honour to present an 85 page petition signed by some 1,000 Canadians who humbly show that in their opinion flight attendant Toni Corrado was unfairly treated by Air Canada, and the undersigned, your petitioners humbly pray and call upon the House of Commons to issue a strong policy directive to Air Canada and to all other Crown corporations and federal Departments to guarantee the right of free speech

to all employees, to ensure discipline procedures that uphold Canada's standard of justice, including protection of rights under Canada's Charter of Rights and Freedoms and the guarantee of an impartial hearing when those rights may have been breached and the right of an accused to face his or her accusor.

RIDEAU HALL—PUBLIC'S ACCESS TO GROUNDS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to take a few minutes of the House to present further petitions dealing with the grounds of the Governor General, specifically the unfortunate closing of the grounds to the general public. I think I have now tabled approximately 150 petitions. These are the last that I have with me today. The petitioners are asking the Government and Parliament to open up the decision for further consultation with a group of citizens representive of the large and growing opposition in order that a *modus vivendi* be created that will satisfy both the Government and the public. Indeed, if the security of the Governor General is in question, let us provide her with all the security she needs. Let us open the lands and the park to Canadians who want to see it.

OPPOSITION TO ABORTION LAWS

Mr. Derek Blackburn (Brant): Mr. Speaker, I too have a petition signed by a handful of my constituents in my electoral district who are opposed to the present abortion laws and who belong to one of the Pro-Life groups.

REQUEST FOR CONTINUED INDIVIDUAL MAIL DELIVERY TO RURAL AREAS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I have the pleasure to present a petition signed by many hundreds of people who live on rural routes in and around Thunder Bay. The names were collected through the good offices of the Hon. Member for Thunder Bay—Atikokan (Mr. Angus). These petitioners direct Canada Post to halt its discriminatory cut-backs in service to rural residents and call on Canada Post to maintain individual mailbox delivery on its rural routes.

USE OF PENSION INCOME IN CALCULATION OF UI BENEFITS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the responsibility and privilege to present petitions signed by many residents of the Hamilton area and many residents of the British Columbia area of Comox. These petitioners are protesting the change in the Unemployment Insurance Act which has seen pension income being used as earned income for unemployment insurance purposes. They call upon Parliament to request the Minister of Employment and Immigration (Miss MacDonald) to withdraw that iniquitous change in the Unemployment Insurance Act.

Petitions

OPPOSITION TO LIBERALIZATION OF AVAILABILITY AND DISTRIBUTION OF PORNOGRAPHIC MATERIAL

Mr. John Oostrom (Willowdale): Mr. Speaker, I have the honour to present a petition duly certified by many residents of Willowdale who are voicing their opposition against any liberalization of availability and distribution in Canada of any pornographic material which exploits human dignity.

* * *

[*Translation*]

OFFICIAL LANGUAGES ACT

MEASURE TO AMEND

Mr. Jean-Robert Gauthier (Ottawa—Vanier) moved for leave to introduce Bill C-293, an Act to amend the Official Languages Act (primacy of bilingualism).

Mr. Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Gauthier: Mr. Speaker, I am back with another Bill aimed at confirming the primacy of bilingualism, as expressed in Section 2 of the Official Languages Act, over the other statutes, orders and regulations of Parliament and the Government of Canada.

My purpose is to ensure the primacy of the Official Languages Act and thus avoid embarrassing situations of the kind we had with the Gens de l'air, for instance.

Mr. Speaker: Is it the pleasure of the House to adopt this motion?

Some Hon. Members: Agreed.

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

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

CURRENCY ACT

MEASURE TO AMEND

Mr. Marcel Prud'homme (Saint-Denis) moved for leave to introduce Bill C-294, an Act to amend the Currency Act.

Mr. Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Motions

Mr. Prud'homme: Mr. Speaker, as you know, for 23 years it has always been my view that we should do everything in our power to educate our young people across Canada, and that is why today, I have the honour of tabling this Bill which is aimed at honouring the memory of our former Prime Ministers.

[*English*]

As you know, Mr. Speaker, we have honoured Sir John A. Macdonald, Sir Wilfrid Laurier, Sir Robert Borden and William Lyon Mackenzie King. The object of this Bill is to honour John Diefenbaker. Since a decision is about to be taken, but has not as yet, I hope the authorities responsible will consider this as an honour to be given to Mr. Diefenbaker, to be followed by a bill later on to honour Mr. Louis St. Laurent, Mr. Pearson and others so that Canadians, young Canadians in particular, will know the history of Canada better.

Mr. Speaker: The Hon. Member knows that the rules require a brief summary of the Bill at this point.

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

* * *

THE ADMINISTRATION

BOARD OF INTERNAL ECONOMY—EMPLOYER

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been discussions between the Parties and, as you will recall yourself, Sir, there have been discussions by the Board of Internal Economy membership, and I think you will find a disposition to accept the following motion at this time and to pass it unanimously without debate. I move:

That the Board of Internal Economy shall be deemed to be the employer in respect of employees of the House of Commons, as defined in and for the purposes of "An Act respecting employment and employee and employer relations in the Senate, the House of Commons and the Library of Parliament.

Mr. Speaker: The House has heard the terms of the motion. It requires unanimous consent for its introduction. Is there such consent?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

● (1230)

PUBLIC ACCOUNTS

CONCURRENCE IN TENTH REPORT OF STANDING COMMITTEE

Mr. Jean-Robert Gauthier (Ottawa—Vanier) moved:

That the tenth report of the Standing Committee on Public Accounts presented to the House on Wednesday, April 30, 1986, be concurred in.

Mr. Speaker: Is it the pleasure of the House to adopt that motion?

Mr. Hnatyshyn: No.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I moved concurrence in this report because of the "no" you heard from over there. I think this report is important. I think it should be adopted by the House. I think it reflects highly on the good work that our committees have been doing and should, in my view, be accepted by this House as an important contribution to the parliamentary process and to getting things done in the bureaucracy which will help us better understand and better explain to our constituents what is happening.

There are four major concerns in the report of this committee. The concerns deal with the layoffs of public servants and the reverse order of merit which the commission claims is in effect. It also states that 98 per cent of staffing responsibilities have been delegated to Departments but that the commission is responsible for the monitoring. However, their efforts are less than adequate, especially as they relate to affirmative action programs. We all know that this House thinks affirmative action programs are important. Therefore, it is most valuable to us that a committee recommends that this system of affirmative action be strengthened.

I do not intend to speak very long on this matter. The staffing system in the public service, by the committee's own admission, is cumbersome and slow. If I understand the report correctly, the average time to fill a vacancy ranges from 136 to 160 days. Evidence to that effect was presented to the committee. In some cases it was possible to reduce the time for filling vacancies to 44 days. If it is possible in certain circumstances to reduce the time for the filling of vacancies to 44 days, I see no reason why the average should be in excess of 136 days and sometimes up to 160 days.

I will take a few minutes to tell the House about the recommendations of this report because I think they are important and imperative to the good working of the Public Service of Canada.

[*Translation*]

Mr. Speaker, the Committee's first recommendation is as follows, and I will read it to you:

Your Committee recommends that the Commission develop an action plan for the simplification and condensation of rules and regulations on staffing and report its progress in doing so in writing to your Committe by September 30, 1986.

Mr. Speaker, it is almost the end of June, the House is adjourning today, and since the report has yet to be adopted, we have a situation where the Commission would not be obliged to make its report, and that is one of the reasons why I insist the report be adopted by the House today.

Mr. Speaker, another recommendation reads as follows:

Your Committee recommends that the Commission:

(*a*) provide your Committee with a written report by September 30, 1986 on its progress in improving its monitoring of departmental staffing procedures;

Mr. Speaker, we know that 98 per cent of staffing authority has been delegated to the departments. We want the Commission to report on its progress in order to make the Commission more accountable to Parliament for staffing, because there is a system providing that public servants can appeal, and we would like to be sure that there is a system that would satisfactorily monitor the fairness of these procedures.

The second recommendation in (b) reads as follows:

(*b*) include in the aforementioned report evidence of consultations with the Auditor General to ensure full compliance with his recommendation that the Commission monitor adherence to its policies and procedures, as set forward in the Personnel Management Manual;

Mr. Speaker, I don't think we have any problem understanding that—

and (*c*) develop effective procedures to monitor and assess departments' progress in implementing affirmative action programs and report progress in this regard in writing by—

—once again, Mr. Speaker—

—September 30, 1986.

Mr. Speaker, as the employer, the Government and this Parliament must be concerned about the implementation of affirmative action programs and must have a report from the Commission on effective procedures to monitor and assess progress.

12. Your Committee recommends that the Commission:

(*a*) develop an action plan for the whole public service to significantly reduce the average amount of time required to staff a position, while taking care to maintain employees' legal rights; and

(*b*) report progress in this regard in writing to your Committee by September 30, 1986.

Mr. Speaker, this is perhaps the most important recommendation, and I believe it is indeed important that by September 30, 1986, the Commission should provide for a better and more effective staffing system that would make appointments on a more equitable basis and would not involve endless bureaucratic delay before a vacancy is filled.

Fourth:

15. Your Committee recommends that:

(*a*) the Commission immediately issue guidelines to departments and agencies governing the implementation of reverse order of merit;

Mr. Speaker, the reverse order of merit is used by the Commission in the case of lay-offs, when it declares a person surplus to its needs. We would like to know the Commission's guidelines for applying the reverse order of merit.

(*b*) the Government table quarterly reports on lay-offs within the public service;

Mr. Speaker, I don't think this needs a great deal of explanation. We know the Government has announced it would cut 15,000 jobs in the Public Service in the next five years, and we are asking the Government simply to table quarterly reports on lay-offs, so that we as parliamentarians will know how a policy that we feel is a very difficult and even traumatic for some people is being implemented.

(*c*) the Commission report back to your Committee with respect to recommendation (*a*) above by September 30, 1986; and

(*d*) the Gouvernment respond to recommendation (*b*) above in accordance with Standing Order 99(2).

That, Mr. Speaker, is something we can discuss. You ruled today that it was relevant, and that the Government will obviously have to reply, because the order of the House stands, and even if Parliament is prorogued, the order has been made. Fifth:

18. Your Committee recommends that the Commission:

(*a*) clarify its staffing audit mandate and report its progress in so doing to your Committee in writing by September 30, 1986;

Once again: September 30, 1986.

Mr. Speaker, the Commission has a mandate under the Public Service Employment Act, and the Public Service Commission is an agent of Parliament. Therefore, Parliament must know exactly what kind of auditing mandate the Commission has under our system. What kind of methodology, Mr. Speaker, does the Commission use to carry out its mandate for staffing audit?

(*b*) report in writing to your Committee on its progress in implementing the Auditor General's recommendations in the area of auditing by September 30, 1986 and again by September 30, 1987; and

Mr. Speaker, these are two important dates, and we are asking the Government to report, in writing, by the end of September and, subsequently, in September 1987. Finally:

(*c*) include in the aforementioned reports evidence of consultations with the Auditor General to ensure full compliance with his recommendation that the Commission complete directives on staffing audit methods, scope and documentation, ensure adherence to these directives, review all audit files, introduce quality control measures and ensure adequate training for auditors.

Everyone agrees that the report from the Public Accounts Committee is a good report, an excellent report, and that it is high time the Public Service Commission, an agent of Parliament as I said before, told the House what it does and provided the House with a clear picture of how it exercises its mandate.

Mr. Speaker, I do not want to prolong this debate, but I would like the House to proceed with a vote on this report, to take a positive attitude to this report and to support and adopt the report in question.

• (1240)

[*English*]

Mr. Alan Redway (York East): Mr. Speaker, as a Member of the Standing Committee on Public Accounts now and at the time the tenth report number 10 was prepared and tabled in this House, I would like to join with my friend from Ottawa—Vanier and support his motion for adoption of this report. It sets out a number of recommendations which my friend has outlined to the House. Those recommendations came, first of all, out of a report by the Auditor General and, secondly, out of hearings specifically held by the committee which relate to the material in the Auditor General's report.

The chairman of the Public Service Commission was called before the committee as a witness and presented evidence in response to questions relating to the role of the PSC in hiring and staffing in the Public Service. As a new Member in this

House I learned a great deal about the procedure for Public Service staffing. I was interested to learn, for example, that the PSC, under the authority of the Public Service Employment Act, has responsibility for staffing in the Public Service but in fact delegates 98 per cent of that responsibility to the departments. While there is the appearance that the PSC is the major force in the whole procedure, the actual responsibility for administering the staffing procedure lies not with the PSC but with the government departments involved. That created some real problems and led to the recommendations in this report.

The first recommendation deals with simplification and condensation of the rules and regulations governing staffing procedures. My understanding of the evidence was that there are several volumes of rules and regulations which every department manager has to follow. However, the evidence indicated that it was in fact impossible for any manager to have a firm grasp or understanding, or even to have read anything but a small fraction of the rules and regulations. As a result, it was and is quite clear to the committee that in no way, shape or form can these rules and regulations, which if piled end to end would probably be two or three feet high, possibly be carried out in any legitimate fashion by the various managers. Therefore that is an important recommendation which we should see implemented by the PSC.

The recommendation that I would like to target in on most specifically has to do with affirmative action. The recommendation is that the PSC develop effective procedures to monitor and assess a department's progress in implementing affirmative action programs and report that progress in writing by November 30, 1986. This Parliament has spent a good deal of time discussing the issue of employment equity. We had an employment equity Bill before us. It was substantially debated on second reading. There was a good deal of discussion in committee. It then came back to the House and there was a tremendous amount of discussion at report stage and on third reading. From what I understand there has since been a lot of discussion in the Senate on the Bill as well.

There was a feeling, if I grasped it correctly, in many parts of society that the Bill on employment equity did not go far enough in addressing some of the problems of affirmative action, if we can call it that. You will remember there were four target groups outlined in that Bill: women, the disabled, native people and visible minorities. The gist of the Bill was to make sure that in all dealings governed by federal law the principles of employment equity with respect to those four target groups should be put in place, made effective and maintained. The Bill itself did not deal with the federal Civil Service. Neither did it deal with businesses which contract with the federal Government. However, the Government at that time indicated as far as contractual relationships with other businesses were concerned, it was going to put in place by regulation the same sort of rules. At the same time it indicated that rules and regulations had already been put in place with respect to the federal Civil Service. However, it became quite clear in the discussions relating to the employment equity legislation that that was not the reality.

The previous Government had some affirmative action programs put into place specifically dealing with women, the disabled and native people. However, there had been no such provision for visible minorities. When the chairman of the PSC, at the request of the committee, tabled material relating to the way in which Government was performing with respect to these four target groups, it became quite clear that there had not been much progress made at all. There had been some with respect to women but virtually none with respect to the disabled, native people, and certainly not for visible minorities.

When we looked at the material tabled, particularly with respect to senior management positions in the Public Service, we found no one from the disabled or visible minority groups in those positions. Therefore it seems to me we must start to address this problem with some urgency to make sure that the Public Service truly reflects the make-up of this country's population.

There are problems in doing this, especially regarding visible minorities. For one thing, there is a problem with the identification of visible minorities. As you know, according to our human rights legislation the question of race and colour cannot be asked on employment applications. That immediately puts the federal Civil Service at a disadvantage when it comes to trying to implement some form of affirmative action program for visible minorities.

Since September 4, 1984, when the present Government took office, there has been a specific effort made to implement affirmative action for visible minorities, and to overcome the technical problems of identifying visible minorities in the Public Service. This has been done on a voluntary basis asking all Members of the Public Service to agree or disagree with their consent to have this identification. It is starting to take some shape. There is starting to be a data base and there is starting to be some basis for actually ensuring that the program of emloyment equity at senior levels of government with respect to visible minorities can now start to become effective.

• (1250)

There is a specific women's secretariat within the Government to monitor whether women are going into place under the affirmative action program that was established some years ago. It seems to me that this is the same sort of thing that we should be doing with visible minorities and these other target groups. It is only in that way that we are going to ensure that this sort of a program is carried out and that we do have a Public Service that truly reflects the realities of life in this country and the realities of the make-up of the Canadian population.

It is with all of that in mind that I feel that the motion by the Hon. Member for Ottawa—Vanier is certainly one that should be adopted by this House. There has been a feeling in

the past that, as I understand it, because of the fact that the Public Service Commission is not a department of Government and supposedly is independent of Government, if there is a recommendation by a parliamentary committee with respect to it, it will not be acted upon by the Public Service Commission because it does not feel that the force of Parliament stands behind it.

If this motion by the Hon. Member is adopted then Parliament will have, for the first time, I understand it, agreed and approved recommendations of a parliamentary committee with respect to the Public Service Commission. It will therefore have the force of Parliament behind it, the force of the people of Canada behind it, and the Public Service Commission will not have the option to ignore it, but must move forward and adopt it.

It is with that in mind that I would like to support very strongly the motion made by the Hon. Member, and I trust that the House will agree to adopt the tenth report of the Public Accounts Committee.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I only want to take a few minutes to reiterate and agree with the comments made by my colleague for Ottawa-Vanier when he brought to our attention today the very good recommendations of the Public Accounts Committee.

I would be remiss in my remarks if I did not start by congratulating the Hon. Member for Trinity (Miss Nicholson) for the excellent work that she does in chairing the Public Accounts Committee. I know that every Member of this House would agree with me in that regard.

As a member from the national capital area I am very concerned with some of the problems that we see right now whereby it takes between 136 to 160 days to fill vacant positions in the Government. There are two reasons why, of course, that I am very concerned with this.

[*Translation*]

First of all, Mr. Speaker, we must not forget that when a position remains vacant for 150 or 160 days, which is almost six months, the former incumbent's co-workers have to do that person's job in addition to their own work. The present system therefore puts an additional burden on the other employees, and it is unfair to make them do the work of other people just because our bureaucracy has become so slow-moving.

Second, Mr. Speaker, I would like to bring to your attention and to the attention of the Hon. Member for Richelieu (Mr. Plamondon), who is listening very attentively down there, that today, many of my cnstituents in the National Capital Region are unemployed. And as you know, Mr. Speaker, the unemployment rate in the Naional Capital Region is rising, although it seems to be going down almost everywhere else in Ontario.

Mr. Speaker, this is a very serious situation for my constituents. The eastern part of my riding, as you know, and as the Hon. Members opposite know, around Hawkesbury, has an unemployment rate of about of about 14 or 15 per cent. That is pretty serious.

But as you know, in this particular region the percentage of people working for the Government in Ottawa is relatively low. Many of my constituents who are public servants in the Ottawa-Hull area tend to live in Orleans, Cumberland and the general area, as you know of course, and these people had been in relatively good shape in recent years during the recession and after, since there was not as much unemployment in the federal Government as there was in the private sector. However, Mr. Speaker, today the situation has been reversed, which means that many of my constituents are now unemployed or are losing their jobs while other Canadians, especially in the Province of Ontario, are seeing an improvement in their economic situation.

My point is, Mr. Speaker, that when positions remain vacant for six months, it means that one of my constituents remains unemployed for that long, and I think it is important to bring this to the attention of the House, to repeat the points raised by the Hon. Member for Ottawa—Vanier (Mr. Gauthier), who informed the House so eloquently on this subject.

Mr. Speaker, I also want to say a few words about the lay-off or surplus list, which includes employees who are about to lose their jobs, and some of them have already left as a result of the measures introduced by the Minister of Finance, who is sitting there in his seat, and the President of the Treasury Board, the executioners of the Public Service—it is important that we bring to the attention of these two Ministers that a large number of Canadians, about 2,000 or 3,000 people, are now on this lay-off list, some of whom have already lost their jobs or are about to do so very shortly. Now if this waiting list were compressed or shortened, as it were, many of these people could be re-hired by the federal Public Service and be employed instead of staying home on unemployment insurance or welfare or any of the other programs that are open to the unemployed.

The point is, Mr. Speaker, that it is very important for the House to adopt today—and I ask Hon. Members from all parties, including the Hon. Member for Richelieu (Mr. Plamondon), my good friend over there, to support this Bill, even the Minister of Finance, because it is still time for him to reform, to make up for the way his restrictions and budgetary cutbacks have affected federal public servants.

Mr. Speaker, I am delighted to hear from an Hon. Member, the Member on my right, I may say on my far right, in the Conservative Parly, that the Minister of Finance had no choice. Now I ask you, Mr. Speaker, did the same Minister of Finance have a choice when he could have cut the Prime Minister's unnecessary spending? He had a choice there, and in fact a very clear and a very easy choice, and I'm delighted the Conservative Member brought this to my attention. They could have easily cut spending there. They could have said: Enough of this wasting of taxpayers' money, enough of these

photographs, enough of this arrogance—17 photographs in 16 pages—on the part of the Prime Minister.

M. Ricard: He's photogenic!

Mr. Boudria: Mr. Speaker, the Hon. Member on the far right, the Member for Laval (Mr. Ricard) is telling the House the Prime Minister is photogenic! Well, I am sure at least the Prime Minister (Mr. Mulroney) thinks so, even if nobody else does. He certainly has his picture taken pretty often at taxpayers's expense, at the expense of Canadian voters, the same voters who were promised by the Prime Minister, when he was Leader of the Opposition and even before then, when he said in the book he wrote or claims to have written that the Canadian Government would have to set an example and that the Canadian Government should not waste taxpayers' money.

And the same Prime Minister who was indulging in that kind of abuse today. And the Hon. Member on the far right, the Hon. Member for Laval, did well to bring this to my attention, Mr. Speaker, and I want to thank him for doing so.

In any case, since I don't want to take up too much of the time of the House, so as not to upset my good friend, the Hon.Member for Richelieu (Mr. Plamondon), I will conclude my remarks, Mr. Speaker, and I ask, as my good friend and colleague, the Hon. Member for Ottawa—Vanier (Mr. Gauthier) said with such eloquence, for the unanimous support of Parliament for adopting the Tenth Report of the Standing Committee on Public Accounts.

• (1300)

[*English*]

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, this report is a result of deliberations by the Public Accounts Committee which go back through much of this year. I had an opportunity to take part in that committee some time prior to the presentation of the tenth report on April 30 which is before the House at this time.

I agree with my colleagues from the Conservative Party and Liberal Party that this report should be concurred in unanimously. I certainly will ensure that my colleagues in the New Democratic Party will join in concurrence.

This report reflects the very serious concern of the Public Accounts Committee, upon reviewing the staffing actions and the role of the Public Service Commission, as well as upon reviewing the March, 1985 Auditor General's Report with respect to the actions of the Public Service Commission. Other concerns also arose. The delegation of staffing by the Public Service Commmission had been almost total. The monitoring of over-staffing activity by departments was minimal as far as the Public Service Commission was concerned.

We were concerned that the departments went to such length to ensure that all the proper procedures were followed in the case of an appeal on staffing to the Commission, that it resulted in a very lengthy and time-consuming process. The report indicates that it took between 130 and 160 days to staff a position. This is certainly undesirable in administrative terms, but it also means that fellow workers in a particular area have to cover for a vacant position for as much as half a year because of those delays in staffing. This does not lend itself to effective management, nor do I believe it is fair to the employees who are applicants for positions. They are forced to delay for a long time without knowing whether the position for which they applied will be available.

The report also addresses some general problems with the Public Service Commission. I am pleased that the Public Accounts Committee called for specific responses from the Public Service Commission by September 30, 1986. This is a better procedure than simply issuing recommendations or admonishing a department or agency for failure to comply with effective management, failure to be accountable, or failure to use government funds effectively. Increasingly, the Public Accounts Committee is asking the departments or agencies whose work it reviews to report back on how it is cleaning up its act. This is a better procedure than simply leaving those departments or agencies to make the same errors and develop the same problems in the future.

However, I believe the Public Service Commission has been less than vigorous in acting on one of the specific issues cited in this report with respect to workforce adjustment policy. The Public Service Commission will act within the deadline set by the committee.

One of the committee's major concerns with respect to the workforce adjustment policy was the use of the reverse order of merit procedure in determining which public servants will be laid off when a position is terminated for whatever reason. While no one likes cut-backs, unfortunately the Government wants to impose them so it can show some blood on the floor to the people of Canada as its idea of effective management.

For whatever reason cut-backs occur, the Government is not in a position to deal particularly fairly with employees who are affected. As a member from the National Capital Region, a substantial number of employees and groups of employees have come to me because of the unfair treatment they believe they have experienced as a result of the Government's cut-back procedure known as the reverse order of merit.

Let me explain the reverse order of merit. When a department is faced with eliminating a number of jobs it must evaluate the employees carrying out those duties and determine an order of merit for those positions. Let us assume half of the employees are to be laid off. Those on the bottom half of the merit list are dumped and put on the surplus list. They are automatically labelled as being less meritorious, or not very competent, when they look for jobs elsewhere in the Public Service during that year in which they are entitled to do so, rather than being dropped completely from the Government's responsibility.

When someone from within the Public Service applies and is considered for a new position, there is a rather complex and

well-developed procedure by which staffing action is undertaken if that person is passed over. There is a staffing board, a group of people including some from outside the department, who interview the applicants on the short list of those who are not cut from the written applications. They determine which are the best applicants for a particular position. Furthermore, the staffing actions are subject to review by the Public Service Commission and about 10 per cent of staffing actions within the Public Service are appealed. Perhaps 10 per cent of the appeals that go to the Public Service Commission are accepted, which amounts to a very small proportion—perhaps 1 per cent—of staffing actions being subject to some change because of intervention by the Public Service Commission. This is a very valuable form of quality control in ensuring that the merit principle is being enforced as best as possible.

However, there are no such series of checks and balances with respect to the reverse order of merit. A manager can decide, perhaps very quickly, what the order of merit shall be and employees may find themselves dumped because they have been judged to be of lower merit. They are in a very difficult position because it is very hard to grieve. There is no established appeal process, nor has one been set up.

I hope the Public Service Commission will consider this matter which I have already spoken about to some extent during my remarks when the commission's estimates came before the Government Operations Committee some time late in the month of May.

• (1310)

In early 1986, or maybe late 1985, in response to representations that I and others made, the commission stated that it would issue guidelines to Departments in terms of giving them a directive as to how the reverse order of merit should apply. It was curious to me that those guidelines were not in fact developed until mid-May, a week or two before the commission went before a parliamentary committee to have its estimates considered. I do not have the guidelines in front of me because I did not expect this debate today but, while they have been communicated to Departments, they have been done in a way which does not indicate that the commission attaches any particular priority to this area. They have been done weakly, they have been done limply, and the message that goes out, in my opinion, is that the Public Service Commission does not really care about this question. It is just doing it because it was forced to do so by the Public Accounts Committee and pressure coming from Members like myself and the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria).

The Public Service of Canada has grown pretty much steadily since the Second World War, up until the last few months. There have been one or two instances in which certain functions involving certain agencies have been cut back, but in general that has been within the context of a growing Public Service. This has meant that even people affected by reorganization in their particular Department, or by the elimination of a particular branch or agency, could fairly easily have a chance at finding employment elsewhere in the Government of Canada. A good example involves the actions of the former Government in chopping the secretariats for social and economic development. Very quickly, over the course of the few months of the Turner Government, the employees who were affected were found other positions, and very few of them had to go on to the workforce adjustment surplus list in order to survive. Now we are in a cut-back mold; we have many more cut-backs. It seems to me, if a well developed procedure exists for hiring and promoting people which protects the rights of public servants, that that should be the case as well when it comes to these cut-backs, but that is not yet the case. It is not good enough, in my opinion, to just send a message or a memorandum out to personnel directors in the Departments and say, "Will you please get it through to your people in whatever way you can?"

I recall, on a different issue, that the Public Service Commission was avid in its efforts to ensure that everyone knew what was the new policy. That was when it brought forward directives or guidelines in February of 1984 relative to political rights. There was a special issue of "Dialogue Express", which went to all of the Public Service; it was widely distributed to almost every employee's desk, so that they would know what the situation was.

Now, any employee can be affected by cut-backs, by a reverse order of merit ruling. Therefore, I believe that the information now developed by the commission should in fact by now been distributed to every employee. It should be widely distributed through the unions. There should be ample consultation with the unions to ensure that employees who are affected know the rules.

If I recall correctly, the rules themselves leave much to be desired. This should in fact be improved and tightened up to ensure that there is a process for appeal, so that something that has been put into employees' files some long time ago is not now used to kind of blackball them and put them low down on the order of merit.

Some guidance should be given to Departments as to whether academic qualifications, work experience, the level of performance on the job or years of experience should be the major factors in determining merit, if the system is to be used. It is my opinion, and I think that the unions representing employees and the government service would very strongly agree, that the Government is wrong to try to take something which can be and should be applied to hiring and use it for firing, as well. When one applies reverse order of merit, too often it leads to favouritism. Too often it leads to a situation where a manager decides that he or she will "get" certain employees who, for some reason, because of chemistry, or personality, do not get along particularly well with that certain manager. Therefore, the victim is someone who stands out, someone who has an unusual working style or who has perhaps shown up the boss because of being brighter or a bit more aggressive. All of these things will occur unless there is some kind of better protection for the employees.

If one is hiring or promoting it is possible to ask, "Out of a field of 100 or 10 or 5 people, which one or two are the best employees for a particular job". In other words, it is fairly easy to make a judgment call as to which one is the best. The differences between the employee who is hired and the two or three who are not, however, are often infinitesimal. In the end, it is a judgment call. One is almost flipping a coin. Anyone who has hired knows, as I do, that one often cannot say for sure that one's judgment is right. One must simply make the best judgment one can in terms of deciding who to hire and who not to hire.

However, when it comes to firing, one is making a decision which is much more crucial to the well-being, both economic and social, of the individual employee than when one comes to hiring. If one does not hire John Doe or Mary Smith for one job, then perhaps he or she has a chance at another one; if it concerns an internal situation then at least they have jobs already. If one fires John Doe or Mary Smith, however, he or she is out on the street, and it is a difficult job market. Here in the national capital, for example, we have an unemployment rate reaching 9 per cent. Federal employees in Montreal are facing a situation where the labour market is very clogged and the unemployment rate is over 10 per cent. These circumstances prevail in many parts of the country despite some general improvement in the employment situation in the last 10 or 12 months.

If one is down to deciding which 15 of 30 employees should be dumped, the differences between employee 15 who goes and employee 14 who stays are, in fact, impossible to discern. It is a totally arbitrary decision. I suggest that that would also be the case with employee 20 and employee 10. One might be able to determine which employee is the worst or next to worst and which employee is the best or the next to best. However, in between, it is much more difficult.

I therefore believe that if firings must take place, they should take place on the basis of seniority. That is the principle accepted in the private sector where a union contract prevails and where lay-offs occur. Perhaps there should be a formula brought forward which places the major emphasis on seniority, or perhaps one which only excludes, from determination by seniority, employees who have consistently shown a very marginal work performance as shown by a series of very negative performance reviews over the two or three years prior to the cuts being made. In other words, apart from those employees who are demonstrably very marginal, I believe that seniority should be the criterion which applies.

One might also, exempt from the cuts employees who have demonstrated outstanding performance. Again, maybe 5 per cent or 10 per cent of the employees in a particular branch or division might have demonstrated outstanding performance and have earned their right to stay even if they would not be able to stay by means of seniority. However, for the most part, one is dealing with employees who are equivalent, relatively speaking, within the Government of Canada, as anywhere else. One person may have better education but may not be quite such a good performer. Another employee may not be as brilliant but is there every morning at nine o'clock, not punching the clock at 5 p.m. but, rather, sticking around to see if there is work to be done. Such employees are steady, reliable, get the work done, and serve the Department or agency faithfully and loyally, through thick and thin, through long periods of time.

How does one make judgment calls about those kinds of things? It is very difficult and that is why seniority becomes a principle which is at least acceptable and can be understood by people. One might ask, "Why should I go while she stays?" and come to the conclusion, "Well, I guess it is because she joined the Department a week before I did. I guess I should not have taken a holiday before I began working with my Department". But at least such employees understand that the decision was made on a non-discriminatory principle.

I am making those representations because the committee has recommended that the guidelines be issued to the department and that they be enforced. Let us get to that. I say to the Public Service Commission through *Hansard* that by September there should be an indication as to what further steps have been taken to publicize its guidelines, and whether it has by then reviewed its guidelines to make them more effective.

I want to make a final point on this report. Your Honour might indicate how much time remains to me. I believe it to be about three or four minutes.

Mr. Speaker: Three minutes.

Mr. Cassidy: The point is that I think there is a serious problem concerning the accountability of the Public Service Commission to the Parliament of Canada. Perhaps I can in fact address these remarks to Your Honour because of your responsibility for this place. The commission is an agency of Parliament. The appointments are made by Order in Council. Unfortunately, the new provisions ensuring that Parliament can review the appointments effectively will amount to a dead letter for some time because the three existing commissioners, all of whom have 10-year terms, have only been appointed in the last two or three years. Two of them were appointed in the last six to eight months.

• (1320)

The mechanism for that accountability, however, has never been thought through and has never been adequately developed. The commission works in close conjunction with the Treasury Board to the point where the functions are almost indistinguishable. Therefore, employees of the commission may tend to assume, naturally, that they form just another government department.

The commissioners appear before the Government Operations Committee once a year to defend their Estimates. This year they appeared before the committee for between an hour and a half and three hours—a short period of time. There is no

other means that has been used in the past by which Parliament has enforced any form of accountability on the commission. I recognize that under the new committee system the Government Operations Committee, or some other committee, could in fact call the commission to come forward for a series of more protracted hearings, perhaps in the fall of each year when the pressure of Estimates is not upon us. That is something that I would recommend as a stopgap measure at least. I think we should think it through.

I will give an example of what has disturbed me in particular. Some two and one-half years ago the commission issued a set of guidelines with respect to the political activity of public servants which was circulated throughout the Public Service. In the opinion of many people, myself included, these guidelines went substantially beyond the letter and spirit of the Public Service Staff Relations Act and the Public Service Employment Act, which Acts were meant to govern political activity. They were guidelines and not regulations. The committee of Parliament which deals with regulations issued a very stiff report that was severely critical of the Public Service Commission, in that it had not put this matter into a regulation which could then be considered by a committee of Parliament. However, the Public Service Commission did nothing about that. It did not honour Parliament's word when a parliamentary committee told it that it was out of court in terms of how it had acted. There was no action, and no apparent means for taking action, by any committee of this House, or by Parliament itself, to get the Public Service Commission to act in that particular way.

I know that my time has almost expired. I think that these are important questions. I hope that they can and will be pursued over the coming months, perhaps at a time when we have another report from the Public Accounts Committee relative to the September 30 deadline for reports back from the commission on this particular report.

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am pleased to have this opportunity to address some thoughts that have occurred to me over the past little while concerning the tenth report of the Standing Committee on Public Accounts. I listened with interest to my colleague, the Hon. Member for Ottawa Centre (Mr. Cassidy), with whom I have served on the Public Accounts Committee. Because of his constitutency he has a greater understanding than many Members of the House with respect to the workings of the Public Service Commission.

I remember taking a look at the remarks of the Auditor General and his comprehensive audit of the Public Service Commission. At that time I remember that the committee was concerned about the problems of staffing. As a committee we addressed our thoughts to what might be done to improve the staffing and a simplification and condensation of the rules and regulations as suggested by the Auditor General. Today I want to spend some time discussing the staffing points.

You will note, Mr. Speaker, that the Auditor General pointed out in his report, and I think it was referred to in the report of the committee, that authority for 98 per cent of the appointments made in the federal Public Service has been delegated to the departments. In other words, the responsibility for implementing the staffing system has been delegated to the various departments. I am sure that all Members of the House would agree with me that there are very few managerial decisions which are as important to the effective functioning of a department as the question of selection of staff. The quality of the work of any department depends upon the quality of the members. For this reason alone I think that the managers have to devote a considerable amount of time to thinking through the selection process.

As an aside, we just concluded debate with respect to Bill C-45. I appeared before a committee in the other place just this morning on that Bill. It is a Bill which was supported by all Members of the House *vis-à-vis* the staff of the House of Commons, the Library of Parliament and the Senate. It is a Bill which was brought forward by the Government and worked on by members of all Parties. I pay particular tribute to the Hon. Member for Ottawa Centre and to the Hon. Member for Hamilton East (Ms. Copps) who made very viable contributions to the work of the committee.

What we were trying to do was take a hard look at the staffing of the House of Commons. We were trying to set in place a procedure by which there could be bargaining rights for the employees and by which they would have an opportunity to have grievance procedures and independent arbitration concerning matters that could not be settled on the way up.

That speaks to our concern not only as Members of Parliament *vis-à-vis* the employees on the Hill but *vis-à-vis* the different departments as regards the importance of the selection process for employees, the structuring of jobs, language requirements and the essential qualifications. The key to the efficient and effective staffing of any Public Service department is this initial planning and preparation. With respect to Bill C-45, we have built into it a year's grace provision, shall we say, to allow for the proper planning and preparation of the implementation of the classification system. I know that under any administration the Public Service managers take, and have taken seriously, the question of staffing. They are very much aware that to have proper employee morale and productivity they have to pay attention to that particular item. It is a complex matter. It is time consuming and has many well-defined steps which must be taken along the way. There is no question that there are still efforts required to streamline and improve the system to make it more flexible and responsive to Public Service needs.

I would like to quote, if I may, from the commission's annual report for 1985 which states in part:

> Throughout 1985, the Commission, mindful that restraint in the allocation and management of government resources has affected personnel administration, continued to explore the scope of possible changes to the Public Service Employment Act and Regulations. Many of these proposed changes have as a

goal the simplification of the staffing process to make it more accessible to line managers, while respecting the basic principles of merit and equity.

I am interested in some of the comments of the Public Accounts Committee with respect to what has been implemented. I note that the Auditor General suggested that monitoring of the departmental staffing activities by the commission was practically non-existent. The commission agreed that its organization was not sufficient in this area, that it did not effectively integrate monitoring information gathered from the departments and that it made inadequate use of this information.

While we have a system in place, the Auditor General is telling us that there are problems with it. I am pleased that apparently before the committee the commission suggested it was taking remedial measures to augment and centralize its monitoring activities. There is no question that in a variety of government departments there has to be an ongoing effort made to review what standards are used in each department and ministry and to compare and to continue to try to get the very best system that we can.

● (1330)

That brings me to the importance of the merit principle. There is no question that the merit principle must be addressed and I may wish to return to that in a moment. However, if I may, I would like to move on to affirmative action.

As you know, Mr. Speaker, our Party is very strongly in favour of affirmative action. During this session we passed a Bill to implement affirmative action in employment. I am sure opposition Members felt that the Bill could be better, but there was no question that all Members of the House felt that this was a first step—perhaps not a big enough first step, but it was a first step toward implementing a very important principle.

By the same token, there has to be extensive and effective monitoring of the Departments' performance by the commission. In reading the report I noted with interest that the committee was not satisfied with the evidence the commission provided, and pointed out that progress in the hiring of women, visible minorities and the handicapped had been unacceptably slow and the monitoring procedures put in place by the commission did not appear to be adequate to the task. I know that no Hon. Member wants to accept the continuance of that particular problem.

While we may have some differences of opinion as to how to implement affirmative action, there is no question that we all stand for its progress. If that progress is not coming fast enough, the Public Service Commission must take a hard look at the recommendations of the committee, one of which was that by September 30 there will be a written report on the progress of the committee in improving its monitoring of Department staffing procedures.

One of the things to which the committee pointed that I noticed when I was on the Public Accounts Committee was a breakdown in the followup the Departments should do when looking at the recommendations of the Auditor General and consulting with his office. Recommendations were made by the Auditor General, but I often felt unsure that there was any consultation with his office to make sure that the problem would actually be corrected.

I am concerned about the part of the report which states that the committee was astounded when one government agency informed the committee that one of the most serious obstacles to good management is the current staffing system. I think that is a startling comment to make. It is a comment that does not speak to effective management. If we have that kind of a problem, I think it must be resolved.

The committee states that the average time it took to staff a position ranged from 136 to 160 days and the committee considers that this is far too long. There is absolutely no question that this is far too long a time to staff positions in any department of the Public Service. In departments where there have been administrative reforms, such as the Department of Agriculture, there are instances of staffing time being cut to 44 days. This was done in full compliance with the rules of the commission. I think that points out that it can be done. We have to urge that there be an action plan for the entire Public Service so that we can reduce in every department the average amount of time required to staff a position while taking care to ensure that we maintain the employees' legal rights.

I also wanted to point out that there are some problems in the division of responsibilities between the Treasury Board Secretariat and the commission. There was an earlier recommendation from July 30, 1982 that the Public Accounts Committee review this division of responsibilities between the Treasury Board Secretariat and the commission, and that these agencies resolve problems involving a lack of clarity and overlapping responsibilities. In this case the committee found that the agencies had failed to implement the recommendation in so far as the commission's auditing mandate is concerned. That is what I referred to earlier in my speech when I mentioned that recommendations of the committee are not implemented. I can say without hesitation on behalf of every Member who has ever served on the Public Accounts Committee, no matter of which Party, that that is very annoying.

The Public Accounts Committee reviews at length the reports of the Auditor General. Its members put a layman's imprint on it. We look at the comprehensive audit from the point of view of our constituents and ask how they would feel about it if they had to make recommendations. We put a lot of time and effort into these Public Accounts Committee reports, and if a recommendation is made the committee members feel that the Department involved ought to put a real effort into making sure the recommendation is followed. In its tenth report, the committee said that it expected the agencies to resolve this problem without further delay and ensure that a clear-cut division of responsibilities is established, and I endorse that position.

The Auditor General took a look at the Public Service Commission's program for audit staffing and was concerned

about the methodology, the documentation, the supervision, the review of the audit work and the training of personnel. I know that quite an extensive effort is being made in the area of comprehensive auditing. The Canadian Comprehensive Auditing Foundation is currently involved in a comprehensive study which is trying to find a better format for comprehensive auditing, a format which will not only help the Public Service but will also help Members of Parliament understand comprehensive auditing objectives, so they will be able to ensure that comprehensive audits result in products which are useful to everyone. That will involve reviews of this kind.

I endorse the recommendations of the committee. It has called for the commission to clarify its staffing audit mandate and report progress to the committee. It has called for the commission not only to report in 1986 but also to report again in 1987. As well, it has called for evidence of consultation with the Auditor General, the point to which I referred earlier being the very real importance of a consultation process with the Auditor General so that the commission will understand his directives.

• (1340)

I have had an opportunity to review the report and, in view of its importance, I move, seconded by the Hon. Member for Ontario (Mr. Fennell):

That the motion be amended by striking out all of the words after the word "That" and that the following be substituted therefor:

"the tenth report of the Standing Committee on Public Accounts be referred back to the committee to reconsider recommendations concerning monitoring of affirmative action programs."

Mr. Speaker: The amendment appears to be in order. Debate is now upon the amendment.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I guess the Government would like the committee to reconsider certain dispositions in its report. I took it that the Parliamentary Secretary was in accord with most of its recommendations but would like to have more information on the question of affirmative action. He wants the whole report to be sent back for the purpose of obtaining more information on the application and the workings of the affirmative action program.

I do not disagree with that. I think it is a good idea. However, we all know that the annual report of the commission was a good progress report. Indeed, if I had been give notice of this, I could debate it quite thoroughly. I do not intend to to do so. I think it is a valid point. We are all in favour of affirmative action, not as a matter of reporting only but as a matter of action and putting teeth into the legislation. If that is the purpose of the motion, I say put the question.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I just want to make a few points. I was a member of the Standing Committee on Public Accounts which produced this report. I am a little concerned that we are going through this process without really defining whether or not the effectiveness of the report will be carried out by the Public Service Commission.

Consequently, it becomes rather important to put before the House, and I suppose before the public, the real aims of the committee in providing the report. The aim of the committee was to ensure that fairness to employees of the Government prevailed at all times, that government policy be interpreted in a way which particularly protected employees, and that affirmative action be recognized and monitored effectively.

It is very interesting to look at what the Auditor General referred to as a contrived and curious system of personnel which has developed in the Government over many years. It is now in place in such a way that it is very easy for an individual to become lost in the system and never have his particular problem considered by the people in management positions. I suppose one of the Auditor General's concerns in covering this particular area was that over 90 per cent of the monitoring or control of staff was not within the Public Service Commission but was within Departments. Supposedly the Public Service Commission was the structure which monitored and ensured that all cases were handled adequately. Also the Auditor General indicated that the monitoring of departmental staffing activities was practically non-existent.

I suppose that could happen for many years without it becoming a major factor in the Government or in the image of the Government across the country. However, in the last couple of years there has been a real move to reduce the number of people working for the Government. Therefore, it has become very important that the monitoring system be in place and that we as parliamentarians be able to look thoroughly at what is going on, so that there are no unacceptable situations in the real world out there, let alone within the government structure. If we do not do that, we are apt to have various kinds of bureaucratic or even political patronage in the structure of the Public Service.

Consequently, it became obvious to the committee, in the process of making its recommendations, that there should be guidelines. Therefore, the committee made recommendations in various areas such as the need for monitoring of departmental staffing procedures, the need for the establishment of some kind of personnel management manual, and the need for some kind of monitoring of the affirmative action policy of the Government.

As I indicated earlier, the Auditor General made comments about the contrived and curious system of personnel. Therefore, the committee suggested strongly that the Public Service Commission should simplify its staffing procedures to a great extent and should ensure that the average amount of time required to fill a position was reduced considerably. In the process we required the Public Service Commission to reply to us by September 30, 1986. Consequently we hoped that it would make it possible for parliamentarians to feel a little more secure that the procedures in place were for the benefit of the Government as a whole and for Canada as a whole.

Motions

• (1350)

We may have gone many years without noticing the effect of the lack of cognizant procedures being in place. If you start to eliminate a lot of the process by which you choose which staff are not going to be in place, this becomes very important. The committee also made a number of recommendations about adjustment of the workforce, that is who should be kept on staff. Again, the danger of leaving too much discretion to managers, and in some cases too much discretion to some people who had influence in the Department, was a concern.

The committee made a number of recommendations which suggested that the Public Service Commission put in place guidelines for the Department so that the reverse order of merit, which theoretically was the base for people being laid off, be put in place so that we would have some idea of whether government policy was being implemented in the workforce adjustment. Just to make sure, we also suggested that there be quarterly reports regarding lay-offs within the Public Service, and that the commission report back again.

In each case, our aim goes back to the real definition of responsibility of the Public Service Commission and its need to know what is going on in all parts of the Public Service rather than just with the senior management positions. The latter seemed to be the emphasis of much of the commission's work in the past, leaving the rank and file clerical positions, which make up a large part of the Public Service, entirely the responsibility of the Department.

I always have a concern that a report is taken seriously and not put on the shelf to gather dust. This report is from the Public Accounts Committee and we specifically asked that it not be put on a shelf to gather dust.

I hope the Government will concur in the report. In the case of the referral, I hope that this procedure is not a procedure which will eliminate the possibility of effective use of this report in the improvement of the Public Service procedures. I hope that the motion before the House for the report to be referred back does not give the Public Service Commission an opportunity to ignore what is in the report because it is very important to the level of government efficiency in the filling of positions and in the establishment of a structure with which we can work for many years to come.

Hon. Herb Gray (Windsor West): Mr. Speaker, I think the House has to give serious attention to the report of the committee. After all, if we find that there has not been sufficient monitoring activity by the commission, especially as it relates to the affirmative action program and the 98 per cent of staffing responsibilities that have been delegated to Departments, I say that we then expect the Government, and the House itself, to give serious attention to it.

We have concern that there are no guidelines in place for the application of the reverse order of merit in the system by the Public Service Commission with regard to lay-offs.

In addition, Mr. Speaker, I think we have to take note of the evidence before the committee that the staffing process could be reduced to 44 days without prejudicing employees' rights.

Having said that, I do want to conclude my remarks by stressing the need to pay serious attention to these very significant recommendations.

Mr. Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Speaker: The question is on the amendment standing in the name of the Hon. Member for Simcoe North (Mr. Lewis). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Amendment agreed to.

Mr. Speaker: The next question is on the motion standing in the name of the Hon. Member for Ottawa—Vanier (Mr. Gauthier). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Mr. Speaker: Shall the motion, as amended, carry?

Some Hon. Members: Agreed.

Motion, as amended, agreed to.

* * *

ELECTIONS, PRIVILEGES AND PROCEDURE

CONCURRENCE OF SECOND REPORT OF STANDING COMMITTEE

Mr. Speaker: The Hon. Member for Peace River (Mr. Cooper) gave notice earlier today that he wished to seek the consent of the House to move a motion.

Mr. Albert Cooper (Peace River): Mr. Speaker, if the House gives its consent, I move, seconded by the Hon. Member for Okanagan—Similkameen (Mr. King), that the second report of the Standing Committee on Elections, Privileges and Procedure, presented to the House earlier this day, be concurred in.

Mr. Speaker: Such a motion requires unanimous consent. Is there unanimous consent for the introduction of the motion?

Some Hon. Members: Agreed.

Mr. Cooper: Mr. Speaker, I would like to advise the House that as a committee we have been working on this subject for some time. We have had some difficulties in the last little while because of constraints on the committee's workload. We have asked for an extension of time to give us a chance to finish the report in the first part of the fall. This request has the unanimous agreement of the committee which has worked very well and effectively together.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have a few brief remarks to make. First, I want to reiterate the words of the Hon. Member for Peace River (Mr. Cooper).

The committee has worked in close co-operation, and with unanimous consent we agreed earlier this week to ask the House for an extension of time to finish the report. The committee made considerable process in its study of the registration of paid lobbyists in Canada. The issue is important. Needless to say, initially the members of the committee were divided along Party lines. As time went by there was considerable progress and the committee acted in the spirit of reform which we established earlier this year. I believe that if the House gives us the additional time which we require we will produce a report which will demonstrate to all Members and the Canadian public that the spirit of reform has worked quite well.

• (1400)

I want to congratulate the Member for Peace River for the excellent way in which he has chaired our meetings. He did an excellent job. I think I speak for members of all political Parties when I say that he did a very good and non-partisan job, particularly at the time when our committee dealt with a controversy involving a Minister of the Crown. We had to interrupt our deliberations on the registration of paid lobbyists for two weeks to deal with that subject. It must have been a difficult time for the Chairman and the Clerk. In my view, they both did an excellent job. I would like to take this occasion to point that out to the House.

Unfortunately, one of the effects of that delay was that the schedule of the committee was delayed. The committee did examine the registration of lobbyists which now exists in the United States, but because of the delay which I just mentioned the preparation of our report has been delayed. I would like to echo the sentiments of the Chairman and ask Members on all sides of the House to concur in this report and give the committee the additional time it requires. I think the whole House will be pleased with the results which I am confident we will achieve.

Mr. Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Speaker: The House has heard the terms of the motion. Shall the motion carry?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Order Paper Questions

Mr. Doug Lewis (Parliamentary Secretary to the President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 560, 573, 582 and 586.

[*Text*]

CFS INUVIK

Question No. 560—**Mr. Parry:**

1. Has the government offered any concrete benefits to the Town of Inuvik to compensate for the removal of some 25 per cent of its economic base by the closure of the Canadian Forces station?

2. Does the government plan to demand a market price for the transfer of base facilities to Arctic College and, if so, in what manner will that price be determined?

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of National Defence, Employment and Immigration and Public Works as follows:

1. CFS Inuvik was added to the mandate of the Interdepartmental Committee that was established to deal with the CADIN/Pinetree closures. The goal of the Interdepartmental Committee is to provide maximum assistance to the affected employees and communities using existing federal programs. The focus of activities is at the local level, utilizing existing programs and sources such as the Relocation and Mobility Assistance Program and the Industrial Adjustment Services (IAS) provided by Employment and Immigration Canada.

On June 26, 1985, the Canada Employment and Immigration Commission regional office in Alberta/N.W.T. signed an agreement establishing the Canadian Forces station Inuvik closure Industrial Adjustment Committee. The Canada Employment and Immigration Commission provided $20,000 to assist the Committee in this task. Also, the complement of the Canadian Jobs Strategy programs is now and will continue to be available to the community of Inuvik upon closure of the Canadian Forces station this December.

2. Negotiations are currently under way with the Government of the Northwest Territories to dispose of CFS Inuvik at market value, for reuse by Arctic College. Current Government policy is to dispose of surplus property at market value, based upon a real estate appraisal which takes into account market conditions in the area, the attributes of the property and land tenure. In this case, an independent fee appraiser has been hired to complete the appraisal of Canadian Forces Station Inuvik.

PENSION PLANS IN PRIVATE SECTOR

Question No. 573—**Mr. Gauthier:**

1. To the knowledge of the Government, what is the most recent information available on the percentage of employees covered by pension plans in the private sector who belong to (*a*) non-contributory plans in which contributions for retirement benefits are provided entirely by employers (*b*) plans in which employers finance more than 50 per cent of required employer and employee contributions?

2. What is the average percentage of employers and employee contributions and payments made for retirement benefits in the private sector that is currently financed by employers?

Order Paper Questions

3. Since 1976, by year, what was the percentage of employer-employee contributions and payments for public Service Superannuation Act benefits and their indexing that were financed by the Government as the employer?

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Insurance and the Treasury Board Secretariat as follows:

1. (a) Fifty-four per cent of pension plan members in the private sector are covered by non-contributory pension plans. There were 7,350 non-contributory private sector pension plans covering 1,378,258 members as at January 1, 1984. This is the latest date for which the information exists.

(b) No data available for plans in which employers finance more than 50 per cent of required employee and employer contributions.

2. Approximately 75 per cent of total annual contributions to private sector pension plans are made by employers.

Source of Information: Parts 1 & 2 Statistics Canada data bank used for publication Pension Plans in Canada.

3. The percentage of employer-employee contributions and payments for Public Service Superannuation Act benefits and their indexing that were financed by the Government as the employer.

Year	Per cent of total expenditures
1975-76	64.6
1976-77	61.7
1977-78	60.4
1978-79	61.9
1979-80	59.9
1980-81	61.6
1981-82	66.6
1982-83	61.7
1983-84	61.6
1984-85	62.3

SUPERANNUATION ACCOUNTS AND OTHER BENEFITS

Question No. 582—**Mr. Gauthier:**

1. As of March 31, 1985, what was the estimated balance of the (*a*) Canadian Forces Superannuation Account (CFSA) (*b*) Public Service Superannuation Account (PSSA) (*c*) Royal Canadian Mounted Police Superannuation Account (RCMPSA) (*d*) Supplementary Retirement Benefits Account (SRBA)?

2. As of March 31 (*a*) 1990 (*b*) 1995 (*c*) 2000 (*d*) 2010 (*e*) 2020, on the basis of existing actuarial assumptions, what is the the estimated balance projected for the (*i*) CFSA (*ii*) PSSA (*iii*) RCMPSA (*iv*) (SRBA)?

3. What was the (*a*) total amount of the disability, survivor and retirement pensions that have been paid from the Canadian Forces Superannuation Account (CFSA), the Public Service Superannuation Account (PSSA) and the Royal Canadian Mounted Police Superannuation Account (RCMPSA) together with the amount of the special payments that have been made form the Consolidated revenue Fund for the indexing of these payments (*b*) total amount of interest earned by the CFSA, the PSSA, the RCMPSA, and the SRB Account for each fiscal year since the SRBA has been in effect?

4. Did annual Royal Canadian Mounted Police Superannuation Account (RCMPSA) disability, survivor and retirement pension payments ever exceed annual RCMPSA interest earnings in the past and, if so, in which years did this occur?

5. Is it expected that annual RCMPSA disability, survivor and retirement pension payments will exceed annual RCMPSA interest earnings (*a*) in the past (i) 5 (ii) 10 (iii) 20 (iv) 30 (v) 40 (vi) 50 years (*b*) ever and, if so, what is the year in which it is projected that this will first occur?

6. Did annual RCMPSA disability, survivor and retirement pension payments plus the special payments from the Consolidated Revenue Fund (CRF) for the indexing of these RCMPSA payments ever exceed the combined annual interest earnings of the RCMPSA and the SRB Account with respect to RCMPSA participants in the past and, if so, in which years did this occur?

7. Is it expected that the annual RCMPSA disability, survivor and retirement pension payments plus the annual special payments from the Consolidated Revenue Fund (CRF) to fully index these RCMPSA payments will exceed the combined annual interest earnings of the RCMPSA and the SRB Account with respect to RCMPSA participants (*a*) in the next (i) 5 (ii) 10 (iii) 20 (iv) 30 (v) 40 (vi) 50 years (*b*) ever and, if so, what is the year in which it is projected that this will first occur?

8. Would the answers to parts 2 and 4 be different and, if so, how would they differ, if the RCMP's Act were amended to provide that RCMPSA disability, survivor and retirement pension payments made on and after January 1, 1986 be recalculated and determined on the basis of a RCMPSA contributor's best consecutive three-year average annual salary?

9. Did annual Canadian Forces Superannuation Account (CFSA) disability, survivor and retirement pension payments ever exceed annual CFSA interest earnings in the past and, if so, in which years did this occur?

10. Is it expected that annual CFSA disability, survivor and retirement pension payments will exceed annual CFSA interest earnings (*a*) in the next (i) 5 (ii) 10 (iii) 20 (iv) 30 (v) 40 (vi) 50 years (*b*) ever and, if so, what is the year in which it is projected that this will first occur?

11. Did annual CFSA disability, survivor and retirement pension payments plus the special payments from the Consolidated Revenue Fund (CRF) for the indexing of these CFSA payments ever exceed the combined annual interest earnings of the CFSA and the SRB Account with respect to CFSA participants in the past and, if so, in which years did this occur?

12. Is it expected that the annual CFSA disability, survivor and retirement pension payments plus the annual special payments from the Consolidated Revenue Fund (CRF) to fully index these CFSA payments will exceed the combined annual interest earnings of the CFSA and the SRB Account with respect to CFSA participants (*a*) in the next (i) 5 (ii) 10 (iii) 20 (iv) 30 (v) 40 (vi) 50 years (*b*) ever and, if so, what is the year in which it is projected that this will first occur?

13. Would the answers to parts 2 and 4 be different and, if so, how would they differ, if the CFS Act were amended to provide that CFSA disability, survivor and retirement pension payments made on and after January 1, 1986 be recalculated and determined on the basis of a CFSA contributor's best consecutive three-year average annual salary?

14. Did annual Public Service Superannuation Account (PSSA) disability, survivor and retirement pension payments ever exceed annual PSSA interest earnings in the past and, if so, in which years did this occur?

15. Is it expected that annual PSSA disability, survivor and retirement pension payments will exceed annual PSSA interest earnings (*a*) in the next (i) 5 (ii) 10 (iii) 20 (iv) 30 (v) 40 (vi) 50 years (*b*) ever and, if so, what is the year in which it is projected that this will first occur?

16. Did annual PSSA disability, survivor and retirement pension payments plus the special payments from the Consolidated Revenue Fund (CRF) for the indexing of these PSSA payments ever exceed the combined annual interest earnings of the PSSA and the SRB Account with respect to PSSA participants in the past and, if so, in which years did this occur?

17. Is it expected that the annual PSSA disability, survivor and retirement pension payments plus the annual special payments from the Consolidated Revenue Fund (CRF) to fully index these PSSA payments will exceed the combined annual interest earnings of the PSSA and the SRB Account with respect to PSSA participants (*a*) in the next (i) 5 (ii) 10 (iii) 20 (iv) 30 (v) 40 (vi) 50 years (*b*) ever and, if so, what is the year in which it is projected that this will first occur?

18. Would the answers to parts 2 and 4 be different and, if so, how would they differ, if the PSS Act were amended to provide that PSSA disability, survivor and retirement pension payments made on and after January 1, 1986 be recalculated and determined on the basis of a PSSA contributor's best consecutive three-year average annual salary?

Mr. Paul Dick (Parliamentary Secretary to President of the Treasury Board):

1. Estimated Account Balance at March 31, 1985 (a) Canadian Forces Superannuation Account (CFSA)—$13,352 million; (b) Public Service Superannuation Account (PSSA)—$19,919 million; (c) Royal Canadian Mounted Police Superannuation Account (RCMPSA)—$1,828 million; (d) Supplementary Retirement Benefits Account (SRBA)—$2,417 million.

3. (a) Pensions Paid

	CFSA	PSSA	RCMPSA ($000,000's)	Charges to CRF for Indexing	Total
1970-71	$ 82	$ 95	$ 1	0	$ 178
1971-72	97	106	2	0	205
1972-73	115	122	2	0	239
1973-74	129	139	2	10	280
1974-75	147	162	3	52	364
1975-76	164	188	4	82	438
1976-77	218	181	5	115	519
1977-78	199	255	7	152	613
1978-79	220	297	9	190	716
1979-80	242	351	11	245	849
1980-81	267	404	13	301	985
1981-82	291	460	16	395	1,162
1982-83	315	516	19	500	1,350
1983-84	336	568	21	578	1,503
1984-85	363	637	24	646	1,670

3. (b) Interest Earned

	CFSA	PSSA	RCMPSA ($000,000's)	SRBA	Total
1970-71	$ 182	$ 198	$ 9	$ .2	$ 389.2
1971-72	206	229	12	.5	447.5
1972-73	240	272	14	1	527
1973-74	307	310	18	2	637
1974-75	349	364	23	4	740
1975-76	412	447	29	8	896
1976-77	468	524	36	13	1,041
1977-78	530	616	45	21	1,212
1978-79	593	715	54	37	1,399
1979-80	652	823	64	59	1,598
1980-81	751	979	77	94	1,901
1981-82	880	1,192	97	158	2,327
1982-83	1,061	1,525	124	180	2,890
1983-84	1,192	1,742	148	185	3,267
1984-85	1,328	1,971	176	260	3,735

4. No.

6. No.

9. No.

11. No.

14. No.

16. No.

Questions 2, 5, 7, 8, 10, 12, 13, 15, 17 and 18, relate to long-term forecasts based on the present accounting system for public service pension plans. Given the intention to reform that system to conform with private sector practices, as assounced by the President of the Treasury Board in April, 1985, it would not be appropriate to provide such forecasts.

MEMBERS OF PARLIAMENT RETIRING ALLOWANCES ACT

Question No. 586—**Mr. McKinnon:**

What is the projected date for completion and tabling of the Members of Parliament Retiring Allowances Act annual report for the fiscal year 1985-86?

Hon. Barbara McDougall (Minister of State (Finance)): The projected date for completion of the Members of Parliament Retiring Allowances Act Annual Report for the fiscal year 1985-86 is March, 1987. It is expected that the report will be tabled shortly thereafter.

Reports are prepared by the Personnel Policy Branch of the Treasury Board Secretariat based on information compiled by the House of Commons District Services Office of Supply and Services in the case of the House of Commons and the Senate Finance Directorate in the case of the Senate. Reports are tabled in the House by the Minister of Finance.

[*English*]

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

Some Hon. Members: Agreed.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURN

Mr. Lewis: Mr. Speaker, if the additional information to Question No. 552 could be made an order for return, this return would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that Question No. 552 supplementary be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

FEDERAL BUSINESS DEVELOPMENT BANK

Question No. 552—**Mr. Robinson:**

1. (*a*) As of August 31, 1984, by province, which law firms handled Federal Business Development Bank work (*b*) which firms are currently handling this work and on what date were they contracted (*c*) to date, what amount have these firms received?

2. What criteria were used for the selection of the firms and who was consulted on their appointments?

3. Were three law firms in North Vancouver, British Columbia doing FDBD work before the last election subsequently replaced by the firm of Stein and Lakes and, if so, for what reason?

Canada Shipping Act

4. To the knowledge of the government, is Mr. John Lakes Jr. a member of the firm Stein and Lakes and has he played an active role in the Progressive Conservative Party in British Columbia?

Return tabled.

[*English*]

Mr. Boudria: Mr. Speaker, I hate to be a spoil sport on the last sitting day before our adjournment. However, I must ask the Parliamentary Secretary if and when the Government intends to reply to Question No. 313 standing in my name which I put on the Order Paper on March 28, 1985. I recognize that that question was put on the Order Paper prior to our new rules, which means that the Government may require slightly longer than 45 days to respond. However, I am sure that you, Sir, would recognize that a year and a half is much longer than 45 days. I ask the Parliamentary Secretary if he would now table this reply because I feel it is important.

Mr. Lewis: Mr. Speaker, I am pleased to have this opportunity to advise the Member that the Thirty-second Parliament answered 68.9 per cent of the questions asked. The Thirty-third Parliament has answered 86.6 per cent of the questions asked. That is our record. I will give this matter due attention and we will put all the troops to work on it over the summer.

Mr. Gauthier: Mr. Speaker, I cannot miss this occasion. After a year and a half the Parliamentary Secretary has answered one of my questions today. I thank him very much.

GOVERNMENT ORDERS

[*English*]

CANADA SHIPPING ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed from Thursday, June 12, consideration of the motion of Mr. Mazankowski that Bill C-75, an Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act in consequence thereof, be read the third time and passed.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I am pleased to resume the comments which I began 13 days ago in the House which were so rudely interrupted when I had barely begun to examine this Bill. I am pleased that the Government of Canada has such confidence in Bill C-75 and stands so proudly behind it that it has chosen, in its wisdom, to bring it before the House two hours and fifty-six minutes before the House rises for the summer recess.

If one were to listen to the Minister of Transport of Canada (Mr. Mazankowski), his Parliamentary Secretary and Conservative members of the Transport Committee serving in the Government of Canada, one would be led to believe by the power of their rhetoric that Bill C-75 is a sound Bill based on principles of fairness and equity which they are proud to stand behind. After listening to such comments one cannot help but wonder why, in the dying hours of the last day of the last week of the last month of this Parliament of Canada, the Government would bring forward this Bill which it says it is so proud to stand behind.

The tragedy of Bill C-75 is that it is fundamentally a sound Bill. The Canada Shipping Act has not been updated for decades. The Government wisely decided to update Bill C-75 to make it more relevant to the eighties. That decision was welcomed by everyone in the country who has any interest in Canada's shipping industry. It was welcomed because it made sense.

The public will wonder what the objection is to Bill C-75 as it has been presented to this Parliament. The objection is that above and beyond renewing and updating regulations pertaining to shipping the Government gave the Minister of Transport a brand new authority which has never before been seen in the history of the Shipping Act. That authority is contained in Clause 4. It is the equivalent of giving the Minister a gun and some ammunition without knowing who the Minister intends to shoot.

Clause 4 gives the Minister the power to impose charges or duties on shipping ranging from canoes to freighters which ply the Great Lakes. Such charges have heretofore never existed. Some members of the public are saying that it is not so unreasonable to apply charges for services provided by the Government of Canada. They do not appreciate that the authority which is being requested is a blank cheque. The Minister is asking Parliament to give him the authority to apply, at his whim, user charges to people in the shipping industry. However, in advance of being given this authority he will not tell us how much is to be raised, who the charges are to be applied to or what impact those charges will have on all these facets of Canada's shipping industry. He is asking for a blank cheque. He is asking Parliament to be deaf, dumb and blind, nothing more than a rubber stamp for the Minister of Transport and the Government. Those who have observed this Parliament with any degree of objectivity will know that the last thing it is—and it may be a lot of things, some good, some bad—is a rubber stamp for a Minister of the Crown.

• (1410)

Clause 4 of the Bill places an altogether festering sore on what otherwise would be a fairly sound Bill. That is the main objection I have to it. There is a secondary objection.

Mr. Skelly: On a point of order, Mr. Speaker, can I get clarification from the Chair? Is the Hon. Member asking us to believe that this Parliament is acting just like the last Parliament under a Liberal Government with respect to being a rubber stamp?

Mr. Deputy Speaker: The Chair must say that this is not point of order.

Mr. Tobin: Mr. Speaker, I want to advise the gentleman that because of the brevity of my remarks I appreciated that opportunity to catch my breath and collect my thoughts.

An Hon. Member: You don't have any to collect.

Mr. Tobin: I always attempt to respond to well-intentioned and intelligent questions, therefore I shall carry on with my speech.

The other fault with this Bill is what it does not contain. Members will recall, as will all Canadians, that in February of 1982 a great marine disaster struck this country some 200 miles off the shores of Newfoundland when the oil drigging rig *Ocean Ranger* went down and every man aboard was lost. The Government of Canada and the Government of Newfoundland responded to that disaster by appointing a royal commission of inquiry, headed by Newfoundland Supreme Court Justice Alex Hickman. That was done to ensure that we as parliamentarians, here and in Newfoundland, had done everything possible to prevent a recurrence of the tragic loss of life in that disaster. The royal commission functioned for nearly three years. It spent some $15 million of taxpayers' money. It travelled to nearly every part of the globe deemed appropriate. It heard from every witness with expert qualifications who could contribute something to the hearings.

After all those years of study, after countless thousands of hours of testimony, the most exhaustive study of its kind ever attempted in Canada, one of the major recommendations of that royal commission was that oil rigs operating off Canada's shores, primarily on the East Coast, but also on the West Coast if and when that occurs, should come under the jurisdiction of the Canada Shipping Act. There were other recommendations dealing with search and rescue and training, many of which have been implemented. I acknowledge that. However, the major recommendation has been blatantly ignored. It is not in the Bill. Therefore, it is not only a faulty document for what is contained within it, being Clause 4, a heretofore unheard of taxing power, but it is also insufficient because of what is not contained in it.

The real tragedy is that that major recommendation was not included, not because the Parliamentary Secretary to the Minister of Transport (Mr. Forrestall), who is in the House today, opposes the recommendation or does not see the wisdom of it. The tragedy is not because the Minister of Transport does not agree with the wisdom of the recommendation of the royal commission, because he does. The tragedy is not because Members of Parliament, who made recommendations to the Government on changes to the Bill, did not say that rigs should be included under the Canada Shipping Act, because we did. The tragedy is that the Conservative majority, knowing better, feeling as strongly as I do about this question, nevertheless voted to ignore the recommendation because the Minister of Energy, Mines and Resources (Miss Carney) currently has jurisdiction over oil rigs. There is this empire-building mentality around this place which says that a Minister with jurisdiction will not give to another Minister, in this case the Minister of Transport, his rightful responsibility because that might affect the size, shape and importance of her empire. That is the real tragedy. The House of Commons, the Parliament of Canada, and the Ministry were all unable to rise above this self-seeking empire-building mentality and accept quietly, and may I say humbly, the recommendation of those people who spent years of their lives and a great deal of the taxpayers' money coming to this conclusion.

Notwithstanding the compelling logic of accepting a recommendation which is indisputable in its clear and simple logic, the Government did not include rigs under the jurisdiction of the Canada Shipping Act and continues to treat them as the orphan of the shipping industry, off in limbo under the jurisdiction of a Minister and Department officials who know as much about ships and rigs as I know about green cheese on the moon. It occurred purely and simply because of a system which has been unable to respond to the needs of people working at sea.

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

* * *

[*Translation*]

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed the following Bills, without amendment:

Bill C-88, an Act to authorize the acquisition of Marine Atlantic Inc. and to provide for other matters in relation thereto;

Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977;

Bill C-111, an Act to amend the Customs Tariff and to amend An Act to amend the Customs Tariff;

Bill C-112, an Act to amend the Energy Administration Act and provide for certain matters in relation thereto;

Bill C-116, an Act to amend the Canada Pension Plan and the Federal Court Act;

Bill C-117, an Act to facilitate financial arrangements between farmers and their creditors;

Bill C-128, an Act to amend the Judges Act and other Acts in relation to judicial matters;

Bill C-90, an Act respecting pension plans organized and administered for the benefit of persons employed in connection with certain federal works, undertakings and businesses;

Mr. Gauthier: Mr. Speaker, with respect I would like to know whether the Senate, in transmitting the information you

just read to the House, had attached any comments relating to one of these Bills, and if so, could we perhaps hear these comments?

Mr. Deputy Speaker: To the Chair's knowledge, there were no comments relating to these Bills.

• (1420)

GOVERNMENT ORDERS

[*English*]

CANADA SHIPPING ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-75, an Act to amend the Canada Shipping Act and to amend the Artic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act in consequence thereof, be read the third time and passed.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the Parliamentary Secretary to the Government House Leader is attempting to get me to answer a phone call. I do not know why. I am just trying to continue comments I started some two weeks ago and have only begun to make the case to Members opposite, who I know are always open to sincere suggestions being made by Members on this side of the House as to how they can improve their standing with the people in Canada.

I touched very briefly on the two major flaws in Bill C-75. That is Clause 4, which gives the Minister an enabling power which heretofore has never existed, and the failure on the part of the Government to include rigs as ships and put them under the jurisdiction of the Canada Shipping Act.

Now, having very briefly just alerted Members who are paying such close attention to my remarks, the main subject areas of my debate on this Bill will be to examine in more detail why Clause 4 is such a problem clause for the Government and, more important, for those people who will be affected by it.

There may be those Canadians who are listening, two or three who watch the parliamentary channel, who are wondering whether or not this notion that I have that Clause 4 is such a Draconian measure is something that I have dreamed up. They may be wondering whether I am slightly paranoid in the dying hours of Parliament. They may be wondering whether I am being negative for the sake of being negative or opposing for the sake of opposition.

Nothing could be further from the truth. Canadians will not know, but parliamentarians will know, that before this Bill ever reached this Chamber it was the subject of exhaustive study by a legislative committee, and as part of studying the legislation the legislative committee, of which I was a member, among other members, invited hundreds of organizations, which would be impacted by this legislation, to comment on it.

Almost without exception, in fact I cannot think of an exception, every single witness who came, be it the potato farmers in P.E.I,; be it the fishermen in Newfoundland, be it the Great Lakes Waterways Development Association based in Ottawa, be it the Quebec Metal Mining Association based in Montreal, be it the Council of Forest Industries of British Columbia based in Vancouver, every single organization which came, said the Bill is not bad, but Clause 4 has to go.

I think I should remind Members of who some of the witnesses who came before the standing committee were and what they had to say. Before I do that, I cannot help but note this: does it not signify something to Members of Parliament when you can have a fisherman in Cape St. George sitting on a stage on top of his lobster pots staring off into the sunset waiting to go out and pull his pots saying the same thing about Clause 4 as the fellow who sits on the twentieth floor of a steel, glass and concrete tower in the City of Montreal? Both gentlemen, the fellow on his lobster pot and the fellow on the twentieth floor of the corporate boardroom of a large Canadian shipping company, are saying the same thing, that it is a bad Bill with Clause 4. Is it not a strange day in Canada when you can have the farmer, as represented by the National Farmers Union, out tilling the soil, doing battle with grasshoppers, trying to turn a dollar in a desperate year, saying the same thing about this Bill as the gentleman who looks out across Vancouver harbour and occupies the boardrooms of the Council of Forest Industries of British Columbia? Is that not mind boggling that that prairie farmer and that corporate executive in the forest industry are saying the same thing about this Bill?

It is a strange day when one can contemplate that a potato farmer in P.E.I., who is worried about the impact of Clause 4, who raises potatoes for 2 cents a pound less than he is able to sell them for, and therefore, is not able to bear the brunt of more user charges, he is saying the same thing about this Bill as the gentlemen who occupy the office that used to be occupied by the Prime Minister of Canada (Mr. Mulroney), that is the people who occupy the ivory towers of the iron ore mining business of this country. They and the potato farmer in P.E.I. are saying the same thing, that it is an unreasonable Bill.

I think that in itself should alert parliamentarians that we are not talking about a special interest group *per se* that is opposed to this Bill; we are talking about every primary producer in Canada who has a need for transportation services, seeing this Bill as an unreasonable, unfair, unresponsive and unrepresentative attack on their industry.

The history of the United States was profoundly changed because of this kind of attitude. Indeed, Members will recall the historic significance of the Boston Tea Party when people decided that the notion of taxation without representation or consultation was simply unacceptable and they tossed the tea

over into the harbour. We know that a revolution followed shortly after the action taken by the American colonies.

I would suggest to the Government that the fact that it has earned a 211-seat majority at the election is no reason to treat Canada as a collection of colonies that shall be dictated to from on high by those who occupy the ivory towers of Ottawa. We ought to pay close attention to what the primary producers out there in the land are saying about this Bill.

Who are some of these primary producers that I am talking about? The Council of Boating Organizations of Canada says that "Clause 4 departs from the principle of cost recovery by Government, that principle being based on the theory of user payment. It is the council's contention that Parliament should not delegate a taxing power to the Canadian Coast Guard". Who are they? They represent tens of thousands of private non-commercial individuals who operate pleasure craft for the enjoyment of themselves and their families.

The Great Lakes Waterways Development Association says about Clause 4, "The clause as it stands is too broad in scope, and as a result has the potential of causing major disruption to the lake shipping industry, and shippers are left with no assurance that it will achieve the announced objective of deficit reduction".

Thirteen days ago we began the debate on this Bill and at that time the Parliamentary Secretary stood in his place and referred to the Great Lakes Waterways Development Association as an organization that supported Clause 4. The Parliamentary Secretary no doubt is by now aware that the Great Lakes Waterways Development Association a day after we began the debate 13 days ago, having heard of the Parliamentary Secretary's remarks, sent a telex to every single Member of this House saying that the Parliamentary Secretary is wrong, "We do not endorse Clause 4. We are opposed to it, and he has taken our comments out of context".

More to the point, Canada Steamship Lines, whom the Parliamentary Secretary also indicated was supportive of the Bill, also sent a telex to every single Member of Parliament, all 282 of us, and to Members of the Senate, saying that, "To the extent that the Parliamentary Secretary has suggested that our company is supportive of this Bill, we are not supportive of the Bill, we see it as a Draconian measure, an unrepresentative measure, one that we would like to see defeated".

I just take a moment to set the record straight, because I know that the Parliamentary Secretary, when he has the opportunity to have the floor again, would do so himself. Despite being given the burdensome responsibility of piloting this flawed and festering piece of legislation through the House, in the final analysis the Hon. Member is an honourable gentleman. Since I expect to speak for a few more minutes, I thought I would set the record straight for him. I know he appreciates it.

• (1430)

The St. Lawrence Shipowners' Association said about this Bill: "We do not agree that we should give the Government a blank cheque which would allow it to set up a fee system about which we know nothing at the present time."

Mr. Crosby: You want us to continue all of the subsidization—

Mr. Tobin: I hope I do not take the Member for Halifax West (Mr. Crosby) out of context, but he is basically saying that he considers the shipping industry that is important to the vitality of the City of Montreal as people who want subsidies forever. He is saying that the shipping industry, which attended the Montreal Economic Summit, that attended the Sept Iles Economic Summit, is a parasitic bunch of people. I do not believe that Conservative cabinet Ministers nor Conservative Members from Quebec would agree that the shipping industry in the Province of Quebec is composed of nothing but parasites on the Treasury of Canada.

Mr. Crosby: Do not display your ignorance.

Mr. Tobin: I reject such disparaging remarks about the Province of Quebec by the Conservative Member in the presence of his own colleagues who try to represent their province. Is it any wonder that Quebec Members have no clout in Cabinet and are unable to stop Clause 4, which will so negatively impact the St. Lawrence Seaway and the City of Montreal? One of their own colleagues from Halifax is describing the Quebec industry as nothing but a bunch of parasites. I hope the people of Quebec are not made aware of this kind of scurrilous accusation being made against them.

Mr. Crosby: Name one container ship owned in Quebec.

Mr. Tobin: Quite frankly, I believe that Quebec has a role to play in this country and we should not underestimate the value and the importance of the St. Lawrence Seaway, not only to the Port of Montreal but to all regions of the country. Such dog in the manger attitude must simply come to an end.

Before I was so rudely interrupted, I was talking about the St. Lawrence Shipowners' Association who the Member for Halifax West believes are parasites. I do not consider them as parasites. I do not think that the fishermen who are opposed to this Bill are parasites. I do not believe that the potato farmers who are opposed to this Bill are parasites, nor the National Farmers' Union, nor the Council of Forest Industries in British Columbia who are opposed to this Bill. It is simple to put such a tag on people who would attempt to tell Parliament that it has moved without due consultation. Those groups are not parasitic at all. They have done their homework, which is more than can be said for the Government that has introduced this Bill.

The St. Lawrence Shipowners' Association said: "We do not agree that we should give the Government a blank cheque."

Canada Shipping Act

The Council of Forest Industries in British Columbia represents the number one industry in that province. That industry has just been devastated by the 35 per cent tariff imposed on cedar shakes and shingles. That industry is now on bended knee, waiting for the second blow as a result of the unanimous decision yesterday by the U.S. International Trade Commission that there is injury to the American industry as a result of Canadian softwood lumber exports into the United States. That industry is on bended knee, waiting for the sword to slice out its life blood.

That industry said about this Bill and this clause: "We urge the committee to consider the competitive position of exports and the port position. We can recover costs but we warn, we can also be out of business."

That is what the Council of Forest Industries in British Columbia is saying about this Draconian measure.

Earlier, I asked the House to imagine the lobster man on the bill of Cape St. George, sitting on his lobster pots; to imagine the gentleman sitting in the ivory tower of the Iron Ore Company of Canada, to imagine the gentleman overlooking Vancouver Island, representing the forest industry of British Columbia; and to imagine the farmers, all of whom are saying the same thing about this Bill. Yet even the Seafarers' International Union, along with management—employer and employee—are saying the same thing about this Bill. The Government has managed to get nearly every primary producer in Canada, along with management and union, to sing from the same song-book in opposing this Bill. I suggest it is a major accomplishment that everyone opposes the Bill and no one supports it.

The Seafarers' International Union says: "We cannot have full cost recovery if our Canadian marine industry is to survive. Canada and the U.S. are the only marine countries in the world that do not, in some form or another, subsidize the marine industry." It is thought-provoking to know that Canada and the United States do not, in some form or another, subsidize their marine industries. Despite the difficulty in competing with the rest of the world when other countries provide subsidies, the Government will turn around and impose an additional cost on our industry.

The Seafarers' International Union goes on to say: "Of course we will lose jobs. In certain cargoes, the lake companies will just not be able to compete. They will either go out of business or go under foreign flag and the jobs will be lost to Canada. Therefore, we will not have these cargoes. This Bill is very detrimental to our business." These workers are concerned with the movement of freight on the St. Lawrence Seaway.

The Government of Canada set up a five-member subcommittee of the Standing Committee on Transport to initiate a study into the conditions, viability and future of the St. Lawrence Seaway. The Government decided to ask for a subcommittee to study the Seaway because it discovered that the Seaway traffic is decreasing every year and is losing traffic to the Mississippi River system, which is causing a transfer of jobs from Canada. Furthermore, the international reputation of the St. Lawrence Seaway system has suffered because canal walls have collapsed and ships have been locked in due to ice. Therefore, the Government set up this subcommittee to study the St. Lawrence Seaway.

What is incredible, however, is that at the same time that the Government is setting up a subcommittee to discover why the Seaway is in such difficulty and what can be done to make it more economical, the Government introduces Clause 4 of Bill C-75, which every witnesses has said will contribute more to the destruction of the vitality of the Seaway than anything else.

This subcommittee had its first meeting in Thunder Bay only yesterday, two weeks since the Bill was introduced. During the course of those hearings it heard from Tony Kaplanis, Thunder Bay co-ordinator of the Western Grain Transportation Agency; Jack Masters of Thunder Bay; Jim Foulds, MPP; Doug Scott of the Thunder Bay Chamber of Commerce; Mr. Doherty of N.M. Patterson & Sons Ltd.; Jerry Cook of the Thunder Bay Harbour Commission, and others.

The vast majority of witnesses who appeared even yesterday indicated that their overwhelming concern was Clause 4 of Bill C-75. They were telling this subcommittee which the Government set up to determine how to prevent a continued erosion of Seaway traffic, that the first step it should take is to stop Bill C-75 and Clause 4 which is now before Parliament from receiving approval at third reading.

Although such representation was made only yesterday in Thunder Bay, the Government is prepared to approve third reading of this Bill. I must note that the Hon. Member for Thunder Bay—Nipigon (Mr. Epp) was indeed at the conference as well. I am told that he joined with all those who opposed Clause 4 of Bill C-75. It seems to me that when the left hand does not know what the right hand is doing, sometimes it is better to go back to the drawing-boards to do one's homework. This is clearly an illustration of the left hand not knowing what the right hand is doing at all. On the one hand, the Minister of Transport spends tens of thousands of taxpayers' dollars to send Members of Parliament around the country to investigate the current condition of the St. Lawrence Seaway. The Government indicates it is concerned, that it wants to restore the economic viability of that Seaway, but, on the other hand, proceeds this afternoon with a Bill which will cut the legs out from underneath the St. Lawrence Seaway, and Hon. Members opposite are prepared to pass it, prepared to sit silently on their hands and let it go through. Seldom has a more confusing Act been seen around this place.

• (1440)

Yesterday, in the Port of Thunder Bay hearings that took place with the subcommittee on the Great Lakes—St. Lawrence Seaway, the Thunder Bay Harbour Commission

stated that the Seaway should be recognized as an international marine gateway to Canada, in competition and on an equal basing with Canada's other coasts and, therefore, that all charges related to the operation of the Seaway be considered together and from a global perspective, with the objective that federal charges be uniform in application from port to port and coast to coast, whether imposed by federal legislation, such as the proposed Clause 4 of Bill C-75, or initiated by a Crown corporation, such as tolls imposed by the Seaway Authority.

Of course, the brief makes it clear that simply introducing Clause 4 in Bill C-75 and giving it passage without prior consultation cannot ensure that no negative impact will befall our Great Lake shippers and, indeed, those people who use the Port of Thunder Bay.

The brief goes on to state that the Seaway system is in a crisis situation and may not survive, and that government-imposed and regulated charges now make it the most expensive waterway in North America, that is, those charges in place even before the passage of Bill C-75 and Clause 4. The future charges envisioned by planned programs of cost recovery may cause the demise of the St. Lawrence Seaway, indeed, by extrapolation, the demise of the current position of the Port of Montreal, as well. That is why one of the overwhelming preoccupations at the Montreal Economic Summit that was held last week, indeed, at the shipbuilders' the meeting that was held at Sept Iles, was Bill C-75 and the negative impacts of Clause 4 on the shipping industry.

I understand, as well, that yesterday the company, N.N. Patterson and Son, Limited, also made a submission to the subcommittee on the St. Lawrence Seaway, and it went on to state, "Of particular concern to us in this unhealthy circle of demise of the Seaway is Clause 4 of Bill C-75, enabling legislation for Coast Guard recovery, the implementation of which has not only potentially disastrous consequences for Great Lake seaway marine transportation but also for our home port of Thunder Bay, which is additionally of special concern to us.

While others may have sounded a middle-ground position on the proposed legislation, we want to go on record as being categorically opposed to Coast Guard user fees, and we strongly urge the Government to remove Clause 4 at the present time. In our view, it is not at all a question of obligation, any more than it is a matter of fairness". Let Hon. Members roll that word, "fairness" around in their minds and try to relate to it once again. They have been here too long, I submit. They have forgotten that basic concept of fairness. The company went on to state, "not only is it a matter of fairness but also a situation where additional charges in the face of our already burdensome and constantly rising cost infrastructure have pushed us to the limit of our competitive margin. In fact, there are many in our industry who believe we have already crossed the precarious threshold".

That is what those people who are out there employing Canadians, who are the engine of growth that makes this country go, who generate those new jobs about which the Prime Minister (Mr. Mulroney) likes to speak, what those in the private sector, free enterprise, innovators, risk-takers, are saying about this legislation. That is what those people who are not Crown corporations, who are not authorities, who are not associations, but, rather, individuals who are prepared to go out and compete in a fair environment, are saying about this legislation, that it will push them over the edge and destroy an industry that is currently existing at a precarious balance. Still, Hon. Members opposite, the moment I sit down, will be happy to see this Bill pass Parliament with all of the consequent negative implications for Candian citizens, primary producers and, indeed, shippers.

Algoma Steel, Stelco and Dofasco also went on record before the committee on Bill C-75 to oppose Clause 4. The Canadian Harbour Commission pointed out that there is great potential for discrimination in such open-ended legislation as that proposed in the new Clause 4 against Canadian ports. The International Association of Great Lakes Ports indicates it is opposed to Clause 4. It states that charges imposed as a result of Clause 4 will cause deterioration in an already risky sitution.

It is absolutely amazing. It must dumbfound Canadians to see that I can stand here and literally quote every single facet of the marine industry, every single potential user group, every single primary producer in Canada, to know that all of these people have come to the Government of Canada, have made their case and, notwithstanding the opinions that have been put forward, Bill C-75 is still before the House. It makes Canadians just a little bit suspicious, just a little bit reluctant to swallow, hook, line and sinker, the "brand-new day for Canada" vision that the Prime Minister held out for all of us during the summer of 1984. It makes Canadians doubt, just a little bit, that promise of a new era of consultation and co-operation with the people of Canada. It makes one just a little bit, only slightly, cynical about some of the pronouncements of the Prime Minister with respect to the nature of the administration he would lead in this country.

There are some Hon. Members from Quebec on the Government side of the House indeed, some Ministers, who attended the Montreal Economic Summit only last week, and they will not be surprised to know that the Montreal Chamber of Commerce, when it appeared before our committee, was not stating anything different than it was stating last week at the Economic Summit. It was stating, "Dump Clause 4. If it cannot be dumped, let us not have Bill C-75". Nevertheless, at the time it appeared before our committee—

Mr. Forrestall: Do you intend to let us have it today? Why don't you tell us that?

Mr. Tobin: Tell you what, my friend?

Mr. Forrestall: Do you intend to let us have it today or are you going to speak until five o'clock?

Mr. Tobin: The Montreal Chamber of Commerce was stating that in the case of Section 4 of Bill C-75, there has

been no prior consultation with the shipping community or the business community in order to assess the economic and other impacts of the Bill. It is surprising that on every other aspect of Bill C-75, there has been extensive consultation with industry, but on Section 4, there has been no consultation whatsoever.

This is the brand new day the Prime Minister promised all of Canada. This is the brand new era. This is the day of consultation when we shall put an end to confrontation. Well, the Prime Minister was half right. There is no confrontation on Clause 4 because he did not tell anyone about it. He tried to sneak it in through the back door. He tried to slip it in at the last minute, have it passed and have people find out about it later. So, he is right. There is no confrontation because he simply does not tell people everything they should know and everything they want to know. It is like sneaking up behind a fellow with a baseball bat and hitting him over the head. It is a way of avoiding picking a fight. One just slugs him when he does not see it coming. That way one can never lay the claim that one did not consult him before one hit him. In fact, he will never know what hit him.

• (1450)

That is what the Government of Canada is attempting to do to the shipping industry of this country. That is what it is attempting to do to the Montreal Board of Trade and to the fishermen on Cape St. George who are sitting on their pots pondering the horizon and their futures in the face of this regressive legislation. That is what it is attempting to do to the forestry workers overlooking the shores of Vancouver harbour and to the farmers who are sitting on the Prairies battling the grasshoppers. That is what the Government is doing. It is sneaking up behind these people with a two-by-four. When their backs are turned, a mighty arc of the arm will come down crushing forever their hopes of remaining economically viable.

The Prime Minister should recall his own words. Several times he has stood in his place in this House and said: "You can blind-side me once, but don't try it a second time". I am here to advise the Prime Minister that he can attempt to blind-side the people of Canada once, but it will not work a second time. The Government should not expect to be surrounded by a swarm of applauding hands that applaud at every utterance the Prime Minister makes in the House of Commons when this type of legislation, notwithstanding the concerns of Canadians, is still before the House. The Prime Minister ought not to mistake the applause of his 211 Members for the approval of the people of Canada. While the applause is loud and even thunderous on some days in this place, out there in the land there is no applause. There is the dead cold silence that comes with the realization that the commitments that were made in the summer of 1984 were no more than that—passing, momentary, whimsical comments designed to attract a handful of votes for a point in time, but never intended as a road-map for an administration that would keep its word. The people of Canada have sobered up.

What do members of the Canadian Merchant Service Guild have to say about Bill C-75? It is a guild of a few words. They say that they are against Clause 4. In the end their concern is the loss of jobs. Canada Steamship Limited, a large Canadian shipping company, has this to say about Bill C-75 in Clause 4. It states that the Canadian shipping industry has carefully honed its competitive edge through continuous innovation and productivity and that additional costs will dull that edge, harming the shipping industry and many other important Canadian industries, including agriculture. It says that Clause 4 could attempt to achieve a system of cost recovery whereby the high operating budget of the Canadian Coast Guard may be recovered primarily from the Canadian shipping industry, which can ill afford additional charges at this time. Ultramar is opposed to Clause 4. The Petroleum Association for the Conservation of the Environment has trouble with the non-representative nature of the charges to be imposed as a result of Clause 4. The Canadian Shippers' Council states that user fees for Coast Guard services could result in some cargo being diverted through the U.S. transportation system and through U.S. ports. The Canadian Pulp and Paper Association says that its base business is export and cost increases can only reduce the very business that Government is trying to help.

For those who are living in the cities of this country who wonder whether or not they will be impacted by this Bill, and for all of you who live in the land of textile and high technology and go to work in the factories, I want to relate what the Canadian Manufacturers Association has stated. It has said that the enabling legislation on Coast Guard cost recovery is too open-ended and arbitrary. It states that there has been no shipper input, that little information has been received from Government and that there has been no indication of improved efficiency as an objective. It questions whether a public service such as the Coast Guard should be handled in this manner.

Even the Canadian Amateur Rowing Association is opposed to this clause. Can Hon. Members imagine an organization that does not even have a diesel or a gasoline engine behind it when it goes out on the water being opposed to this Bill? Its position is that the user fee for Coast Guard services should not be applied to Canadian rowing simply because rowing does not use the services of the Coast Guard. What type of legislation is this when those people who belong to an association, which allows them to go out on a Sunday afternoon with their wives in the front of the boat and Johnny and Annie in the middle of the boat, with a canteen with a bit of Kool-Aid and a few sandwiches, have to take the trouble to come before a legislative committee and point out that they, too, are concerned about the impact of Clause 4? Can Hon. Members imagine the fellow, who has a dory tucked away in his garage in the winter months and takes it out for a row around the lake on Sunday with his wife or girlfriend in tow, has to take the trouble to appear before a legislative committee to oppose Clause 4? The fellow with his row-boat, his two oars, no engine and a jug of wine, if it is a romantic trip, has discovered that he may be the victim of Coast Guard charges in the lusty pursuit of the Minister of Finance (Mr. Wilson) to balance the

bottom line. The Government of Canada is now even interfering with the freedom of, dare I say it, young romantics to go out for a row on the lake in the evening with nothing more than their oars to keep them company. I cannot believe it. It is a shocking and insensitive Bill.

I have both oars in the water and I am barrelling straight ahead. The problem is that the Government of Canada obviously did not have its navigation straightened out when it decided to come to the House with this piece of legislation. It has no idea where it will end up.

The Prince Edward Island Potato Marketing Board also has something to say about the Bill. We now have the fellow who is going for a row with his wife in the evening and a bottle of wine upset about this Bill. The potato farmers of P.E.I. are upset about this Bill. The prairie farmers are upset about the Bill. The fishermen on the last bill of Cape St. George on the southwest coast of Newfoundland sitting on their lobster pots watching the sun go down are upset at the Government because of this Bill. The people in the steel and glass towers of the Iron Ore Company of Canada are upset about this Bill. The fellow who looks out across the Vancouver skyline at the tall trees that keep the engine and the economy of that province going is upset about this Bill. In the history of this Parliament could there possibly have been a piece of legislation that more negatively affected so many different Canadians from so many different parts of Canada in so many different circumstances who have all come to a unanimous conclusion about Clause 4 of Bill C-75?

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

Mr. Tobin: Thank God!

Mr. Skelly: Mr. Speaker, I need some clarification on the type of activity that is taking place in the House today. Would Your Honour make some judgment about the quality of the input today? We have heard about Johnny and the Kool-Aid. We have heard about all kinds of irrelevancies. There has been the odd solid point speaking out on behalf of the people of Canada. But did you not notice, Mr. Speaker, the irrelevancies in the speech and the tremendous abuse of Parliament that has been taking place until now? I realize that the previous speaker needed a breath of air. I wonder if Your Honour might make a judgment on the matter before us.

Mr. Deputy Speaker: The Hon. Member does have unlimited time. The Chair finds that his speech is relevant.

Some Hon. Members: Hear, hear!

Mr. Tobin: Mr. Speaker, I want to thank my colleague from the New Democratic Party for giving the Speaker an opportunity to express something that he could not otherwise express. Every Member of the House knows that the Speaker must be regarded as being strictly neutral. He has an obligation not to show partisanship in the House. He has an obligation to be a sphinx. He has to be like the great Tower of London that stands unmoved by the events that occur around it. The Hon. Member from the New Democratic Party has given the Speaker, who is from the great Province of Quebec, a chance to say what I know he has been dying to say. It gave him a chance to say: "I too, with all that is in me, am opposed to this Draconian piece of legislation". On your behalf, Mr. Speaker, I thank the Hon. Member from the New Democratic Party for giving you an opportunity to rise and say how much you oppose this legislation by indicating that what I am saying is rather—

• (1500)

Mr. Deputy Speaker: Order. The Hon. Member knows that he should not bring the Speaker into the debate.

Mr. Tobin: That is okay, Mr. Speaker, you can thank me afterwards. There will be one Tory elected in Quebec and we will put him back in the chair after the next election.

The Great Lakes Commission has said the following about Clause 4 of Bill C-75:

> We are particularly concerned about possible compounding effects which may occur on the Great Lakes-St. Lawrence system.
>
> Simply put, when the costs, whether tolls or user fees, go up, some current business is always lost and some new business that would have been developed is not. So there is a potential double loss to the tax collector in this user fee due to these losses. The loss in production then translates into the loss of jobs for our binational region.

I cannot find anyone who has anything good to say about this Bill. The Economic Development Corporation of the St. Lawrence has also expressed its concern about the negative impact of Clause 4.

The National Farmers' Union, confronted as it is with the lowest wheat prices in 60 years, caught in the squeeze between the subsidies being paid wheat farmers in the United States and the subsidies being paid by the EEC, has had to rouse itself from the miserable battle for survival, which it is fighting with the Minister responsible for the Wheat Board (Mr. Mayer) and the Minister of Agriculture (Mr. Wise), to make a comment on Clause 4 of Bill C-75. Hon. Members will appreciate that most farmers' produce gets transported to market by ship and that anything that impacts on the cost of transporting by ship impacts on farmers' profits. What did the National Farmers' Union say? It said the following:

> In its preoccupation to trim the federal deficit, the Government is in effect telling farmers through this Bill that the national interest can best be served by still further increasing farm costs at a time when farmers are in very serious straits.

Let me repeat that because it bears repeating. This is what the farmers of Canada believe is the message they are receiving from the Government of Canada because of its callous introduction of Clause 4 in Bill C-75:

> In its preoccupation to trim the federal deficit, the Government is in effect telling farmers through this Bill that the national interest can best be served by still further increasing farm costs at a time when farmers are in very serious financial straits.

Mr. Gauthier: Can you make photocopies of that?

Mr. Tobin: I should make photocopies of that and send it around to all Hon. Members. I have a sneaking suspicion that over the next few days, Members of Parliament, because of the rumoured cabinet shuffle, will be standing by their telephones waiting for that telephone call which, for many of them, will not come. Instead, most of them will find, when they pick up their phones, that it will not be the Prime Minister with word of a new chauffeur, a chief of staff, a big budget and a $40,000 wage increase, but that it will be a farmer who will be saying: "In the name of God, man, why did you not rise in your place when you had the opportunity to do so and oppose the Draconian measures that are contained in Clause 4 of Bill C-75?"

Mr. Gormley: What have you ever done for farmers?

Mr. Tobin: The Hon. Member is suggesting that, because I am from the great and historic Province of Newfoundland, I have no right to speak on behalf of farmers. I would like to tell the Hon. Member that I have within the confines of my riding some of the most vigorous farmers to be found anywhere in Canada. I will tell him something else. We in Newfoundland and we in the Liberal Party believe it is the obligation and indeed the responsibility of every Member of Parliament when he comes to this place not only to speak for his region and his constituents but to speak for Canada.

If Conservative Members of Parliament can find neither their backbones, their legs nor their tongues to stand and speak for Canadian farmers, then I, existing as I do on the edge of the Atlantic Ocean in an area of fisheries and not a great farming constituency, will stand to speak in their places. Farmers in Canada deserve the support in the debate on Bill C-75 that they are not getting from many of the Members they sent here to represent their interests. For that I make no apology.

Who else has been moved in desperation to address the legislative committee?

An Hon. Member: Get to the point.

Mr. Tobin: An Hon. Member over there is making some unintelligible noises. He is generally a well-meaning fellow and I know that he would be opposed to this Bill were it not for the vicious whip that is being cracked in the able hand of the Deputy Prime Minister (Mr. Nielsen), otherwise known as Velcro Lips, who has imposed a similar affliction on all Members opposite. He has imposed on all Members opposite an inability to find their tongues and is saying: "Do not do as I say, do as I do". Of course, what he does is zip up. Hon. Members opposite have now zipped up and they have zipped out of any chance of re-election in the process.

Before I was so rudely interrupted, I was about to say that the Minister of Highways and Transportation from the Province of Saskatchewan which, for those who do not know it, is run by a Conservative administration of the same colour, hue and shade as this one, has said about Clause 4 of Bill C-75 the following:

> Any increase in costs to users on the Great Lakes-St. Lawrence Seaway System will result in producers looking for transport services which are cheaper. As a result, some traffic may be diverted to the U.S. transportation system causing loss of Canadian jobs.

A Progressive Conservative Minister of Transportation from the Province of Saskatchewan is saying to his Progressive Conservative brothers and sisters in Ottawa that they are going to transfer jobs from Canada south of the border. What does the Government of Canada do in response to that in this new age of consultation and co-operation? It proceeds to transfer jobs south of the border, totally ignoring the representations of that Progressive Conservative Government. Again, Canadians have to attach a degree of cynicism to the commitment of the Prime Minister to bring a brand new era to Canada.

To show that the Government's inability to listen is not partisan and that it does not treat its own Party colleagues any worse than others, the Minister of Transportation and Highways in the Province of Manitoba, who is a New Democrat, had the following to say about Clause 4:

> If this clause in the Bill is allowed to remain, it will lead to efforts towards full cost recovery which is beyond the limited financial capabilities of grain producers and other shippers and consumers.
>
> The continued pursuit of the "user pay" philosophy without regard for the ability of shippers and consumers to pay will inevitably cripple the flow of the nation's commerce.

A while ago, a Conservative administration was in power in Prince Edward Island, but it suffered the backlash of this Bill. Just before the former Minister of Fisheries from the Province of Prince Edward Island went to the guillotine that awaits all of those who endorse this legislation, with his dying political breath—the man is still healthy, of course—he had something to say about this Bill as he was going down the chute because of the efforts of this administration.

• (1510)

I should like to refer to what the Minister of Fisheries for the Province of Prince Edward Island had to say about this Bill. He said:

> fishermen, through the Fisheries Act, pay for right of access to the common property resource which they harvest through personal and vessel licence fees. It is my view that it is the responsibility of the licensing authority namely, the Government of Canada, to provide access to the resources for which fishermen are licensed.
>
> The imposition of user fees to the fishery as proposed by the legislation represents the possibility of further substantial costs to an industry which has been beset with so many problems in recent years.

It is incredible for one to look at the list of organizations, associations, politicians, user groups, and individual Canadians who are opposed to this legislation. They are not opposed to it for reasons of discomfort or inconvenience. They are opposed to it for fundamental reasons of survival. It is incredible that the Government of Canada still persists with the Utopian notion that all it is doing is trimming a bit of fat around the edges of the collective T-bone which is Canada. Nothing could be further from the truth. The Government is not trimming a bit of fat. The Government has gone through the fat with its

broadsword, has gone through the muscle, has glanced off bone, has gone deep into the bone, and has ruptured the spleen and marrow which are essential to the rejuvenation of any body.

Mr. Gormley: The champion of mixed metaphors!

Mr. Tobin: The Government has gone right to the core of the economy of all regions, that is, their ability to compete in the world market-place by moving goods and people to where markets are located. I fail to understand—

Mr. Gormley: You also failed English.

Mr. Tobin: We Newfoundlanders are known as people of few words. We are also known as people who lack the ability of some Hon. Members in the House to present our views in a manner consistent with the disciplines of the English language. We apologize for that. We are ever so humble in the House when we speak. We do our best. We try to make our case. We understand that not all Members have the same capacity or incapacity. We do the best we can, notwithstanding the normal high standard of debate by the Hon. Members of the House, many of whom are here today. However, let me just apologize and continue.

What did the Premier of Ontario have to say about Clause 4 of Bill C-75? He said that there was good reason for serious concern about the negative impact on Canada's transportation and shipping industries as a result of the Bill.

The Government of Canada is about to embark upon a great free trade experiment with the Government of the United States. It is gambling that it can negotiate a satisfactory arrangement on trade between the U.S. and Canada. It is betting that it can reach an agreement which will satisfy Canadians in all parts of the country. However, with Clause 4 of Bill C-75, it is moving unilaterally for the first time in 30 years of joint administration of the St. Lawrence Seaway system. The Seaway is jointly administered by a U.S. commission appointed by the U.S. Government and by the St. Lawrence Seaway Authority appointed by the Canadian Government. They have jointly managed the Seaway for 30 years. Clause 4 represents the first time in the joint management of the Seaway that one of the two partners has acted arbitrarily and in isolation of the other. Indeed, the American commission wrote a letter to the Prime Minister pointing out that it was the first time in 30 years that Canada had acted unilaterally and arbitrarily, without consulting the American side, in imposing new user charges.

If we cannot even manage to stay the course or stay on track in the joint management of a system, for which we have had a joint management program for the last 30 years, why is it that Canadians should believe that we have the ability to initiate a new comprehensive free trade agreement representing all our sectors, not just particular segments such as the St. Lawrence Seaway system?

The Minister of Transport appointed a subcommittee to study the St. Lawrence Seaway and how best the Government of Canada could rescue that ailing system from apparent demise. Apparently it is suffering from a steady and progressive loss of traffic. Yesterday that subcommittee heard from the Thunder Bay Economic Development Corporation. It presented an excellent, well prepared brief. It was entitled "Canada's Third Coast—The Role of Thunder Bay in Future Canadian Export Trade". It almost put a question mark behind the word "Future" because the future of export trade is in doubt with the measures now being proposed by the Government. I commend to all Hon. Members this thorough brief as required reading for those who want to participate in a meaningful way in debate on transport policy.

In respect of the transportation system in the Port of Thunder Bay, the report indicated that in 1985 a number of factors, including grain production shortfalls, poor international sales performance, changing technology, continuing shifting grain traffic to federally assisted West Coast port facilities, and Seaway disruptions, resulted in the permanent loss of an estimated 500 direct jobs. It went on to indicate that higher Seaway and port user charges, as proposed in Clause 4 of Bill C-75, would have a dramatic, negative impact upon port and grain handling activities in Thunder Bay. Also its forecast indicated that unless these proposed cost increases were averted, its area of the transportation sector could permanently lose up to 1,500 direct jobs during the next five years.

The Thunder Bay Economic Development Corporation, having already suffered the loss of 500 permanent jobs and having noted the state of decline in traffic, went on to warn the Government that Clause 4 of the Bill, the user-pay clause, could result in the loss of an additional 1,500 jobs. That is just in the Port of Thunder Bay alone. We must understand that the potential job loss, direct and indirect, in the entire system could indeed amount to tens of thousands.

In dealing with Clause 4 the brief went on to indicate that the enormous economic and social costs of this potential dislocation should be carefully weighed against the very modest net benefits of all proposed cost recovery policies or measures under consideration by the federal Government. Also it indicated that when existing jobs were lost, experience has shown that they are far too difficult and expensive to replace, and that the significance of employment loss was far more acute in an already economically disadvantaged region like northwestern Ontario.

In the face of excellent work carried out by many organizations, several months ago when the Bill was before the legislative committee and as recently as yesterday when the subcommittee was in Thunder Bay, I do not know how the Government in good conscience could persist in bringing this Bill before Parliament.

It must be noted that many witnesses said they were not consulted about Clause 4, that it was a surprise. This indicates a sense that the Government was trying to slip something by them, something fundamental and important. I must note that

the Government has tried to slip something important and fundamental through Parliament. It strikes me as being strange and perhaps somewhat devious that the Government would bring in this Bill in the last few hours of the last day in the last week of the last month of this Parliament, which has been in session for the better part of two years.

• (1520)

The Government has come with this Bill in the expectation that Members, with visions of summer holidays dancing in their heads, with visions of ties and suits flung in the closets, with visions of summer gear and being down on the trail with constituents, with visions of seeing their wives and families—and husbands in the case of our female colleagues—would cave in and allow this legislation to slip through so that we could more quickly pursue our own personal vacations and agendas.

I am one of those who would rather be on the way back home today. I am one of those who would like to be heading home to see my friends and my family, my children and my good wife who puts up with my absences, but I will not on principle allow this Bill to be slipped through at the last second with all the concurrent negative impacts on so many people in Canada just because the Government is counting on an opposition to be tired and so allow, in the pursuit of our own pleasures, this Bill to slip through today. No, Mr. Speaker, that will not happen.

Some Hon. Members: Hear, hear!

Mr. Tobin: Can you imagine, Mr. Speaker, 15 days ago I started my speech. Two days later, in the middle of it, the Government actually changed the order of business and buried this Bill. It is like a skeleton in the family closet. You try to bury it deep in the corner where no one will see or notice it, and then you slip it back out at the last second, expose it briefly to the light of day, and then whack it back into the closet again. That is what the Government has attempted to do with this Bill. It is bringing it forward in the dying minutes to have it slip through. I will not allow that to happen as long as my voice stands up.

The Thunder Bay Economic Development Corporation in its brief presented yesterday went on to say with respect to the proposed application of the user-pay concept that it is both inequitable and short-sighted, and the Corporation is strongly opposed to the application of a user-pay philosophy or cost recovery as proposed in Clause 4 of Bill C-75. It also stated that it believes these proposed charges, as well as the existing revenue recoveries levied against the seaway system, represent an unfair form of indirect taxation. Further, it believes that the future extent of all proposed user charges can be quantified and compared closely to all similar charges imposed on other major transportation modes.

In recent testimony before the Senate Committee on Transport and Communications, His Worship Jack Masters, a former Member of Parliament and, I must say he was an able Member of Parliament, a Liberal Member at that, stated that the City of Thunder Bay opposed Bill C-75. He further indicated: "Clause 4 of the legislation threatened 5,000 jobs in Thunder Bay" and said that "Clause 4 has the potential to greatly damage the economy of western Canada, the Great Lakes and Canada as a whole. Clause 4 should not be allowed to destroy our great inland waterway."

I think that sums up the brief presented by the Thunder Bay Economic Development Corporation.

Mr. Nunziata: Mr. Speaker, I rise on a point of order. I hate to interrupt the Hon. Member during his speech. I have been listening very attentively to it and he makes considerable sense. The Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) has spoken for quite a length of time, and in view of the urgent nature of his submissions, could you seek the unanimous consent of the House to ask the Hon. Member for Humber—Port au Port—St. Barbe some questions at this point.

Some Hon. Members: No.

Mr. Nunziata: As I understand, the Hon. Member—

Mr. Deputy Speaker: I note there is not unanimous consent. Debate.

Mr. Tobin: Mr. Speaker, it is indeed a rare day that a Member is prepared to stand and defend the logic of the arguments he puts forward on behalf of the citizens of Canada. Members of Parliament opposite are mumbling and grumbling under their breath and are grumbling to themselves. If they do not agree with the compelling logic of my remarks, why do they not take the occasion to give consent, stand on their feet to defend or to seek to destroy, if they can, the arguments I put forward and indeed the arguments of so many people in Canada who will be negatively affected by this Bill? Having noted the great confidence that Members have shown in their own Bill by their silence, having noted that they are obvious only by their silence, I shall continue. I have much to say about this Bill.

Just to keep Members of Parliament on the edge of their seats, as they have been for the last little while about this Bill, and to broaden their understanding of transportation and the implications of this Bill, I want to talk about the impact of the Bill as it affects oil rigs. This is just a little change of pace for Members for a short while, Mr. Speaker.

* * *

BUSINESS OF THE HOUSE

Mr. Lewis: Mr. Speaker, I rise on a point of order. There have been some discussions among the Parties and I think you will find there is unanimous consent to the following. I move:

That, notwithstanding any Standing or special order of this House, at 5 p.m. this day the sitting shall be suspended to the call of the Chair for the purpose of witnessing the Royal Assent to certain Bills.

Mr. Gauthier: Mr. Speaker, can the Parliamentary Secretary tell the House at what time we can expect the messenger from the Senate to come in with Royal Assent? Does the Parliamentary Secretary have any idea?

Mr. Lewis: Mr. Speaker, it is my understanding that the messenger will arrive at or about 5 p.m. What we are talking about is to avoid any technical problems. Royal Assent will take place very close to 5 p.m. I think this Order will take care of any technicalities.

Mr. Nunziata: Mr. Speaker, I rise on the same point of order. Just so I have a full understanding of what the Parliamentary Secretary is suggesting, is he suggesting that rather than adjourning at 5 p.m. that the House continue to sit?

Some Hon. Members: No.

Mr. Nunziata: Perhaps the Parliamentary Secretary could explain exactly what he is proposing so we on this side of the House understand fully.

Mr. Lewis: Mr. Speaker, I have no difficulty in explaining the matter to the Hon. Member. It was worked out with Mr. Yanover of his Party to avoid any difficulty.

At 5 p.m. the sitting shall be suspended to the call of the Chair for the purpose of Royal Assent. There will be no further government business after 5 p.m.

Mr. Nunziata: Mr. Speaker, the Parliamentary Secretary is using the terminology "suspend". As I understand it the House would be adjourning—

Mr. Deans: No.

Mr. Nunziata: —for the summer recess. I would like a very clear and unequivocal explanation as to the distinction between the House suspending and the House adjourning. Are we adjourning at five o'clock or are we suspending?

Mr. Lewis: Mr. Speaker, unaccustomed as I am to a great deal of debate on this particular matter, it seems to me that we would be suspending at 5 p.m. until Royal Assent is obtained and at that point we would return to the House and adjourn without any further business.

Mr. Prud'homme: Mr. Speaker, I hope the Parliamentary Secretary understands that we will, I am sure, give consent. If, however, we were not to be co-operative, and I want to show that we can co-operate, we could say no at five o'clock. Everything would be over. We could refuse to stay and, therefore, there would be no Royal Assent, meaning that none of these Bills would get Royal Assent before some time in September. I do not think that is the mood of the House. Therefore, I think we will co-operate.

Canada Shipping Act

Mr. Deputy Speaker: The House has heard the terms of the motion presented by the Hon. Parliamentary Secretary to the President of the Privy Council (Mr. Lewis). It requires unanimous consent. Is there such consent?

Some Hon. Members: Agreed.

Motion agreed to.

• (1530)

GOVERNMENT ORDERS

[*English*]

CANADA SHIPPING ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-75, an Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act in consequence thereof, be read the third time and passed.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, if the Parliamentary Secretary is willing to suspend the sentence which he is attempting to impose on the shipping industry of Canada and many primary producers, we would be glad to have Royal Assent right now. Otherwise, I will be more than happy to spend the next hour and a half educating Members as to the concerns of Canadians about Clause 4. If the Government prefers that I wait and educate Members in the fall, I will be glad to do that because I do not believe that you ought to cram too much down a student's throat in the final days before summer holidays. My friend, the Member for Burin—St. George's (Mr. Price) told me that. He was a teacher for many years. He said that minds are always much more receptive to new information in the fall of the year when school resumes. However, if the Parliamentary Secretary would like me to continue, I will. If he is not interested in my offer, that is fine. There is nothing I would rather do than educate Members.

Earlier in my remarks I indicated that I have two problems with Bill C-75. One is that it is flawed because of what is in it, that being Clause 4, and one is because it is flawed because of what is not in it, that is any provision to include oil rigs as ships to fall under the jurisdiction of the Canada Shipping Act.

I reminded Members that on February 15, 1982, the *Ocean Ranger* tragically went down off the shores of Newfoundland. There were 84 men on board. All lives were lost. Sixty-nine members of that crew were Canadians and 56 of them were Newfoundlanders. Flowing from that disaster was a royal commission report sponsored by both Governments which cost $15 million. Its major recommendation was that oil rigs operating off the East Coast of Canada ought to be included in

the provisions of the Canada Shipping Act under the responsibility of the Minister of Transport of Canada. However, oil rigs are still the responsibility of the Minister of Energy, Mines and Resources notwithstanding the work of the royal commission, a $15 million expenditure, and the thousands of expert witnesses who convinced Justice Allan Hickman to make this recommendation to the Government of Canada.

It is a tragedy of great proportion that the Government was not able to resolve the personality conflicts and the empire building mania in the mind of the Minister of Energy, Mines and Resources. She would not allow this little piece of her empire to be placed under the responsibility of the Minsiter of Transport. The decision not to place oil rigs under the jurisdiction of the Canada Shipping Act flies in the face of at least three rulings of Canadian courts, all of which have concluded that rigs are ships and, henceforth, should be under the jurisdiction of the Act.

People ask what difference it makes whether the rigs are under the jurisdiction of the Minister of Transport or the Minister of Energy. It makes a lot of difference. The royal commission on the *Ocean Ranger* disaster came to the conclusion that because of the inadequate command structure, because of the lack of regulatory procedure to be followed in terms of command structure, training procedures, and procedures followed in an emergency, and because of confusion during the disaster, lives were lost which might otherwise have been saved. The royal commission identifid specific problems as contributing to the disaster. Since rigs are not covered under the Canada Shipping Act, they are not required to have licensed captains on board. In fact, even today rigs offshore Newfoundland do not have qualified and licensed captains on board. I believe that one of six of them do. The other five do not because it is not required under the guidelines of the Minister of Energy.

The royal commission report said that the main contributing factors to the disaster were lack of proper procedures for emergency, lack of manuals and technical information relating to the ballast control console, lack of adequate training programs for key personnel, lack of knowledge of the vulnerability of the rig and its ballast system and human error which can be attributed to a lack of proper training. The report said that a mistake in reaction to the malfunction of the equipment led directly to the disaster as a conclusion. Closing the deadlights in the ballast control room before the storm intensified could clearly have prevented the loss. That was not done. Knowledgeable action by the crew in dealing with the effects of the seawater on the ballast control console would have averted the tragedy. The disaster could have been avoided or, in any event, prevented by competent and informed action by those on board. Because of inadequate training, lack of manuals and technical information, the crew failed to interact in the fatal chain of events which led to the eventual loss of the *Ocean Ranger* and, tragically, of the 84 men who were on that rig.

How could this have happened? How could a $1 billion piece of equipment with 84 human beings aboard be out in the roughest seas in the world, aside from those at the Cape of Good Hope, improperly equipped with an improperly trained crew? It happened because from a regulatory point of view, oil and gas rigs were perceived primarily as vehicles to extract oil from under the ocean floor. They were not perceived as ships or ocean-going vessels. They were not treated in a manner in which any vessel which operates 200 miles offshore in the Atlantic should be treated. More particularly, these rigs are not like ships. They are stationary and cannot roll with the punches in a storm. They must withstand the punches.

In 1982 there was not an appropriate appreciation of the fact that this was something more than a tool for extracting oil from the ocean floor, that it was a ship operating in some of the most severe conditions to be found in the world with 84 human beings aboard. After three years of evidence and $15 million of expenditure, the royal commission recommended that we must stop treating rigs as tools of extraction and start treating them as ships by bringing them under the jurisdiction of the Canada Shipping Act and the Minister of Transport.

I am incredibly disappointed that we have not done this for no other reason than that the Minister of Energy, Mines and Resources is not prepared to give up her jurisdiction over oil rigs which operate in the Atlantic Ocean because she does not want to give a piece of her empire to another Minister. It is tragic and sad that personal vanity can stand in the way of honestly made and sincerely held recommendations of a royal commission which spent a tremendous amount of time generating its recommendations for the Government of Canada.

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[*Translation*]

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-45, without amendment, an Act respecting employment and employer and employee relations in the Senate, the House of Commons and the Library of Parliament.

* * *

THE ROYAL ASSENT

Mr. Deputy Speaker: I have the honour to inform the House that a communication has been received as follows:

GOVERNMENT HOUSE
OTTAWA

27 June 1986

Sir,

I have the honour to inform you that the Honourable Gérard V.J. La Forest, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 27th day of June, 1986, at 5:00 p.m., for the purpose of giving Royal Assent to certain Bills.

Yours sincerely,
Léopold H. Amyot
Secretary to the Governor General

Mr. Deputy Speaker: Order! The Hon. Member for Ottawa—Vanier (Mr. Gauthier), on a point of order.

Mr. Gauthier: Mr. Speaker, I suppose the message from the Senate accompanying Bill C-45 did not contain any comments. Since you did not read any. I suppose there are none.

Mr. Deputy Speaker: Order! In the case of Bill C-45, as was the case for the other Bills we received today, there were no comments from the Senate.

• (1540)

GOVERNMENT ORDERS

[*English*]

CANADA SHIPPING ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-75, an Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act in consequence thereof, be read the third time and passed.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, as I was saying about the importance of including oil rigs under the jurisdiction of the Canada Shipping Act—

Mr. Boudria: Could you repeat some of that, I missed it?

Mr. Tobin: I would be glad to repeat it. You were not here.

As I was saying, it is time we started treating rigs as something more than just a means of exploring for and extracting oil from the sea bottom. We should treat them as vessels which hold the lives of men and women at sea. To do that adequately, those people have to be under a command structure and set of regulations which can be found only in the Canada Shipping Act. They should not be seen as simply a scenic point for the Minister of Energy, Mines and Resources to visit once in a while by helicopter. The royal commission did not spend its time and our money making recommendations to have them ignored in a whimsical and flippant manner because of the frail vanities of Ministers of the Crown.

I get damn angry knowing that this Parliament has not had the ability to get its act together, be non-partisan, sensible and intelligent and accept the royal commission recommendation. It did not happen. There is not a Member of Parliament of any Party who knows a damn thing about this matter who will tell you that it was anything but foolish and irresponsible not to have included rigs under the Canada Shipping Act. I hope when we come back in the fall the Government will be prepared to accept an amendment to do the right and responsible thing.

Not only has the Government ignored the recommendations of the royal commission, it has ignored rulings of Canadian courts on this question. There are several Canadian and international decisions which support the argument in favour of defining oil rigs as ships. I want to cite a few of them. In the case involving the Seafarers' International Union and Crosbie Offshore Services of March 5, 1982, the Federal Court of Appeal was faced with the question of whether federal or Newfoundland legislation applied to the crew of supply boats working the rigs in the Hibernia field off Newfoundland. In the course of describing the nature of the services supplied by the boats to the rigs, the judge noted that supply ships are also ships. They have means of self-propulsion but, for one reason or another, may be towed to a drill site.

In the case of *The Queen v. the Saint John Shipbuilding and Drydocks Company* of July 7, 1981, the court considered whether a floating crane was a ship within the meaning of the federal definition. After reviewing the English cases on the point, the judge said that applying the law to the crane as described, he was of the opinion that the crane was a ship. While it appears that she was not capable of navigation herself and was not self-propelled, those facts did not detract from the fact that she was built to do something on water which required movement from place to place. Therefore, in his opinion the crane was a ship.

I have a third decision. This was rendered in the Exchequer Court, predecessor to the Federal Court of Canada established in 1971. In that case the judge decided, using the Canada Shipping Act definition, that a barge used for cargo was also a ship. The Canada Shipping Act covers barges. A garbage scow or transport barge, whether it has anyone on board, is a ship. A crane operating in a harbour or port is a ship. A supply vessel is a ship. However, an oil rig like the *Ocean Ranger* which went down in a violent Atlantic storm, with a crew which was, in the words of the royal commission, improperly trained, is not a ship. It does not have to be regulated under the Canada Shipping Act. The Minister of Transport is not responsible for the operation of that rig. It falls under the responsibility of the Minister of Energy, Mines and Resources, who would not know navigation law from the laws of backgammon.

The Government is barging along, insensitive to the impact this Bill will have on Canadian citizens. It will cause waves right across the land as it moves like some monolithic object, unintelligent about its destination, simply determined to push ahead.

I would note here the representations made by the *Ocean Ranger*'s Family Foundation. That was set up to assist those families who lost loved ones to get over the consequences of the loss of the bread-winner in the family. It also recommended to

the Government of Canada, during the course of its appearance before the royal commission, that when it next reviews the Canada Shipping Act it should include under that jurisdiction the responsibility for monitoring and regulating oil rigs at sea. That recommendation was also ignored.

During the course of my remarks concerning the St. Lawrence Seaway, I gave an assessment and profile of the organizations opposed to Clause 4, the user-pay clause. It is the guillotine clause. It is the Seaway destroying and Montreal Chamber of Commerce and Port of Montreal bashing clause. It is the fishermen bashing clause, the potato farmer bashing clause. It is a forestry worker bashing clause. It is the Quebec Metal Mining Association bashing clause. In the course of talking to ordinary Canadians, both powerful and humble, they are opposed to this piece of legislation.

• (1550)

I mentioned as well that it struck me as being rather strange that a Government that claims it can negotiate a comprehensive free trade agreement with the United States is moving unilaterally to impose user fees on the Seaway, which is jointly administered by both the Government of Canada and a U.S. appointed commission.

At that time I said that certain individuals, including U.S. Representatives and U.S. Senators, had written to the Prime Minister of Canada pointing out that after 30 years of joint management, 30 years of being able to agree on every single occasion to new rules, regulations or charges that would affect the authority, joint agreement, solidarity, harmony, happiness, blissful relationship between the American and Canadian administrations, for the first time we have Canada acting unilaterally. For the first time we have our U.S. partners moved to the embarrassing position of having to go past the Minister of Transport, to go past the good offices of the St. Lawrence Seaway Authority, to go past the good offices of the Canadian ambassador and to write directly to the Prime Minister of Canada asking the Government what it is doing. It takes two to manage the authority and this unilateral action the Government is taking with Clause 4 will destroy the joint nature of the management plan that has existed.

Just 24 days ago I received in my office a copy of a letter written by Mr. Donald Rothwell, President of the Great Lakes Waterways Development Association to the Leader of the Official Opposition (Mr. Turner) asking that the Leader of the Official Opposition contact his colleagues, the Member for Papineau (Mr. Ouellet) and the Member for Humber—Port au Port—St. Barbe to take a second look at what it is the Government of Canada is attempting to finesse in the dying days of Parliament past the noses of parliamentarians and onto the backs of Canada's shippers.

It was a very good letter that he wrote to the Leader of the Opposition because it included some very interesting material. As well as outlining his objection to Bill C-75, Mr. Rothwell provided the Leader of the Opposition with some very interesting correspondence, including a letter to the Prime Minister by ULS International Inc., Toronto, Ontario. The letter is written to the Prime Minister of Canada, and obviously written by someone who knows him well because it starts, "Dear Brian". It says: "I would like to draw to your attention our concern over Clause 4 of Bill C-75. In its present form the authority it provides this and future Governments to charge for Coast Guard services is virtually unconstrained. As a result, potential for economic dislocation to the detriment of the lakes, St. Lawrence traffic is open ended."

He goes on to say: "I know it is unnecessary to recite recent stats to prove that utilization by both grain and iron ore was in free fall last year, culminating a downward trend that began in 1975."

He says to "Dear Brian": "Clause 4 requires a great deal of revision before it is ready to be passed into legislation."

I think we all know the "Dear Brian" referred to, the Prime Minister, went out shortly after this letter was received, and shortly after a meeting with the Premier of Quebec, and promised to have another look at Clause 4. We all know what happened. His commitment to have another look was like so many other commitments, like snow that melts in spring, when you turn around it is gone. Bill C-75, with all of its terible implications is still before the House.

There is another letter that I know Members would be most interested in hearing about. It is a more formal letter, more chilling.

Mr. Boudria: Mr. Speaker, a few moments ago, I guess it was two or three minutes ago, the Member referred to Crosbie Offshore. I am just wondering if he could inform the House as to whether this is the Crosbie Offshore of—

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

Mr. Tobin: Yes, to that question which was not a point of order and which I therefore did not hear, it is one and the same family that is represented by a certain Hon. Member from St. John's West in this House. There is a second letter written to the Prime Minister. The first letter started off, "Dear Brian", it was warm, friendly, confident of being heard. The second letter is more formal, more chilling. This one is written, "Dear Mr. Prime Minister", no more "Dear Brian". It is from the Great Lakes Commission of Ann Arbour, Michigan. The Great Lakes Commission, for those who do not know, is the American institution that is the equivalent of the St. Lawrence Seaway Authority. The Great Lakes Commission is the American body that does the same job and that works hand in hand with our agency to manage the St. Lawrence Seaway. In their letter they say: "The Great Lakes Commission is deeply concerned about proposed Bill C-75, which would authorize the imposition of cost recovery for Canadian Coast Guard services. The Commission respects Canada's needs to raise additional revenues. The Commission accepts Canada's choice of user fees as one vehicle to accomplish that end. However, the Commission, as the only co-ordinating and advocacy agency established by the States and approved by Congress to

provide a collective voice for the eight Great Lakes States on water resources and related issues, would be remiss if it did not express opposition to the current language of Bill C-75.

The Commission has monitored the progress of Bill C-75 in Parliament, has participated in regional discussions about potential impacts, the Coast Guard cost recovery provision, Clause 4. Commission testimony was presented to the Legislative Committee in Ottawa on February 13, 1986."

The Commission emphasized: "—four points believed to be necessary before a navigation cost recovery legislation can be successfully implemented. (1) federal user fees should be uniform in application from seaport to seaport and from coastal range to coastal range. Uniformity maintains the current competitive relationship amongst ports."

Concern number one is not met in this Bill. It continues: "(2) there must be a clear determination of the purpose for which fees are to be collected and the activities to which they are to be applied. This is critical to the ultimate acceptability of any system adopted."

Point number two is not met because the Minister is not going to tell anybody in advance of getting the authority to raise these fees, how much is to be raised, who is to be targetted, for how long fees are to be raised and at what rate they are to be raised.

It is the equivalent to giving a rogue a gun and a bullet without first assuring yourself that he is not going to point the gun and the bullet at you and do you great harm. The Government of Canada has raised up the barrel, has raised up the gun, has looked down the barrel, is squeezing the trigger and the bullet that it is going to use to do great damage to the Canadian shipping industry is this Bill. However, we will not give the Government the ammunition today. It will pull the trigger, only to find that it is firing blanks because we in the Opposition will not provide the Government with the ammunition that it seeks to do grave damage to the people of this country.

• (1600)

The Great Lakes Commission goes on to say that any user-fee proposal should involve thorough public consultation with all user groups, which should take place before initial application of fees and before any subsequent changes in the level of fees.

Mr. Boudria: Was that done?

Mr. Tobin: That was not done. In fact, every group has complained that they had no consultation prior to the introduction of Clause 4 in Bill C-75. The Great Lakes Commission is responsible, along with our authority, the St. Lawrence Seaway Authority, for managing the Seaway. That Commission wrote the Prime Minister in a desperate bid, after having gone through all other channels.

The Great Lakes Commission is saying that they have managed to co-operate successfully with the St. Lawrence Seaway Authority to jointly manage the St. Lawrence Seaway, so why can they not co-operate in a joint fashion in the establishment of new fees? I find it strange, indeed ironic, that if the Government cannot keep its act together with respect to the St. Lawrence Seaway that has been successfully managed jointly with the Americans for 30 years, how can Canadians believe that the Government is competent or capable of negotiating a comprehensive free trade agreement with implications that are much more profound than those in Clause 4 of this Bill?

It strains Canadians' belief in the credibility of the Government that it can negotiate a comprehensive free trade agreement when it cannot even deal with the joint management of the St. Lawrence Seaway.

I want to bring to the attention of Canadians and Members of Parliament a second letter that was written to Canada's Ambassador, Allan Gotlieb. The letter states: "Dear Mr. Ambassador: We wish to thank you for your recent letter concerning legislative action in Clause 4 of Bill C-75, currently pending before the Canadian Parliament. It was reassuring for us to learn that Bill C-75 was before a special legislative committee of Parliament for detailed analysis, that the Minister of Transport would be establishing a committee to consider the views of all affected parties prior to any decision to implement Coast Guard user fees." Those people were falsely reassured because I was part of that special legislative committee and, despite the words of wisdom that were ushered in from every part of Canada in opposition to Clause 4, it is still retained in the legislation.

Mr. Nunziata: Mr. Speaker, I rise on a point of order. As you know, there are a precious 55 minutes left in this particular debate. I know that the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) is not yet half way through his submissions with respect to this legislation, specifically with regard to Clause 4. Once again, might there be unanimous consent in the House to permit me at this point to ask some questions of the Hon. Member for Humber—Port au Port—St. Barbe?

Some Hon. Members: No.

Mr. Deputy Speaker: There is not unanimous consent. Debate. The Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin).

Mr. Tobin: Mr. Speaker, again, Members opposite who profess to be ready and willing to stand on their feet only in the event that I shut up so this Bill can pass, do not have the courage or backbone to stand up and defend their silence. It is a strange place indeed, when the only time those Members opposite will be able to find their legs is to make a direct dart for the exit as they rush off on their holidays, having wreaked havoc on the Canadian shipping industry.

As I was saying, before my colleague, the Member for York South—Weston (Mr. Nunziata), attempted to put such a sensible suggestion before the House, the Great Lakes

Commission wrote to the Prime Minister in opposition to the unilateral charges being applied to the St. Lawrence Seaway.

In addition, a coalition of Senators who represent Seaway or Great Lake states have written the Ambassador of Canada, complaining about the unilateral action that Canada has taken in Clause 4 of Bill C-75. They are the same Senators who were imposing tariffs on Canadian cedar shakes and shingles, the same Senators who nearly defeated free trade talks in the Senate Finance Committee. They are cynical about the Government's ability to deliver on free trade and are not much interested in free trade because they recognize that the Government of Canada cannot even deal effectively with the joint management of the Seaway Authority.

Those Senators who wrote Canada's Ambassador include Senator Alan J. Dixon, Senator John H. Glenn, Jr., Senator Levin, Senator Rudy Boschwitz, Senator Don Quayle, Senator William Proxmire, Senator David Durenberger, Senator Richard Lugar, Senator Bob Kasten, Senator Howard Metzenbaum and Senator Paul Simon. These Senators have taken the trouble to write the Prime Minister of Canada to express their amazement and shock that the Government of Canada, without consulting its partner in running the St. Lawrence Seaway, is about to impose a new set of user fees that will set up a two tier system on a Seaway that has been jointly managed by both nations for 30 years.

It is like Pavlov's dog in reverse. While Pavlov's dog was conditioned to go for a biscuit when a light flashed, Canada gives away another bargaining tool when the Americans impose a 35 per cent tariff on cedar shakes and shingles. That is Pavlov's experiment in reverse. The Government tells the Americans not to worry because it will not impose sanctions on any American products other than tea bags and oatmeal.

Yesterday, the United States brought down a unanimous ruling to seek to impose tariffs on our softwood lumber industry. The Minister of Consumer and Corporate Affairs (Mr. Côté) stood in the House to table a Bill to increase the cost of generic drugs in this country—

Mr. Deputy Speaker: I would ask the Hon. Member to be more relevant to the Bill.

Mr. Tobin: Mr. Speaker, the reason I gave this example is that on the one hand, the Government of Canada is destroying a 30 year old working relationship with the American administration on the joint management of the St. Lawrence Seaway, while, on the other hand, it is making a mess of the comprehensive free trade negotiations.

• (1610)

During the course of the day, because I am a Member of Parliament from Newfoundland, and because I wanted to be sure that I was not parochial in my address, I spent a great deal of time speaking of the impact of this Bill and Clause 4 on the St. Lawrence Seaway, on the Port of Montreal, on the Port of Thunder Bay, the impact on farmers in the Prairies, on foresters in British Columbia, on miners in the Province of Quebec, on the Great Lakes—

[*Translation*]

Mr. Ouellet: Mr. Speaker, I want to apologize for interrupting the Hon. Member during his excellent speech.

I certainly don't want to criticize our interpreters whose performance in interpreting the Hon. Member's eloquence, word for word, is quite remarkable, but while listening to the French translation, I missed part of the Hon. Member's comments referring to the objections of people from Montreal who took part in the Montreal economic summit and who are also opposed to this Bill.

I therefore want to make it quite clear that in opposing this bill, the Hon. Member was also speaking on their behalf.

[*English*]

Mr. Speaker: I am sure it is not the fault of the translators, either, that for some reason I find it difficult—

Mr. Gauthier: The interpreters.

Mr. Speaker: Or interpreters. I am sure that the point the Hon. member was raising became lost, as well.

Mr. Gauthier: It's the interpretation.

Mr. Tobin: Mr. Speaker, lest there be any doubt on whose behalf I am speaking, let me list the kinds of people on whose behalf I speak.

An Hon. Member: All Canadians.

Mr. Tobin: Yes, all Canadians. However, I find it strange that the Government has managed to make so many different kinds of people mad at the Government at the same time. Let us look at who is made at the Government because of Clause 4. It is an incredible array of diverse backgrounds and various interests all coming to the same conclusion.

The loneliest fisherman on the bill of Cape St. George on the southwest coast of Newfoundland is opposed to the Bill. The President of the Montreal Chamber of Commerce is opposed to the Bill. The potato farmer in P.E.I., who is producing potatoes at two cents a pound less than he is receiving when he goes to market, is opposed to the Bill. People along the northern part of New Brunswick, many of whom have harbours that need to be dredged regularly, are opposed to the Bill. People involved in the Great Lakes Waterways Development Association in Ontario are opposed to the Bill. The farmer who is on the Prairies, confronted with the lowest wheat prices he has had in 60 years and battling off a plague of grasshoppers, is opposed to the Bill. People in the Port of Thunder Bay, where 500 permanent jobs have already been lost, with the threat of the loss of 1,500 more permanent jobs, are opposed to the Bill. In the great Province of Alberta, those people in the forest industry, to the extent it exists, knowing they must get their product to the market through the Great Lakes, are opposed to the Bill. The people who are employed in

the forest industry of British Columbia, as represented by the Executive Director of the Council of Forestry Industries of British Columbia, are opposed to the Bill. All other Canadians who made representations before the committee were opposed to the Bill.

It is amazing that one Bill could bring so many Canadians from so many different backgrounds and interests together with a united voice, all singing a chorus from the same hymn book, "We are opposed to the Bill", yet the Government continues to feed up before this Parliament, in the dying days, in an attempt to sneak it through, this Draconian measure, this dastardly piece of legislation that would cause such ill effects throughout such a wide cross-section of Canadian society. It is beyond my comprehension that the 211 Members of the Government could have become so thick-calloused in so short a time.

An Hon. Member: Why are they so partisan?

Mr. Tobin: That is right, Mr. Speaker. Why are they so partisan? Having said that, I want to be a bit more parochial about the nature of the Bill. I think I have done my duty as a Member of Parliament for Canada.

Some Hon. Members: Hear, hear!

Mr. Ouellet: Very well.

Mr. Tobin: I am speaking on behalf of all Canadians, including people in the great City of Toronto, from where the Hon. Member for Davenport (Mr. Caccia) comes. I hope Hon. Members do not mind if I become slightly more parochial and try to describe this from the point of view of some of my constituents from the great riding of Humber—Port au Port—St. Barbe in western Newfoundland..

Some Hon. Members: Hear, hear!

Mr. Tobin: I would like to explain why my constituents are opposed to the Bill, and in order for Hon. Members to appreciate why my constituents are opposed, I must draw a picture of a typical community on the great northern peninsula of Newfoundland, which received the first people who came from Europe to North America.

Mr. Nunziata: Johnny Cabot.

Mr. Tobin: The Hon. Member is absolutely wrong. John Cabot was recognized in the history books as the first person who landed in North America, in Newfoundland; along with Christopher Columbus, as claimed by the Americans. Actually, there has been a world heritage site declared on the great northern peninsula, in L'Anse Aux Meadows, as recognized in the special by *National Geographic*, where the Vikings came before John Cabot or Christopher Columbus. The Government of Canada has declared a world heritage site and this particular administration has put the finishing touch on a national park at that location.

In this land that received the first settlers to the new world, today, centuries later, there exists small communities of people who are close to the land and sea. These people have traditionally, for hundreds of years, made their living by going into the forests and cutting trees for the pulp and paper companies in the winter and by going to the water during the summer season and taking from the resources of the sea. These people are primary producers. They do not receive their salaries from the Government of Canada or from the Government of Newfoundland. They do not receive their salaries by working in office towers or in the service industries. They produce from the land. They ask nothing more of their country or society, being Canadians, other than the right to pursue this way of life that they have chosen. They have chosen not to be in Toronto, in the canyons of steel and glass and concrete. They have chosen not to be in Ottawa, surrounded by the ivory towers of centralized bureaucracy. They have chosen not to be on the farms in the Prairies. They have chosen to live on the rock, near the salt water, to make their living from the sea and from the forests.

How does Clause 4 affect my constituents? How does it affect the people of the communities of Port au Choix, Cook's Harbour, Trout River, Woody Point, L'Anse au Loup, on the side of the Prime Minister L'Anse Clair and L'Anse aux Meadows on my side? The Quebec north shore people are the same kind of people and have the same kind of lifestyle. How does it affect them?

This Bill will allow the Canadian Coast Guard to impose user-fees on fishermen. It will allow the Department of Transport to charge for navigational aids to fishermen. It will allow it to charge dredging fees to fishermen. The Kirby report, an exhaustive study conducted several years ago, stated concerning primary producers that even though their contribution to the GNP of this country is substantial, they, themselves, are among the lowest paid people of Canada, many living below the poverty line. How does this Bill affect them? It states to a fisherman who is at sea in his boat in the Gulf of St. Lawrence, taking on water with a crew of four and a 58-foot dragger, that if he calls the Coast Guard when he is in trouble, he will receive a bill.

Mr. Benjamin: It would be cheaper to sink.

Mr. Tobin: It says to him that the Government of Canada states, "If you are in trouble, we will help you, but we will send you a bill". It states to that fisherman who is barely able to make it from pillar to post, and to pay to keep a roof over his head or to put bread and butter on his table, that maybe he is better off taking the risk. Perhaps he would be better off waiting for someone else to come rescue him. Maybe he can get his motor to limp back to shore. Maybe he will make it. If he can then he will not have a Bill waiting for him from the Government of Canada for asking that someone assist him when his life was in danger. That is what this bill does to a fisherman in Atlantic Canada. That is what it does to a fisherman in Port Saunders or Port au Choix.

Canada Shipping Act

• (1620)

What else does this Bill say? What does it say to those people who live in parts of Canada where ice builds up starting in the month of December and continues through January, February and March so that by April there are mountains of ice some 15 to 40 feet high? Tons of ice build up in some areas of Canada which separates fishermen from their boats and from the water on which they make their living.

The Bill says that if one calls the Canadian Coast Guard to come and make one trip to break that ice to allow a fishermen, his colleagues, his neighbours, his friends, his brothers and family to go back to sea to make a living from it, that it will be glad to oblige providing the fisherman pays. That is what Clause 4 of Bill C-75 says to fishermen on the Great Northern Peninsula.

I see that a former Minister of Fisheries and Oceans is in the House. During the time he was Minister, and insofar as fishermen are concerned, he earned a reputation, and rightly so, as one who would always err, if he erred, on the side of fishermen. He knows about what I am talking. He knows that the way of life that would see a man get up at five o'clock in the morning to go to sea in rain and snow and sleet and cold is not an easy one. He knows that fishermen, like farmers, miners and woodsmen, are our primary producers. They do not number among the wealthiest Canadians, but they are among the most efficient. They are among those who make the greatest contribution to this country. They are the people who will be negatively impacted as a result of this Bill.

What do we mean when we say "navigational aids"? We are talking about lights on harbour entrances that allow fishermen to come into harbour during severe weather or fog. The Government has now decided that it will provide navigational aids when and if local communities are prepared to pay for them, since they fall under the provisions of this Bill.

Canada is a marine nation. Perhaps there is no other nation in the world which has as much coastline, Atlantic, Pacific and Arctic, as does this great country of ours. Most countries develop policies to support their natural strengths, to recognize the realities of their environment. Can Hon. Members imagine Canada, which is the greatest marine nation in the world and with the largest coastline, developing a policy that would treat that intrinsic geographic nature of our being as something to be provided in the same manner as McDonald's sells hamburgers? That is to say, provide these services only when numbers warrant, only when the population is large enough to warrant it. Can Hon. Members imagine a nation which says to the people who live along the great coastlines, be they the coastlines of the Pacific, the Atlantic or the Arctic, those Canadians who by their presence guarantee our sovereignty, that they shall pay a penalty because of where they live?

Is it not insane to spend $500 million on an ice-breaker to go up in the Northwest Passage because the Americans sailed through with the *Polar Sea*? Is it not insane to spend that amount of money on an ice-breaker which is used to reassure our sovereignty when all we have to do is recognize the presence of our native peoples and others who choose to live in the North? They do not need these additional fees imposed upon them because of where they have chosen to live. If we are worried about sovereignty in the North, the best guarantee we have is the presence of our citizens. The best guarantee we have in terms of their presence is to treat them like decent human beings and not as another resource for the long pickpocket fingers of the Minister of Finance (Mr. Wilson) who wants to yet again grab—

Mr. Nunziata: Are you calling him a thief?

Mr. Tobin: No. I would not call the Minister a thief. That would not cross my mind. I would call him a Scrooge.

Mr. Nunziata: What is the difference?

Mr. Tobin: A thief would come and take from one's pocket when one is not looking. The Minister of Finance would not do that. On the other hand a Scrooge would weasel, pound, twist, turn and squeeze every last ounce of blood out of one before letting go. It is the Scrooge-like mentality of the Government which I protest.

We are warning Canadians here and now that the long hand of the Government is aimed at their pockets. It is determined to rob from them their last pennies. It is determined in the case of fishermen and farmers, who are facing the worst crisis in decades in terms of prices, to take one more slice of bread off their plates in the mornings. The Government is determined to remove a few more potatoes from their pots in the evenings. Yes, it is even determined to take a few more bottles of Labatt's Blue out of the case at the end of a hard week when the fishermen look forward to a bit of relaxation. Why? Because the Government is imposing these additional charges on our farmers and our fishermen.

Mr. Benjamin: Mr. Speaker, I rise on a point of order. I hesitate to interrupt the Hon. Member in his flights. Obviously, his tank is still full. I wish to ask him a question. Would he not mind getting to some facts of the matter in terms of transportation and in terms of the Minister of Transport's commitment to transportation? Does the Hon. Member not realize that the Government and the Minister of Transport have cut off a grant of $48,000 to Transport 2000—

Mr. Speaker: Order, please. I think the Hon. Member has a speech he wants to make on the subject.

Mr. Benjamin: No. That is a question.

Mr. Speaker: The Hon. Member knows that he is not raising a point of order. The Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin).

Mr. Tobin: Mr. Speaker, whether or not my colleague, with whom I have the pleasure of sitting on the Transport Committee, raised an appropriate point of order, he has raised a very good question. I wish to assure my colleague that having been

here for but a few minutes, I have not quite settled in and got on track. I thank him for his assistance in helping me to get back on track.

The Hon. Member mentioned something that is terribly relevant to this debate today, Transport 2000, which is a non-governmental and non-political body. It does not carry any political stripes. It is an organization which has always provided the country with objective and useful commentary on government transportation policy. For the first time in many years it is being told by the Government that the funding which it received at arm's length with no strings attached is now being cut off. Some $48,000 was provided last year.

• (1630)

I suppose the objective and non-partisan assessment of Transport 2000 was not preaching the message according to the criteria that exists with respect to producing slick publications in Washington and making home movies for the Prime Minister. Transport 2000 has been told that because of its objective and honest critique of the Government's transport policy, the $48,000 grant which it has received for so many years is to be cut off next year. The Government is not interested in hearing non-partisan and objective comment on transport policy, and I find that to be tragic.

Indeed, I find it to be insufferable that the mere $48,000 which was providing such a benefit to all Canadians and an occasional sober slap to the Government is being cut off at a time when the Prime Minister and his entourage are spending $50,000 and $100,000 per day living like blue-eyed sheikhs in the cities of Paris, New York and Washington. I find it shocking that Transport 2000 should have its $48,000 yearly grant removed at a time when the Government is spending more than $50,000 per day to have a Hercules aircraft loaded up with two van loads of video equipment and technicians who chase the Prime Minister around the world making home video movies.

I can tell you, Mr. Speaker, that Canadians are not interested in a northern version of *Bedtime for Bonzo* nor in *The Life of Brian* as represented by the flights of fancy on which the Prime Minister takes himself during foreign travel. They are interested in objective comment and the expertise Transport 2000 has provided to the consumers of Canada for so many years, something which is now in doubt because the Government has decided that this organization is not toeing the line well enough. I think that is tragic.

Mr. Benjamin: Mr. Speaker, I rise on a point of order. Would the Hon. Member permit a question?

Mr. Tobin: Sure.

Mr. Benjamin: I appreciate his response regarding the matter of the grants for Transport 2000. Does the Hon. Member know that the office of the Minister of Transport (Mr. Mazankowski) retained Transport 2000 to do some work and has owed it $138.85 for the past year and a half? The Government has not only cut off its grant but it will not pay the bill. I would appreciate it if the hon. gentleman would expound on that for a moment.

Mr. Speaker: The Hon. Member had an intervention to make. I appreciate again that it is not a point of order and I will not recognize it.

Mr. Benjamin: On a point of order, Mr. Speaker. I believe it is appropriate on a point of order to ask a person who has the floor if he would permit a question. The hon. gentleman said he would, I asked him the question, what else do you need?

Mr. Speaker: You need a ruling of the House that allows that to be done.

Mr. Tobin: Mr. Speaker, it is tragic enough to discover that the grant for this neutral organization has been cut off, but it is even more difficult to comprehend that this Bill has been outstanding for over a year. I thank the Hon. Member for bringing this matter to the attention of the House and indeed to the attention of the Minister. Apparently his Parliamentary Secretary is taking a break or is answering the phone. Perhaps as a result of the Hon. Member's intervention, this small injustice might be resolved as we attempt to bring to the attention of Canadians this larger injustice represented by Bill C-75, Clause 4.

When the Government brought this Bill before the House for third reading some two weeks ago, the Parliamentary Secretary indicated to Members of Parliament that a number of major shipping organizations in Canada endorsed the Government's initiative in Clause 4. He said that the Great Lakes Waterways Development Association was supportive of Clause 4. What do you think happened, Mr. Speaker? The next day, lo and behold, every single Member of Parliament and Senator received a telex from the Great Lakes Waterways Development Association. One might have expected that the telex would have said that the association endorsed the words of the Parliamentary Secretary to the Minister of Transport (Mr. Forrestall). Surprise of surprises, that is not what the telex said. The telex begins with the word "contrary". Do you know what that word means, Mr. Speaker? It means counter, contrary, the opposite of, counter to and contrary. The telex read: "Contrary to the impression possibly left by the Parliamentary Secretary to the Minister of Transport, the Great Lakes Waterways Development Association does not now nor never has supported Clause 4 of Bill C-75. Bill C-75 should be amended to delete Clause 4 at this time."

I think it is extremely important that the record be set straight because we would not want the House to inadvertently or accidentally get the impression that anyone in Canada is warped enough or misinformed enough to endorse Clause 4 of Bill C-75.

More to the point, during the course of his remarks, the Parliamentary Secretary left the impression that Canada Steamship Lines supported the Bill. He left the impression that that company, a major Canadian company, supported the

Bill and that is one reason the House should pass the Bill. Lo and behold, the next day, a telex was sent to the Minister of Transport regarding Bill C-75. The telex read as follows:

"It has come to my attention that in third reading debate regarding Bill C-75 on Wednesday, June 11, the Hon. Member for Dartmouth—Halifax East, Nova Scotia, and your Parliamentary Secretary said that he was "encouraged by the positive response of Canada Steampship Lines Inc. amongst others to Section 4 of Bill C-75". That is a distortion of our position that I would like to correct. In our appearance before the legislative committee on this subject, we stated that the "concept of user fees exists and is accepted in the shipping industry today". However, we went on to list a number of serious objections to Clause 4. We were and remain concerned about the open-ended nature of the Section and the lack of reasonable limitations on this new cost-recovery mandate. In addition, with declining cargoes on the Seaway and a weakened competitive position, we consider the timing of these proposed new charges to be particularly poor. Our concerns regarding Section 4 are outlined in detail in the brief which we sent to you and presented to the legislative committee. I think it would be appropriate that the Hon. Member for Dartmouth—Halifax East and your Department take a second look at that brief as well as those presented by the Dominion Marine Association, the Great Lakes Waterways Development Association and many others. It is our opinion that Section 4 of Bill C-75 will be a serious blow to the shipping industry and the industries and economies associated with it. Any other statement is a misrepresentation of CSL's position.

It is indeed a strange day when major Canadian shipping organizations and companies find it necessary to send a telex to every single Member of Parliament and Senator to indicate that their positions have been misrepresented by a representative of the Government in seeking support of Members of Parliament for this ill-conceived Bill C-75.

Mr. Nunziata: Mr. Speaker, I rise on a point of order. The Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) has been referring to a certain telex that was sent to Members of Parliament. I seek direction from Your Honour on whether it would be appropriate at this point to request that the document, to which the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) referred, be tabled in the House to enable all Canadians—

• (1640)

Mr. Speaker: Order, please. That is not a point of order. Neither the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) nor the Hon. Member for York South—Weston (Mr. Nunziata) have the right to table such a document.

Mr. Tobin: Mr. Speaker, are you suggesting that we table the document or not?

Mr. Speaker: The Hon. Member is well aware that he cannot table it, no matter what the Chair or he might want.

Mrs. Finestone: On a point of information, Mr. Speaker—

Mr. Speaker: There is nothing called a point of information in this House. There is in some other Houses but not in this one.

Mrs. Finestone: I was wondering whether we could have it appended to *Hansard*.

Mr. Speaker: Order, please. I have been very clear in what I just said. Neither the Hon. Member for Mount Royal (Mrs. Finestone) nor any other can have such a matter appended to *Hansard*, no matter how much they might want to.

Mr. Prud'homme: By unanimous consent.

Mr. Speaker: Order, please. Not even by unanimous consent.

Mr. Tobin: All I can say about the whole matter is that if the Government of Canada was as consistent in delivering on its commitments as is the Speaker in the interpretation of the rules of the House, we would not be here today discussing this dastardly Bill.

Some Hon. Members: Hear, hear!

Mr. Tobin: I will be more than happy to make copies of these two telexes which indeed are damning. They point to the misinterpretation and perhaps inadvertent misleading of the House which has occurred in an attempt to try to garner support for this piece of legislation. I would be happy to send copies of them to all Members of Parliament, both in the House and in the Senate. I know they are waiting with bated breath to see the telexes which clearly indicate the Government's complicity in trying to mislead, inadvertently of course, Members of Parliament in respect of Bill C-75 in the support it receives or does not receive.

Mr. Benjamin: What kind of breath was it?

Mr. Tobin: It was a big one. It is beyond the comprehension of most Canadians. Indeed it is beyond the comprehension of most Members of Parliament who sit here, truly basking in the mood of reform which we thought permeated this place some months ago after the work of the Hon. Member for St. John's East (Mr. McGrath), the Hon. Member for Papineau, and the Hon. Member for Winnipeg North Centre (Mr. Keeper). They headed an all-Party committee on the reform of the House of Commons. Their good work appealed to the integrity in all of us. It also appealed to the lone individual in all of us to stand aside from Party consideration and Party lines occasionally and to exercise our individual conscience and judgment. Despite the appeal to make this place a better place and to make us true legislators in the true sense of the word, the Government has brought in Bill C-75. Notwithstanding the incredible, almost unanimous, well informed body of opinion about the negative consequences of Clause 4 of Bill C-75, the Government of Canada brought that same Bill before Parliament today.

I should like to refer to the stubbornness which is being demonstrated by the Minister of Transport. The Minister has earned—and to some extent he deserves it—a reputation as a fairly competent fellow. I think that reputation is going to his head in the same way as the Government's majority has gone to the head of the Prime Minister. Notwithstanding representations, he continues with Bill C-75. That stubborn streak ignores the views of the people of Canada and the views of parliamentarians in almost every Party. It is the same stubborn streak which has given rise to the situation within the shipping assets of the Government of Canada. Be they Coast Guard ships, DND ships, marine ships or freighters, there is a policy which says that employees on ships in Atlantic Canada should be paid less than those on the West Coast. I am referring to employees with the same job classification and doing exactly the same job. An employee in the same position in Atlantic Canada receives $4,000 to $5,000 less in salary than an individual in the same job, with the same classification, working on a ship along the West Coast of Canada. That situation exists today.

We have brought that discrepancy to the attention of the Minister. It is so ridiculous and so heart-rending that employees on the West Coast, from the great Province of British Columbia, who are recipients of the higher wages, joined with their brothers from Atlantic Canada in Ottawa to say that the discrepancy was unfair, unreasonable, and must be stopped. They displayed generosity, sincerity, and a desire to share in the carrying of each other's load. They were committed to the principle that we are our brother's keeper. Notwithstanding that, the Government of Canada turned a blind eye. The Government is saying that those ship employees who ply the Atlantic waters and work, by the admission of employees from western Canada, longer hours and in more difficult conditions are somehow, for some inexplicable reason, second-class citizens. All of us believe that our citizenship entitles us to exactly the same treatment no matter where we live.

It is that kind of stubbornness, pigheadedness, and insensitivity to the plight of our fellow Canadians which persists in Bill C-75. The inability to make things right when the solution is so obvious permeates the Government's mentality and, more important, the Minister of Transport who persists in putting this Bill before the House.

I should like to recapitulate what I said. This Bill has brought Canadians of diverse background and from different regions together as has no other Bill in the history of Parliament.

It is a rare day in Canada. Let me refer to the office vacated by the Prime Minister, that of the President of the Iron Ore Company of Canada. It is a smaller office now because part of the operation was shut down by the previous occupant, the current Prime Minister. Huge chunks of Quebec and Labrador were shut down.

Mr. Nunziata: The cameras have been taken out.

Mr. Tobin: It is a smaller office, the cameras are gone, and the bathroom has shrunk in size. Nevertheless, the person who now occupies that office agrees with those people who are working their fields at two o'clock in the afternoon in Alberta. They are fighting desperately to save their crops at a time when prices are the lowest they have been in 60 years. They are battling not only international pressure and competition from the EEC and the United States, but they are battling as well a natural plague of grasshoppers.

The grasshopper is no more insidious than this Bill. While the farmer can look after the grasshopper with a squirt of poison—

Mr. Benjamin: No, he cannot.

Mr. Tobin: At least some of them.

Mr. Benjamin: It does not work any longer.

Mr. Tobin: I hear the Hon. Member telling me that poison does not work on the grasshopper any longer. In that case, the Bill and the grasshopper have an identical impact upon farmers. No matter how much they squirt at grasshoppers, they keep coming and ultimately destroy the crops; no matter how much farmers keep howling and Hon. Members keep talking, the Government keeps coming forward with this Bill. One way or another, be it the natural plague of grasshoppers or the plague of the Minister of Transport, farmers will get it.

It is a rare day when farmers and the fellow who occupies the IOCC office agree, when the industrialist and forester who lives in the little town of Smithers, a beautiful location on the coastline of northern British Columnbia, a little piece of heaven, agree.

• (1650)

The decision yesterday of the International Trading Commission was five to zero. The decision said that the Canadian product is causing injury to American products. The worker wonders whether he will have a job in six months. It is a strange day when the farmer and the forestry workers who are sitting just below the peaks of the beautiful mountains of British Columbia and the fellows sitting in the ivory tower of the corporate boardrooms would all have the same view about this Bill. It is a strange day when we know that the potato farmer in the riding of the Hon. Member for Egmont (Mr. Henderson), who has made a submission before the legislative committee, has the same view as the President of the Montreal Chamber of Commerce about this Bill. Never has the Government succeeded in so uniting Canadians to sing from the same hymn book, Mr. Speaker.

It is a strange day indeed when we know that the poorest fisherman has the same view as the man who sits atop the heap in the corporate boardrooms of this country. Surely to goodness if Canadians are to believe that Members opposite are anything more than surfers—those who surfed in on this Tory wave are those who shall surf out on the Tory wave,

temporary occupiers of the surfboard—then they would expect Members opposite to oppose this Dranconian brutal, callous, heartless, destructive piece of legislation that will destroy this country from one end of the land to the other.

I can tell you, Mr. Speaker, that Canadians are sitting quietly. They got over the nirvana and the euphoria of the summer of 1984. They are off the bandwagon.

* * *

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. As Your Honour will recall, at the time when introduction of Bills took place during Routine Proceedings, we were to have called first reading of a Bill to amend the Patent Act. At that time the Table indicated to me that the Royal Recommendation had not yet been received. Under those circumstances I am appealing to you, in view of your observations at the time that that was the case, to revert to Introduction of Bills so that this Bill may be brought forward.

We, on the part of the Government, have complied entirely with all of the requirements for this Bill to be brought forward.

Mr. Speaker: The Hon. Member knows that that procedure can only take place with unanimous consent. The President of the Privy Council (Mr. Hnatyshyn) is, therefore, seeking unanimous consent to revert to Introduction of Bills.

I have investigated this matter because it concerned me. I feel that I must say to the House that the Royal Recommendation left the House of Commons at 9.15 a.m. today. It was signed by Her Excellency at approximately eleven o'clock this morning. Thereafter, there was a series of errors that are administrative and partly as a result of my own administration's errors—people who work for me. I have to say that I cannot yet figure out and determine why the Royal Recommendation did not get here in time. I say that to the House because I think the House has a right to know.

I am putting to the House the request which has come through the Hon. President of the Privy Council which seems appropriate to the Chair, that unanimous consent be granted as it would normally be in other circumstances. Therefore, I seek unanimous consent to revert to Introduction of Bills.

Mr. Deans: Mr. Speaker, it has not been my practice in any way to thwart the Government's right to bring forward its legislation in the past and neither would I do that today were it possible that the legislation might be dealt with in the immediate future. In five minutes or less the House will rise, and, therefore, the legislation will simply sit around.

We understand that the Bill could be introduced in September and will be at exactly the same point in the proceedings as it would be now if introduced. I have been instructed by my caucus and my colleagues to withhold the necessary unanimous consent.

Mr. Gray (Windsor West): Mr. Speaker, it is my impression that the Government had ample time to get its act together to make sure the Royal Recommendation was in the proper form so the Bill could be introduced.

Mr. Benjamin: The Liberals blew it several times.

Mr. Hnatyshyn: That is unfair, Herb.

Mr. Gray (Windsor West): That not having taken place, again with the advice of my caucus I will not, on behalf of my caucus, grant unanimous consent to revert to the Introduction of Bills.

Mr. Hnatyshyn: I would have thought better of you, Herb. That is beneath contempt and you know that.

Mr. Speaker: Unanimous consent not being granted, we will resume debate.

GOVERNMENT ORDERS

[*English*]

CANADA SHIPPING ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-75, an Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act in consequence thereof, be read the third time and passed.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I want to conclude my remarks on Clause C-4 on Bill C-75.

Mr. Nunziata: Not yet.

Mr. Tobin: Just for today. I shall carry on in September. I want to acknowledge that the Royal Recommendation did not arrive in time for this Bill that would increase the cost of drugs for our senior citizens. It is an act of God.

Some Hon. Members: Hear, hear!

Mr. Tobin: God interferes sometimes on behalf of the people of Canada. For that we give thanks.

[*Translation*]

Mrs. Mailly: On a point of order, Mr. Speaker. I thought the Bill before the House was Bill C-75, which deals with ... and I just heard my hon. colleague talking about pharmaceutical products. I have some doubts as to the relevance of his speech. If he has nothing more to say, Mr. Speaker, I think he should sit down.

[*English*]

Mr. Speaker: The Hon. Member's point is well taken. The Member will bring his speech to relevance.

Mr. Benjamin: Mr. Speaker, I rise on a point of order. Would the Hon. Member permit one short question?

Mr. Speaker: Order, please. Debate.

Mr. Tobin: Mr. Speaker, I would like to conclude my opening remarks on my speech, which I hope to conclude later in September, by saying that if the Government of Canada thought the opposition Members were so eager to go on holidays that they could slip this lousy legislation through Parliament, it was wrong. We will be as vigorous as September as we are today. We will not allow this Draconian, heartless piece of legislation that will so negatively affect our constituents to pass Parliament today, tomorrow or next September. We know that any time—

Mr. Speaker: Order, please. The Hon. Member for Papineau (Mr. Ouellet).

[*Translation*]

Mr. Ouellet: Mr. Speaker, on a point of order. I want to thank my hon. colleague for the vigour of his comments and his desire to deal very extensively with his subject. I think this is what thousands of Quebecers want and what thousands of fishermen want and what thousands of small craft owners want. I urge him to keep up the good work.

[*English*]

Mr. Speaker: I do not suppose I need to say that that is not a point of order.

Mr. Tobin: I would like to conclude my remarks by saying that as a humble servant of the House of Newfoundland—

Some Hon. Members: Oh, oh!

Mr. Tobin: Can I keep going?

Some Hon. Members: Yes.

Mr. Speaker: In that case the Hon. Member will, I am sure, understand that I must call it five o'clock.

Some Hon. Members: Hear, hear!

SITTING SUSPENDED

Mr. Speaker: Order, please. Pursuant to the Order adopted earlier this day, it being five o'clock the sitting is suspended to the call of the Chair.

Members will know that there is an important discussion that occurs between Members of Parliament usually at this time. Therefore, the seminar on adjournment will begin in Room 16 appropriately.

At 5 p.m. the sitting of the House was suspended.

Royal Assent

SITTING RESUMED

At 5.04 p.m. the House resumed.

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this Honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate Chamber.

• (1710)

And being returned:

Mr. Speaker: I have the honour to inform the House that when the House went up to the Senate Chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following Bills:

Bill C-98, an Act to consolidate various enactments that provide for drawbacks, reductions, refunds and remissions of duties, other than export drawbacks for which provision is made in sections 82 to 87 of the Customs Act, to amend the Customs Tariff and to repeal or revoke the enactments so consolidated—Chapter No. 29.

Bill C-118, an Act to amend the Currency Act—Chapter No. 30.

Bill C-62, an Act respecting employment equity—Chapter No. 31.

Bill C-106, an Act to amend the Young Offenders Act, the Criminal Code, the Penitentiary Act and the Prisons and Reformatories Act—Chapter No. 32.

Bill C-117, an Act to facilitate financial arrangements between farmers and their creditors—Chapter No. 33.

Bill C-96, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977—Chapter No. 34.

Bill C-128, an Act to amend the Judges Act and other Acts in relation to judicial matters—Chapter No. 35.

Bill C-88, an Act to authorize the acquisition of Marine Atlantic Inc. and to provide for other matters in relation thereto—Chapter No. 36.

Bill C-111, an Act to amend the Customs Tariff and to amend An Act to amend the Customs Tariff—Chapter No. 37.

Bill C-116, an Act to amend the Canada Pension Plan and the Federal Court Act—Chapter No. 38.

Bill C-112, an Act to amend the Energy Administration Act and provide for certain matters in relation thereto—Chapter No. 39.

Bill C-90, an Act respecting pension plans organized and administered for the benefit of persons employed in connection with certian federal works, undertakings and businesses—Chapter No. 40.

Bill C-45, an Act respecting employment and employer and employee relations in the Senate, the House of Commons and the Library of Parliament—Chapter No. 41.

Mr. Prud'homme: Mr. Speaker, I would hate to break a long established practice of mine. On behalf of everyone here I would like to wish you a very good rest, a good summer, and I am sure everyone will join with me in asking you to give our best regards to Madam Bosley.

Royal Assent

Some Hon. Members: Hear, hear!

Mr. Speaker: I thank the Hon. Member and extend the same wishes to all Members.

It being after 5 p.m, the House stands adjourned until Monday, September 8, 1986, at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 5.19 p.m.

HOUSE OF COMMONS

Thursday, July 24, 1986

The House met at 11 a.m.

[*English*]

HOUSE OF COMMONS

RECONVENING OF PARLIAMENT

Mr. Speaker: Order, please. May I inform the House that in accordance with the provisions of Standing Order 5, having been satisfied after consultations with the Government that the public interest required that the House should meet at an earlier time during the adjournment, I caused to be published in an extra edition of *The Canada Gazette* dated July 23, 1986, a notice calling the House to meet this day. In addition, on the same date I sent telegrams and electronic mail to each Member of the House containing the substance of that notice.

I now lay upon the table the letter dated July 22, 1986 from the Deputy Prime Minister (Mr. Mazankowski) in relation to that notice.

* * *

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-67, an Act to amend the Parole Act and the Penitentiary Act, with an amendment, to which the concurrence of this House is desired.

Also a message has been received from the Senate informing this House that the Senate has passed Bill C-68, an Act to amend the Parole Act, the Penitentiary Act, the Prisons and Reformatories Act and the Criminal Code, without amendment.

The Hon. Deputy Prime Minister (Mr. Mazankowski).

Some Hon. Members: Hear, hear!

* * *

BUSINESS OF THE HOUSE

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, while thanking my hon. colleagues for that warm reception, I am under no illusion that the honeymoon will last very long.

There have been discussions with the opposition House Leaders, and I think Your Honour would find that there would be a willingness to allow the following motion to be put without debate or without amendment. The draft order which has been agreed to by my opposition counterparts reads as follows:

That, notwithstanding any Standing or Special Order of this House when the House reaches "Government Orders" this day, it shall proceed to the consideration of the amendment made by the Senate to Bill C-67, an Act to amend the Parole Act and the Penitentiary Act;

That the provisions of Standing Orders 9(2), 19(4) in relation to Statements by Members and the Oral Question Period, and 55(1) shall be in force for the purposes of this Order;

That at 3 o'clock p.m. the House shall continue with consideration of the said Senate amendment to Bill C-67 until it has completed its consideration of the said amendment provided that Standing Order 9(1) shall be suspended for the purposes of this Order;

That when the House has completed its consideration of the said amendment the Speaker shall suspend the sitting to the call of the Chair for the purpose of witnessing the Royal Assent or for considering any subsequent proceeding in relation to the said Bill or amendment and that when the Royal Assent has been completed the Speaker shall adjourn the House until 11 o'clock a.m., Monday, September 8, 1986;

Provided, that at any time a Minister of the Crown may propose, without notice, a motion to adjourn the House to a specific date, but in any case not later than September 8, 1986 and that the question on the same motion shall be put to the House without debate or amendment; and that, if necessary, on the request of a Minister of the Crown, the sitting may be resumed for this purpose.

I might also point out that it was generally agreed that we were here for the specific purpose of dealing with this particular piece of legislation and that no other matters would be considered.

Hon. Herb Gray (Windsor West): Mr. Speaker, on behalf of the Official Opposition, I want to say that we are willing to give our consent to this Order. However, I also want to say that in giving our consent I make clear that the taking of this step is not considered by the Official Opposition to be any kind of precedent. Especially, we do not consider to be a precedent for a government, which is not able to complete its program within the time set by the House under its rules, to have the House meet during the period set for adjournment. I say this, Mr. Speaker, because I think it was clear that when the House adopted these rules in the spirit of reform it was intended that the House sit within fixed periods. However, the rules do provide that when the House is adjourned, if the Speaker, after consultation, agrees with the Government that it is in the public interest to do so, he can issue a proclamation recalling the House. The intention, I think, was clear by the House when it adopted these rules that this authority was to be used very rarely, very sparingly and in very unusual circumstances.

• (1110)

We have not opposed the recalling of the House for the Bill that will be before us today, but I want to stress that in not opposing this step we do not consider that we are creating a precedent. Above all, the rules in the spirit of reform must prevail. I want to make that very clear on behalf of the Official Opposition.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, first on behalf of our House Leader, who cannot be here today, I want to congratulate the new Deputy Prime Minister (Mr. Mazankowski) and House Leader of the Government.

Second, I want to say that we also give our consent for the House Order today which basically says we are going to consider the amendment made by the Senate to Bill C-67, have Oral Question Period and Statements by Members. If our understanding is correct, at three o'clock, if the debate is continuing, it will continue until completed, whatever hour that may be.

I want to say, as did the House Leader for the Official Opposition, that we do not consider the recall of Parliament at this time to be necessary. We do have a fixed parliamentary calendar, a fixed parliamentary schedule, and Standing Order 5 was there for an emergency. We now find ourselves back in the House because the Government did not complete its legislative agenda at the end of June in spite of the fact that we sat extended hours for a couple of weeks to do just that.

[*Translation*]

Mr. Speaker, this recall of Parliament should not constitute a precedent, especially within the context of our parliamentary reform. This recall of Parliament must not be allowed to become a precedent, because Members need the summer recess to do their work in their ridings.

[*English*]

With that, Mr. Speaker, we agree to the House order.

[*Translation*]

Mr. Speaker: Does the Hon. Deputy Prime Minister (Mr. Mazankowski) have the unanimous consent of the House to move his motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the motion. Is it the pleasure of the House to adopt this motion?

Some Hon. Members: Agreed.

Motion agreed to.

ROUTINE PROCEEDINGS

[*English*]

HUMAN RIGHTS

PRESENTATION OF FIRST REPORT OF STANDING COMMITTEE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in the understandable absence of the Chairman of the Standing Committee on Human Rights—and I am sorry he is not here to present this report as his last parliamentary act—it gives me pleasure and an honour to present the first report of the Standing Committee on Human Rights in both official languages to which, pursuant to Standing Order 99(2), the Committee requests a comprehensive response—

[*Translation*]

Mr. Speaker, the report refers to sanctions and asks the Government, if no progress has been made on the question of Namibia and South Africa between now and September 30, to consider imposing total sanctions against South Africa.

[*Editor's Note: For above report, see today's Votes and Proceedings.*]

* * *

[*English*]

PETITIONS

PROPOSED DEVELOPMENT OF NCC PARKLAND

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, it is my honour to present a petition signed by 52 residents of my riding and some from the National Capital Region who continue to express their opposition to the National Capital Commission's plan to destroy a piece of parkland in our region for the purpose of creating embassy sites.

CANADA POST—DOOR-TO-DOOR MAIL DELIVERY IN NEW SUBDIVISIONS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have a petition signed by a number of residents of the Orleans area of the great riding of Glengarry—Prescott—Russell asking for the Government of Canada to intervene in the arbitrary and unfair decision of the Canada Post Corporation not to have full door-to-door mail delivery service in new subdivisions in my riding and elsewhere.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Speaker: Shall all questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

PAROLE ACT AND PENITENTIARY ACT

MEASURE TO AMEND—SENATE AMENDMENT

The House proceeded to the consideration of an amendment made by the Senate to Bill C-67, an Act to amend the Parole Act and the Penitentiary Act.

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I would like first of all to express my appreciation for the co-operation of my fellow Members of Parliament in returning to Ottawa for the special sitting of the House of Commons. I know that many Members have had to rearrange holiday and work schedules, and I want everyone to know that I appreciate the opportunity to proceed with the discussion of Bill C-67 today.

Mr. Benjamin: My wife is mad at you.

Mr. Kelleher: I am not going to get into domestic problems this morning, Mr. Speaker, I intend to stick to the Bill!

Some Hon. Members: Oh, oh!

Mr. Kelleher: Let me also say that I very much regret the necessity to recall the House. We are here today because Canada's appointed Senate acted at the last moment—indeed, after this House had risen for the summer—to impede a vital piece of legislation, Bill C-67, an Act to amend the Parole Act and the Penitentiary Act.

Bill C-67 had received a full and careful examination by the Members of this House and, of course, was accorded their final approval. A lot of time and effort went into the scrutiny of the Bill over the past year, and comments, suggestions and amendments by members of both Houses of Parliament were reflected in it by the time it received third and final reading.

The urgency of this Bill has been emphasized time and time again. No one pretends that its passage will end all senseless violence by released offenders. No one can guarantee that. There is only one guarantee I can offer, and that is that every further day of delay jeopardizes safety of law-abiding Canadians.

Critics have charged that the measures in this Bill will not increase the public safety, that extended detention will simply postpone the problem. If that argument is carried to its logical extention, Mr. Speaker, then offenders should never be incarcerated since continued incarceration of any length only postpones the problem.

For many offenders, their return to society is best achieved by serving the latter part of their sentence in the community under supervision. However, for a small number of offenders a six year sentence of imprisonment must mean six years of imprisonment and not four years; an eight year sentence in custody must mean eight years, not five and a half. The Correctional Service and the Parole Board must have at their disposal the extra measure of time to intervene with the few dangerous offenders and attempt to reduce the risk that they pose to society.

A lot of attention has been focused on how many inmates will be affected by these measures, Mr. Speaker. The number according to the best estimates of the correctional authorities, is between 100 and 150 inmates a year, and 40 within the next three months. But this is not a numbers game. Each of these inmates would pose a very real and very immediate threat to society if prematurely released. How real and how immediate? On the basis of past experience, more than half of them would be behind bars again within three months for committing new crimes of violence.

• (1120)

The House of Commons has accepted the measures that were put forward in Bill C-67 to address this problem. The Bill was before the parliamentary legislative committee for four months, between September 26 of last year and January 23 of this year. The former Solicitor General appeared before the committee five times and the Government received and considered dozens of amendments and suggestions, some of which were incorporated into the Bill and some of which were not.

In addition, we delayed action on the Bill to allow the Senate to conduct and complete a pre-study of the Bill so that their suggestions could also be considered prior to third reading. The chonology runs like this. The Senate authorized the pre-study December 17 of last year. The Senate Committee charged with the task, however, did not get started on it until February 23 of this year. It did not submit its first interim report until May 14, and it filed its second interim report on June 12. The Senate never did get around to submitting a final report on the Bill, despite the personal pleas of my predecessor, the present Minister of National Defence (Mr. Beatty), who appeared before them on two occasions to plead with them to get on with the Bill and their completion of the study. Because we wished to pass this Bill in this past session, it was necessary for us to go to third reading, which was accomplished on June 17, June 18 and June 26.

Let us look for a moment at the action the Senate finally took. Their amendment was not contained in either of their interim reports and no reference was made to it when I appeared as the newly appointed Solicitor General to give testimony before them.

The general question of using the courts rather than the National Parole Board to conduct the detention review process was raised in the interim Senate report and has been raised before in the House of Commons. It has been carefully studied by my Department and it has been firmly rejected by the Government and by this House.

All the Senate amendment did was to revive the issue from a different angle. Not a new angle, I should add, but an angle that had already been considered and rejected by this House.

The Senate amendment is identical to one put forward by the Hon. Member for Burnaby (Mr. Robinson) on June 17 and ruled out of order by the Speaker. If I may quote from page 14543 of *Hansard* of that date, Mr. Speaker, the ruling was as follows:

Motion No. 15 tried to introduce a new concept into the Bill. While an inmate already has the right to appeal on the basis of law, granting him the right to appeal on any ground of law or fact or mixed law or fact is a new concept and clearly beyond the scope of the Bill as passed by the House at second reading.

The Senate amendment is no more acceptable today than it was then.

Some Hon. Members: Hear, hear!

Mr. Kelleher: As I have indicated, Mr. Speaker, the central question of using the courts rather than the Parole Board for detention decisions has been discussed on many occasions. The courts could obviously do the job if they had to, but the Government opted to leave the responsibility with the Parole Board because we believe the Board is better qualified to make detention decisions.

The reasoning is as follows. The length of a prisoner's sentence is clearly a decision for the courts. A detention decision on the other hand affects only the manner in which a sentence is served, whether all of it should be served in incarceration or the last part of it back out in society but under supervision. It is a decision based on risk assessment. It is, in other words, like a parole decision, and the National Parole Board makes thousands of these risk assessment decisions every year.

Moreover, the Bill provides for a comprehensive appeal structure, both within the Board itself and through the Federal Court. The internal appeal structure allows the inmate to request a re-examination of the facts on which the Board based its decision or, if warranted, a fresh examination of facts not known to the Board at the time of the hearing.

Paragraph 15.6 (1)(g) of Clause 5 of the Bill provides for the making of regulations and I quote:

(g) prescribing the time when and the manner in which an inmate may apply to the Board for a re-examination of the decision made in respect of the review of his case pursuant to Section 15.4, the manner in which the re-examination will be conducted and the time when and the manner in which the inmate will be informed of the decision rendered in connection therewith.

Regulations in this regard were prepared, Mr. Speaker, and are ready to be proclaimed in force at the same time as the measures contained in this Bill. These regulations will allow the inmate to appeal a detention order or a residency requirement within 30 days after it is imposed. The appeal shall be conducted by board members who did not participate in the original decision, and shall be conducted by way of a re-examination of the material in which the decision was rendered by the Board, together with any other relevant information that was not available at the time of that decision.

The inmate has the right to apply to the Federal Court for a review of this or any other Parole Board decision. Section 18 of the Federal Court Act provides that the Trial Division has exclusive jurisdiction to issue an injunction, writ of *certiorari*, writ of prohibition, writ of *mandamus* or writ of *quo warranto* or to grant declaratory relief against any federal board, commission or other tribunal. While the court will not second guess the tribunal with respect to the facts of the case, the court will closely examine the legal procedure that was followed and the exercise of the Board's jurisdiction. This is a right of appeal which exists now and which will continue to be available to those inmates subject to the detention process.

Inmates brought into the detention review process will be afforded the most thorough substantive and procedural safeguards possible at every stage of the process. The Government has listened to the suggestions of the many persons who have examined all provisions of this Bill, and the Government has given active consideration and thoughtful consideration to all of these suggestions. Indeed, Mr. Speaker, it has adapted and adopted many of them.

This is not, in other words, a shotgun Bill. I am confident, and the Members of this House were confident when they approved the Bill on June 26, that the legislation presented to the Senate is reasonable, that it is well thought out, and that it balances the interests and concerns of the many divergent groups that will be affected by it. That includes the interests and concerns of Canadian society as a whole, the little guy, the man and woman in the street.

I urge my fellow Members of this House to continue their support for the much needed measures in this Bill. I urge their assistance in its passage without further delay. That is what we have come back to do. Let's do it.

Some Hon. Members: Hear, hear!

• (1130)

Mr. Kelleher: Mr. Speaker, I move:

That a Message be sent to the Senate to acquaint Their Honours that this House disagrees with the amendment made by the Senate to Bill C-67, an Act to amend the Parole Act and the Penitentiary Act, because this House believes that the National Parole Board is better structured and experienced to deal with all matters of fact relating to the prediction of violent behaviour and that public safety is properly preserved through decision-making being kept with the Board.

Mr. Nunziata: Mr. Speaker, I rise on a point of order. Might I inquire whether there may be unanimous consent to put some questions to the Solicitor General (Mr. Kelleher)?

Mr. Speaker: The Member is seeking a change in our procedures by unanimous consent.

Some Hon. Members: No.

Mr. Speaker: I think the Hon. Member has heard the answer to that request for a change in procedure. Is it the pleasure of the House to adopt the motion? Debate.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker—

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I would only suggest that if we were to take a vote right now, we would win it.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): Mr. Speaker, the reason we are here today and that Your Honour accorded a special session to the House, for only the twelfth time since Confederation, has a good deal more to do with the attempt to salvage the reputation of the Government than to protect Canadians from violent criminals. The issue has a good deal more to do with the incompetence of the Government and the way it has handled this matter than it does with the constitutional and parliamentary role of the Senate.

The controversy over the Senate amendment to this Bill was created and fanned by the Government itself in inflammatory statements by the former Solicitor General, reinforced by the current Solicitor General (Mr. Kelleher) after his appointment, and then echoed and buttressed by the Prime Minister (Mr. Mulroney) himself.

At the outset I want to put some of these statements on the record because the rhetoric we have heard from the Government on this issue has been nothing short of extravagant, to say the least. Let us take the former Solicitor General, now the Minister of National Defence (Mr. Beatty), who is reported to have said in *The Ottawa Citizen* on July 4, presumably in Saskatoon:

> It's dangerous because it means for the next 2 1/2 months at least we'll be having a situation where dangerous criminals will be allowed out of prison before the expiry of their sentences. This will put the safety of innocent law-abiding Canadians in jeopardy.

On July 5, in the same newspaper, the Prime Minister is quoted as saying:

> We have criminals who will be out on the street when they ought not to be and that's the responsibility of those in the Senate who took this irresponsible action.

On July 3, before he had time to know better, the current Solicitor General said in the same newspaper:

> Every further day of delay jeopardizes innocent, law-abiding citizens and Canadians across the country.

This is some of the most hypocritical, cynical and self-serving nonsense I have ever heard, and I have heard a lot of it from the Government.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): If the issue was so crucial, why was it not handled by the Government early in its term? The Government has now sat for one year and ten months. The issue was apparent before the Government took office. It was dealt with by my colleague, the Member for York Centre (Mr. Kaplan). The issue arose in 1981, after the Supreme Court held the so-called gating procedure unconstitutional. This issue has been before the country for a number of years, since the courts challenged the current legislation, and did not arise just over the summer period.

The sole issue is whether a convict who has earned his remission under the current law is entitled to automatically get that remission and that freedom after two-thirds of his term being served, or whether it should be reviewed. The Government says it should be reviewed by the National Parole Board. The Opposition says it should be reviewed by a court of competent jurisdiction. That is the issue. It does not prevent criminals from getting out of a penitentiary. In any event, when those convicts have served their time under the law they will again be free. The issue is whether there should be mandatory supervision and who should authorize the release under that remission. That is the issue.

The Government took office on September 17, 1984. The House began its sitting early in November, 1984. This Bill which had been thoroughly massaged by the previous Government and thoroughly discussed in the House and in the other place on other occasions, was only introduced on June 27, 1985. It languished in the committee until January 29, 1986. When the report was tabled in the House, concurrence was not asked for by the Government until five months later, on June 17, 1986. Third reading debate was not concluded until June 26, on the Thursday, and on the last sitting day it was sent to the other place. The only way it could have been passed was by unanimous consent, dissolving the usual rules of procedure that apply there and apply here, without due regard to the Senate's opportunity to look at the issue.

That is a course of conduct that does not show any concern for the safety of Canadian citizens or any concern that this issue be treated with its highest priority. Yet the Government, having allowed the whole matter to languish for a year and ten months, bringing it forward at the last possible opportunity and not allowing the Senate to discharge its obligations under its own rules, now claims that we have to be called back and tries to put the responsibility on the Opposition and the other place. We cannot accept that.

Let me be even more specific. The other place agreed on its own volition, after consulting with its members, to come back after we had risen. It came back for an extra week to deal with the issue. The new Solicitor General appeared before the Senate where he and the new Government Leader in the Senate, Senator Lowell Murray, were questioned by Senators. They said: "You know the House has to be called back in any event if this Bill is to pass because Royal Assent demands the presence of Members of the House of Commons." We had recessed. We had adjourned under our rules. You would have had to call us back, Your Honour, for Royal Assent if the Senate had passed the Bill, amendment or no amendment. The Senate asked the then Solicitor General and the Senate House Leader: "Do you intend to call the House back?" There was no undertaking given one way or the other. In those circumstances, Honourable Senators felt it perfectly in order to put their amendment because no delay could be occasioned. If the Government was not willing to call the House back for Royal Assent and was going to leave the Bill until September, putting an amendment by itself was not going to delay this issue at all.

Parole and Penitentiary Acts

• (1140)

The Solicitor General claims, of course, that he had to wait until the Senate report came down. But there is nothing under our rules forcing this House to slow down its judgment on an issue until the Senate has had a preview of a Bill. The House was free at all times to bring this matter forward as an issue of urgency. Nothing the other place did influenced the conduct of the Senate House Leader and the then Solicitor General in bringing this matter forward.

The position of the Senate and Senators on both sides of that House has been well known since 1983. In 1983 the Senate Standing Committee on Legal and Constitutional Affairs, made up of both Liberal and Conservative Senators, unanimously recommended that the courts, not the Parole Board, have the final say on the release of inmates, which is basically the position of the current amendment. That had been the position since 1983 of Senators on both sides of the House. The same recommendation was passed by the full Senate in Bill C-32 in June, 1983. As late as May 14 of this year the Senate Committee unanimously stated in an interim report:

> It is the opinion of the committee that the legislation should reflect the principle approved by the Senate when it adopted Bill S-32 . . . namely, that the courts, rather than the National Parole Board, should make decisions respecting the continued incarceration of inmates who would otherwise be eligible for release on mandatory supervision.

Even the Conservative spokesman in the Senate, Senator Nurgitz, agreed that judicial review was crucial in 1983 when he was commenting on amendments to Bill S-32. He seems now to have changed his mind. Therefore, the then Solicitor General and the Senate House Leader knew full well the position of Senators on all sides of that House on this issue.

The Government now contends that the issue is one of such paramount importance so as to persuade Your Honour to convene this House once again. But the then Solicitor General and the Senate House Leader knew the Senate's depth of concern on a very important issue affecting individual rights. Once a prisoner has earned his remission, who should review it? The Senate and this side of the House felt the court should review it. That is not a frivolous issue. It is an issue of substance which affects civil rights, and even our prisoners have civil rights. To withhold presentation of the Bill until a very late stage of the sitting of this House and to withhold its transmission to the other place until the last sitting day is a matter almost approaching contempt of the views sincerely held and widely broadcast for a number of years.

[*Translation*]

For years, the Senate's position on the subject has been exactly the same as ours in the House, but the former Solicitor General and his successor have chosen to ignore this. The Government knew or at least should have known that the Bill could not be adopted in the Senate on the last sitting day of Parliament, and nor could it, as a result, receive royal assent before September. And I may remind the House that the Senate is only two steps away from this House.

[*English*]

It took the former Minister of Employment and Immigration about 90 days to receive a memorandum from her Deputy Minister and it took the Department of External Affairs a number of weeks to advise the Prime Minister that part of his expenses in Paris had been covered by the French Government, so I suppose it should not surprise us that there is very little communication among Government Members, particularly between the former House Leader and the former Solicitor General, the now Solicitor General and their leadership in the Senate. The views of the Senate were eminently well known to the Government. The new Solicitor General in assuming his very important responsibilities should have immediately been apprised of them. He was given an opportunity to have the Bill adopted in the Senate. He could have said: "The House will be called back. We consider it important enough". Perhaps the Solicitor General did not know Royal Assent was needed for the Bill to receive the sanction of the Crown. Perhaps he did not know that the House had to be called back in order to proceed with that Royal Assent and that regal sanction. If he did not, he was badly advised. The Bill could not have passed unless the House were called back. The Senate asked him in courtesy to his Bill if it could be advised. If the House were to be called back, the amendment could be dealt with. If the House were not going to be called back, the Bill would not have been delayed in any event. So this is an absolute sham, subterfuge and hypocrisy.

On the matter of substance of the amendment now before Your Honour, it was also indicated to the Senate committee and in other places by legal experts that the legislation as it now stands could be challenged under the terms of the Charter of Rights and Freedoms with regard particularly to its retroactive application and possibly on other grounds. It is still conceivable that the law could be struck down as unconstitutional if it is challenged. The Supreme Court has already ruled that the practice of "gating", that is the practice whereby offenders are immediately rearrested and put back into prison by the Parole Board, which practice this legislation in effect seeks to legalize, is unconstitutional. There is the question of what we are now doing eventually receiving the approbation of judicial review. We may today be involved in an emergency debate which will create an even greater emergency at some future point if the whole law were struck down, perhaps in the middle of next summer or at any other time when this House is not sitting.

[*Translation*]

Whether the Government agrees with the measure or not, the Parliament of Canada has given inmates the right to serve up to one third of their sentence under mandatory supervision. That is the law. It is part of our penal system. It is not a rule. It is part of our legislation and as such was introduced mainly to improve discipline and behaviour in our prisons and to provide an incentive for inmates to behave well, and generally speaking, it has been effective.

Since this particular legislation concerns human rights, the persons concerned must have access to the judicial system for protection of those rights. We should not leave the implementation of this legislation up to a board that does not observe the same rules of procedure and evidence as the courts that handed down the sentence in the first place.

[*English*]

Neither myself, members of our caucus, our Party, our Members in the Senate, nor anyone else, for that matter, is advocating or contemplating the abrupt release of dangerous and violent offenders into society. We deplore as much as anyone the fact that innocent people are injured or killed by wanton acts of violence.

It is argued by some that by denying mandatory supervision under the current law whereby it is automatic after two thirds of the term has been served, and holding certain prisoners for their full sentence, makes them a greater threat to society, largely because the individual goes abruptly from prison back into the world without supervision, without control and without a reporting procedure. The mandated supervision allows an easier re-entrance into society and gives the person released a better opportunity to adjust. It is felt that while mandatory supervision is not perfect, society is better protected with at least some control over the individual for that crucial initial period following release. Our argument is not about prisoners being released. Prisoners will be released when their term expires in any event no matter what crime they committed. We are talking about the earning of remission after serving two thirds of their sentence. Can that be reviewed? And if it should be reviewed, then who should do so, the Parole Board or the Court? We do not want to interrupt the regular procedure of our criminal justice.

[*Translation*]

In my opinion, if the Government really wanted to solve this problem and help reduce the danger of violent crime, it should take a more serious look at the whole area of how these crimes are dealt with instead of leaving it up to the courts, to the Parole Board and to various volunteer organizations. It should also look at how victims of violent crimes are treated. It is one thing to proclaim, as the Government has done, that it is against crime, and another thing altogether to sabotage the very measures which, according to that Government, were aimed at preventing violent crime, and to do so in such a clumsy, careless and arrogant manner.

• (1150)

[*English*]

In saying that the Opposition and the Senate are responsible for letting dangerous offenders out on to the streets over the summer, the Prime Minister, the current Solicitor General and his predecessor gave Canadians the distinct impression that the passing of this legislation would be some sort of guarantee that dangerous offenders would not be put out on the streets this summer. That is simply not the case. They know very well that the Bill gives that responsibility and that discretion to the Parole Board.

The Solicitor General was quite right when he said that this is not a numbers game. No matter how many inmates may be eligible, a review of the situation shows that a lesser number might in fact obtain their liberty. There is no automatic formula for keeping people in jail. We have accepted, and the Bill does not deny, the principle of earning remission for good conduct within prison walls. The Board is obliged to consider past violence and the potential for future violence. It does not automatically keep all inmates in jail. The question is who should review the situation.

In terms of violent offenders, various numbers have been bandied about by the former Minister and by the present Minister. The former Minister has said that 30 dangerous offenders will be let out if the Bill is not passed. How does he know? The current Minister has previously put the figure at somewhere between 54 and 75; yet he gave a more precise number this morning. This confusion raises two important issues. The first is why they do not know exactly. After all, do they not know how many of these people there are who will threaten our lives? Do they not know where they are going and what the conditions of their release might be?

The other question which is raised is that by selecting these individuals in this way, has the Minister not prejudged the outcome of any hearings that the Parole Board might hold concerning the suitability of certain individuals to be released or detained? By reciting these numbers has the Solicitor General not placed in jeopardy a right, probably reinforced by a constitutional obligation, for the Parole Board to look at these matters in a judicial way? Because we are so concerned about the issue and because it interferes with rights that have been earned under a statute of Canada, we believe that the courts should review it.

Let us not kid ourselves. The real reason we are here has nothing to do with the constitutional prerogative of the Senate. Senators did not retard the passage of this Bill since, in any event, Royal Assent would have required our return. The Government missed the boat because it did not bring this legislation in soon enough. The Government missed the boat because it allowed the Bill to languish on the Order Paper. It also allowed the report to languish. The Government brought the third reading process before Your Honour at a time that left the other place in a corner. Under the rules of the Senate it had not time to properly review the matter, the views of Senators having been well known by Members of this House and by members of the Government. Thus the real issue is the incompetence of the Government to handle legislation.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I have known the present Government House Leader (Mr. Mazankowski) for a long time. In fact, I have known him since 1962. He is a person for whom I have high regard. He is quite right when he says that his honeymoon will be a short one. However, I know him well

enough to suspect that there may be a diversionary tactic before us as well. The Government will do anything to try to divert the attention of the country away from what is going on, as reported on the front pages of our newspapers which reflect two major judicial inquiries.

The Minister of National Health and Welfare (Mr. Epp) smiles. He knows that I have touched an extremely sore point. We intend to deal with this matter with proper dispatch. We will deal with it with all the seriousness it merits, despite the incompetence, the tardiness and the absolute sloppiness of the Government. We will exercise our responsibilities. I am sure the the Government House Leader would have enjoyed a filibuster with respect to this issue—anything to get some other topic on to the front pages of the newspapers of the country. I am sure that he would have done anything to get another scapegoat. He would just as soon turn on the Senate and the Opposition again.

Mr. Mazankowski: That is convoluted logic and you know it.

Mr. Turner (Vancouver Quadra): Convoluted logic! Knowing the House Leader that is the type of logic that may have resulted in his decision to bring us back.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Any one of us who has had the honour to be elected to this place knows that the people are always right. I have admitted that on several occasions, and I firmly believe it. However, the people are not stupid. They are not gullible. They will not be taken in by the Prime Minister, by the Solicitor General or by his predecessor. They know what the real issues are. I do not think the ploy will work. I do not think this Chicken Little routine is very convincing. The people of the country will place the responsibility where is should be placed. Once again the Government did not get its act in order. Once again it did not communicate with its colleagues in the other place. Once again it put the country to an additional inconvenience and cost. That is why we are here. That is why, Mr. Speaker, in your current physical inconvenience you have had to come back from a well-earned rest to deal with a matter that this Government could have handled in the ordinary course of proceedings.

Some Hon. Members: Hear, hear!

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, we are here today to deal with a matter that the Government tells us is an emergency. We have agreed to return because there is certainly a principle at stake. We do not like to see the Senate overturn the wishes of the House of Commons. We certainly hope that when we are in government the other Parties of the House will give us the same consideration to return to legislation should there be a Senate which thwarts the will of the duly elected House of Commons.

The Government is quite wrong in calling this situation an emergency. The idea that dangerous offenders are being or will be released if this Bill is not passed today and the idea that murders will be committed are extremely far-fetched. Dangerous offenders are being released. They have already been released. Dangerous offenders finish their sentences. We have laws that put an end to prison sentences. Even if we have some belief that a person might later commit an offence once his sentence is over he must be let out. People have been let out, and they will continue to be let out. The people who will be kept in prison as a result of this legislation once it is passed will be let out eventually. The figure given by the Government is that 54 of them are time bombs. The Government wishes us to believe that these are walking time bombs about to commit offences. Of this number 38 will be released in two years. Some will be out in a matter of a short number of months. If the Government had been so concerned about their release why did it not act earlier this year, after this Bill was reported back from committee in January? Why did the Government wait until well into June before it decided that it was sufficiently important to give it some time in the House? That is not my idea of an emergency.

With respect to the question of these emergency cases and how good the Government is at predicting what they are, we know that the previous Government made some assessments after the Supreme Court of Canada ordered an end to gating. The Supreme Court of Canada ruled that gating was illegal. The Government had its own list which set out 11 time bomb cases. In fact, because of the Supreme Court of Canada these people were released. We know what happened as a result. Four of the 11 were returned to prison. Three were returned as a result of the commission of non-violent offences. One was returned for a violent offence which took place well after the expiry date of the sentence. There is no way that gating would have prevented that person from committing the offence which was committed. We just cannot make these kind of predictions.

The Senate amendment to Bill C-67 is one which would improve a very bad Bill. We are opposed in principle to the contents of Bill C-67. However, the Senate initially had four amendments which it urged the Government to adopt. The Government did not adopt them. All four amendments would have moderated the Bill and made it somewhat less unacceptable. I do not want to suggest that we would have considered the Bill an acceptable one in any event.

• (1200)

Let us return to what the Senate said and the amendment it wants us to consider. The first issue deals with the question of which is the appropriate body to make decisions with respect to the detention of allegedly dangerous inmates beyond the date of eligibility for release on mandatory supervision. It was the opinion of the committee that the legislation should reflect the principle approved by the Senate when it adopted Bill S-32, an Act to amend the Penitentiary Act and the Parole Act, in 1983. That principle was that the courts rather than the National Parole Board should make decisions respecting the continued incarceration of inmates who would otherwise be

eligible for release on mandatory supervision. This is primarily what we are here to discuss today. We are asking who should be making these decisions, the courts or the Parole Board.

The Senate committee members said that they had heard the comments of the Solicitor General (Mr. Kelleher) with respect to the appropriateness of the board taking on this responsibility and that they must disagree. The Solicitor General, however, has continued to take the same position. While recognizing that the legislation attempts to ensure that inmates are afforded the best procedural safeguards available to administrative tribunals, the Senate committee members are still of the view that such decisions, affecting as they do the liberty of individuals, are more appropriately addressed in a judicial rather than an administrative forum, where affected inmates would have recourse to all the procedural rights and protections available in the criminal courts as well as a distinct right of appeal. This is a very fundamental point, indeed a point treated in the Charter of Rights. Of course, one of our concerns is that the legislation, unamended, would be contrary to the Charter of Rights and would be subject to appeal on those grounds in due course.

The motion put before us today by the Solicitor General is a very boldly stated and confident motion. The Solicitor General seems to think that he knows what he is talking about, but I would like to contest the motion's substance very strenuously. The motion indicates that the House would disagree with the amendment made by the Senate to Bill C-67 because the House believes that the National Parole Board is better structured and experienced to deal with all matters of fact relating to the prediction of violent behaviour and that public safety is properly preserved by having decision-making kept with the board.

Let us look at the first point, that the National Parole Board is better structured and experienced. Better than whom? What is the body of comparison? The motion reads that the National Parole Board is better structured to deal with all matters of fact relating to the prediction of violent behaviour. No one is good at predicting violent behaviour. National parole boards, provincial parole boards and the parole boards of other countries have been trying to do this for decades. There is a substantial body of academic literature which goes back a very long time indicating that parole boards are not good at predicting violent behaviour.

It is not that anyone else is any better at making that prediction. Psychiatrists have tried to do it. Objective tests developed by various kinds of social scientists have been developed to try to predict who will be a violent offender. We also know that we cannot predict violent behaviour based upon the conduct of the offender in prison. People who are not well behaved in prison may adjust quite adequately on the outside. Infractions in prison are not necessarily an indication that a person will be a violent offender outside prison.

We as human beings simply have to admit that we are not very good at predicting anything. We are not very good at predicting the weather, although improvements have been made. Human behaviour is considerably more difficult to predict than the weather. After decades and decades of attempts to predict violent behaviour, it becomes apparent that the statement made by the Solicitor General is simply not believable. He gives no basis for it, nor does his Department. The shelves of his Department are lined with studies showing that what he has said is untrue and that no one can predict violent behaviour.

The second part of the contention of the Solicitor General is that public safety is properly preserved by having decision-making kept with the board. What kind of public safety is he trying to provide us? Certainly the public would like to be safer and certainly we in this Party would support any reasonable measures designed to make the public safer. Unfortunately, all this motion will mean is that the public will have to pay higher costs to keep people in prison longer.

Public safety is not preserved by keeping people in prison longer. There is no evidence to suggest a violent person will become less violent after being kept in prison for an extra year. Indeed, this has been tried. The experience has proven faulty. Keeping people in prison does not improve their behaviour and, indeed, there is some reason to believe that mandatory supervision is a good thing.

It would seem to be more desirable for offenders who are going to be released in any event to be released with some form of supervision. After all, all of these 54 so-called time bomb offenders will be released. They are all serving fixed terms. They are not sentenced to life for which there is a minimum time to be served in prison of 25 years. These particular people are not murderers. Their sentences may be long, but at some point they will be released. We have no reason to believe that they will be released in better condition if they are kept in prison for an extra six months, one year, 18 months, two years or whatever the case may be.

The motion gives false hope to the Canadian public that safety will be preserved. I believe the statements made by cabinet Ministers and, indeed, the Prime Minister (Mr. Mulroney) are shameful. They have said that the safety of the public is at risk thanks to the actions of the Opposition and the Senate. That is scare-mongering, and I find it extremely sad to see that that is happening. People are quite rightly concerned about safety. Fortunately there is not a high rate of violent crime in Canada. Naturally we would like to see less of it and reasonable measures to ensure better safety would of course be very welcome.

In his remarks, the Solicitor General said that a four-year sentence ought to be a four-year sentence, that a six-year sentence ought to be a six-year sentence and that an eight-year sentence ought to be an eight-year sentence. That is a very simplistic approach, but it does have a ring of truth to it. Who can disagree that a four-year sentence ought to be a four-year sentence and that a person should not get out of prison early? However, there are reasons for letting people out of prison early. People are let out of prison if there is some reason to

believe that that will make them better risks, and indeed that is the whole purpose behind mandatory supervision.

Let us look at the facts of the matter. In Canada, prisoners serve very long sentences and the sentences are getting even longer. Mandatory supervision is not something that has just occurred. This provision has existed for more than 100 years. There has always been time off for good behaviour. It offers an incentive for inmates to behave well in prison. It gives prisons something to hold out to inmates for co-operating. Judges know this and this is precisely why sentences have been getting longer.

Judges know that most inmates will get time off for good behaviour and they have been taking this into account. A four-year sentence is not simply a four-year sentence. A judge knows that four years means four years minus one-third and if the judge wants the prisoner to serve four years, he or she will impose a six-year sentence. That is how the system works and judges know that. They have been acting on that basis for a very long time.

There is no question that mandatory supervision shortens sentences, but sentences have been made longer with the knowledge that this happens. As it is, prisoners in Canada serve extremely long sentences. We have a European-style crime problem with American-style sentences. There is not much violent crime in Canada but people are put into prison for very long periods of time because we think we have a much more violent society than we do.

I shall now return to the question of the safeguards that are required and the faults of Bill C-67 along with the Senate's amendment. Of course, more amendments to Bill C-67 are needed in addition to the one proposed by the Senate. That amendment is directed toward addressing the fault in the legislation. It is a question of fundamental justice. A person who will not be released in effect will be getting an extra sentence. Who will be making that decision? In our view that question should be decided by the courts.

• (1210)

I should like to refer to the thrust of the Senate amendment. Of course it cannot alter the entire Bill. The initial decision could not be made by the courts, but an appeal could be made to the courts on fact and on law. This would bring the legislation somewhat more in line with the principles of fundamental justice which we adopted in the Charter of Rights and Freedoms.

Let us look at the traditional safeguards provided to offenders by a court of law which the National Parole Board does not provide. Traditionally there would be the right to be represented by counsel. Also there would be the right of the person to be made aware of the case against him or her. There would be the right to a fair answer and defence, including the right to cross-examine the accusers. Of course this is absent from the provisions of the National Parole Board. The Board decides not only what information the inmate will be permitted to see regarding his or her case, but whether or not the person can have counsel or an advocate present at the hearing. If counsel is permitted to be present, they will be unable to cross-examine witnesses or to have access to relevant documents. Instead, they will only be permitted to make brief statements at the end of the hearings.

Under the new scheme proposed by the Government, there is no requirement for proof beyond a reasonable doubt of the allegations being used to justify the continued detention of the individual. We are going back to procedures in our criminal justice system which were removed a long time ago. People other than the courts will be making the decisions. The decisions will be made in respect of charges about which the accused person does not know very much, and no opportunity to cross-examine will be provided. In short, these provisions are not remotely the standard required in a court of law. However, the effect is the same as that decided by a court of law. It is a new sentence, and it could be a very substantial one. It could be a sentence of several years in addition if the Bill is passed and people are indeed prevented from receiving time off on mandatory supervision for good behaviour on the basis of future behaviour.

Since my time is nearly up, let me return to the fundamental issue here, that is, why people should be before the courts or before the National Parole Board at all. The issue here is a prediction of future behaviour. The idea of the Government is that people should spend time in prison, not for what they have already done, but for what they might do in the future, of course knowing that we cannot predict this very well. Even if we could predict it very well, is it correct to sentence a person to a period of incarceration on the basis of what the person might do in the future? Surely our system of criminal justice is based upon punishment for offences clearly committed, for which there is clear evidence and for which the person has had ample opportunity to reply to the charges.

The faults in Bill C-67 are fundamental. People will be denied the rights of fundamental justice, contrary to the Charter of Rights and Freedoms. We certainly oppose Bill C-67 and Bill C-68.

Concerning the question before us today, we concur in the motion of the Senate. It would make the Bill a less evil piece of legislation. It would not make it a good piece of legislation, but it would provide some protection to accused persons in accordance with the principles of the Charter of Rights and Freedoms. We urge that the Government accept the amendment of the Senate as a very minimum commitment to observing the requirements of the Charter of Rights and Freedoms and ensuring that fundamental justice is the right of all Canadians.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, in the course of my remarks today I should like to set the record straight for certain Opposition Members and certain editorial writers. After the ill-considered initiative taken by our colleagues in the other place, which was aimed at blocking this Government legislative measure, we were accused of unduly delaying the introduction of our Bill.

Mr. Speaker, I am astonished that certain Members opposite blamed the Government of procrastinating to have this measure adopted since it had been on the Order Paper for over a year. On the contrary, I believe I will be able to prove that the Government has always been firmly committed to pass this legislation as soon as possible.

Opposition Members are being ridiculous when they claim to have been taken by surprise with respect to the intentions of the Government. In its first Speech from the Throne the Government did indicate it intended to act upon public concern over the Canadian penal justice system. We had promised we would do away with the deficiencies of this system so as to guarantee that Canadians would be better protected against criminal acts. Bill C-67 was our way to meet part of this commitment. We agree that Bill C-67 will not solve all problems, but still it is a major step in the right direction because it contains the urgent measures which are needed and which can be quickly implemented while we wait for the findings of certain wide-ranging studies undertaken by the Department of Justice and the Solicitor General.

• (1220)

Mr. Speaker, had Opposition Members gone to the trouble of reading the Speech from the Throne, they would they would have realized that the Government had given a clear indication of its intentions in that respect. No one who intelligently read the Speech from the Throne would express surprise about the importance given to this Bill by the Government.

True enough, over a year has gone by since Bill C-67 was read for the first time. On June 27, 1985 the then Solicitor General introduced in the House two Bills to empower the National Parole Board to change the proviusions concerning the mandatory supervision of parolees. Had Members opposite paid attention to the statements of the Solicitor General they would have understood that the Government was really intent on providing better protection for society by preventing the release of patently dangerous inmates.

Had Members been the least concerned about the safety of our fellow Canadians they would have learned that shortly after his appointment as Solicitor General the Hon. Member for Central Nova (Mr. MacKay) announced that he would introduce legislative measures to eliminate automatic release granting.

Some Members claim that if the Government had really been convinced about the appropriateness of Bill C-67 and the need for quick adoption it would have said so earlier and taken the steps required to push it through the various legislative stages earlier in the session.

Those who come up with this kind of argument simply like the sound of their own voices. Undoubtedly they are unaware of the fact that unfortunately the previous Government had tried to make the problem disappear by introducing its own Bills S-2 and C-35. Overly confident about its own genius and probably in a hurry to deal with the matter without having to hold meaningful consultations, the previous Government got stuck with its two Bills. This Government chose not to take the easy way out, knowing full well that this kind of legislations was a contentious issue. My colleagues lived up to their responsibilities and made sure they would achieve the broadest possible consensus with respect to these legislative provisions. My colleagues did not spare time and energy to speed up the legislative process.

Mr. Speaker, the Opposition has accused the Government of unduly delaying the adoption of Bill C-67.

In fact, the Opposition would have us responsible for the time it has taken this legislation to get through the various stages before its referral to the other place. The Opposition is mistaken. I suppose that, being unaccustomed to holding consultations and allowing all parties to express their points of view, it would have preferred us to ignore such procedures entirely. Mr. Speaker, I can assure you that unlike our colleagues opposite, we do appreciate hearing the views expressed by various sides on our policies, even when they are negative.

If I may recall the various stages this Bill has gone through. I am sure you will agree that the delay for which we are being so unfairly criticized was due both to the fact that the Government gave various groups a chance to express their views and make a thorough and careful study of the matter, and to the dilatory tactics used by Members of the other Chamber and of the Opposition to delay adoption of the Bill.

First of all, the Bill was tabled in 1985, before the House adjourned for the summer recess. The Government deliberately chose that date, since during the summer, it wanted to obtain the views of provincial governments, private and public organizations and certain individuals. The early tabling of the Bill in June 1985 gave groups with an interest in correctional matters a chance to take a close look at the provisions of the Bill. During the study process in 1985, the press showed a great deal of interest in the legislation. The Bills were also sent to provincial departments responsible for correctional services, to private agencies and to lawyers, for comment.

Officials of the Department of the Solicitor General met with these various groups, while correspondence received by my colleagues also contained various views to be considered and carefully weighed. Generally speaking, the Bills were well received, especially at the provincial level and by victim assistance groups and the media. Following the Cabinet shuffle in the summer of 1985, the Solicitor General, realizing it was an initiative whose time had come, decided to concentrate on promoting this legislation. Subsequently, after Parliament resumed in September 1985, the Solicitor General moved second reading of the Bills in question. All parties had an opportunity to participate fully in the debate on second reading which took three days. The Bill was adopted on second

reading receiving the support of several Opposition Members as well.

If we consider the referral to committee, we see that the Government certainly did not drag its feet. Three days after receiving its order of reference, the committee met to designate a steering committee and agree on procedural details. The committee started sitting about 18 days after that. They were held over a four-month period, including even the Christmas recess. The committee held 14 hearings and heard a great many witnesses.

Our colleague the Hon. Member for Wellington—Dufferin—Simcoe (Mr. Beatty) appeared as a witness before the committee on five occasions, and his Deputy Minister as well as other Departmental officials appeared on ten occasions. The Committee heard the views of many non-governmental groups such as the *Société Saint-Léonard*, the Queen University Group dealing with the parole bill, the Citizens United for Safety and Justice, the Ottawa-Hull Victims of Justice, the Association of Criminal Lawyers, the Canadian Bar Association, the Canadian Association of Penal Justice, as well as the Canadian Association of Elizabeth Fry and John Howard Societies.

Is the Opposition suggesting that the time-frame to deal with Bill C-67 at the various stages could have been shortened had we chosen not to hear these groups and disregard their views? Yes, the Government had to spend a little time listening to the valid testimonies of these interest groups.

Mr. Speaker, the Government has fully cooperated with the Committee. In addition to the Minister, the Committee had the opportunity to question officials of Correctional Service Canada, the National Parole Board, and the Solicitor General Secretariat.

Moreover, the Government has demonstrated flexibility and good faith by moving six substantial amendments to this bill. I shall spare the House the many details of these amendments, while reminding Hon. Members that the Committee had concluded its work on January 23.

By contrast, when we see how things moved in the Senate, we realize that all along the Government has done its best to expedite matters, suggesting compromise and cooperate with a great deal of openmindedness. The Senate Committee on Constitutional and Legal Affairs had six months to deal with this Bill. Meanwhile, in its desire not to press our colleagues in the other place, the Government deemed it advisable to postpone the reference of this Bill at the report and third reading stages. We wanted to provide the Senate with an opportunity to propose constructive and creative suggestions which could have been incorporated in the bill at the final report stage.

Yet, it was only on May 14 that we received the first so-called interim report, at the urgent request of our colleague the Hon. Member for Wellington—Dufferin—Simcoe. Then we received on June 23 a second so-called interim report. However, no final report ever came to us. Yet, this pre-study had been most exhaustive, even exeeding the scope and subject matter of the Bill. This pre-study had even been marked by a series of visits to various penal institutions. In spite of all that, there were very few suggestions made to improve the Bill and most of those put forward by the Senate group had already been discussed or turned down before. Lacking somewhat in imagination, our Senate colleagues tried to recycle some of the worn-out ideas expressed by Hon. Members opposite. The Opposition should then have demonstrated its dissatisfaction. Was it sleeping while the Government was making new concessions to speed up the process? For instance, the guidelines concerning decision backing have become statutory rather than regulatory provisions. If there were undue delays, the Opposition should point their fingers elsewhere, because the Senate study turned into delaying tactics. If there were time overruns aimed at delaying this legislation, you should rather blame your august colleagues.

Finally, looking at the report and third reading stages, it will be found that they had to be hurried, because delays in the other House took almost all the time available. In the little time left to us, the Government made a point of disposing of some 34 New Democratic amendment motions, not to mention the avalanche of rhetoric from the Hon. Member for York South—Weston (Mr. Nunziata). The Bill went through third reading on June 26 and was referred to the Senate.

Mr. Speaker, the Opposition over the last few weeks chose to blame the Government for giving little attention to the Bill over the last few months they asked why the sudden urgency to enact it. I want to put the record straight. I would invite Hon. Members opposite to read the evidence given by the Hon. Member for Wellington—Dufferin—Simcoe, as the then Solicitor General. When the Minister appeared for the first time before the Senate Committee, he insisted that the provisions in the Bill were urgent. He even recalled they had previously looked at similar provisions in Bill C-32 introduced by the previous Government.

During the seven other sittings of that Committee, senators launched into an analysis, not of the legislation itself but the penitentiary system, even indulging in a small tour of certain institutions, for the purpose of moving around the place, Mr. Speaker. Travelling has always been conducive to new experiences, but never reforms.

When he appeared before the Senate Committee on May 8, 1986, the Solicitor General again reminded Committee Members of the urgent need for the Bill. He also stressed how important it was for the Government to have it enacted before the Summer recess. After reviewing the various amendments introduced to incorporate the criticisms voiced, the Solicitor General urged members of the Senate Committee to concentrate on the Bill and make their amendments known as soon as possible. He was ready to consider any amendment consistent with the objectives stated in the Bill. However, having little or no concern for improving the provisions in the Bill, Committee Members resorted to delaying tactics that put Canadian public safety at risk.

Mr. Speaker, the facts I have just put before you, and I could go on, are ample proof that the criticism levelled by this Opposition and the Senate is groundless.

This Bill was supposed to be above party politics. It is regrettable that the Opposition and the other House did not understand earlier that this measure is necessary for the protection and the safety of our fellow citizens. The changes proposed in this Bill are obviously necessary and they have been requested for a long time by the police, by victim assistance associations, by many private and professional and organizations and by individuals.

Indeed, the Opposition has also failed to understand that this Government does not govern with a steem roller but through consultation and by trying to reconcile divergent views. This can cause delays when you try to bring about a consensus on a controversial issue. However, I prefer such delays to the dilatory tactics used by the Opposition Members and their august colleagues during the consideration of this bill.

• (1230)

[*English*]

The Acting Speaker (Mr. Paproski): Questions or comments. There are no questions. Debate.

Mr. John Nunziata (York South—Weston): As you know, Mr. Speaker, as the Solicitor General spokesman for the Official Opposition, I have already made lengthy submissions with regard to Bill C-67. Therefore, I do not intend to speak at length today.

It is obvious that the Conservative Government is deserving of some criticism for the fact that we are here today, for the fact that only for the twelfth time in Canadian parliamentary history a Parliament has been recalled in order to deal with a matter necessary to be considered by the House of Commons. In my respectful submission, we are here because of the reckless negligence, the reckless rhetoric of the Conservative Government, the Prime Minister (Mr. Mulroney), the Solicitor General (Mr. Kelleher) and his predecessor.

The facts speak for themselves with regard to this particular piece of legislation. As my leader pointed out, the legislation was introduced in this House over a year ago. Bill C-67 was introduced by the Conservative Government on June 27, 1985. At the time of introduction the then Solicitor General indicated that the Bill was urgent and that it should be passed as expeditiously as possible. The Official Opposition from the outset has indicated that we support in principle Bill C-67. I indicated the reasons why in my submissions of June 18 and June 26 of this year.

On September 12, 1985, the then Solicitor General indicated at page 6558 of *Hansard*, and I quote:

> Bill C-67 is not the total answer to that promise but it is a very important beginning. It contains measures which were urgently required and could be introduced quickly while awaiting the outcome of broader policy reviews currently under way in my Ministry and in the Department of Justice.

On September 12, 1985, the then Solicitor General indicated the urgency of this legislation. What happened, one asks, to this legislation over the course of the last year? If in fact, as the Government has indicated over the course of the last number of months, this Bill is so urgent, why then did the Government in its wisdom decide not to bring this legislation forward for expeditious passage by the House? It was introduced on June 27, 1985. Second reading began on September 12, 1985. It continued on September 23, 1985. The committee concluded consideration on January 29, 1986 and the report was concurred in on June 17, 1986.

The Government has procrastinated with regard to this legislation over five months, since the day it was reported out of committee. Was it because there was more urgent legislation that had to be dealt with by the House of Commons? Well, Mr. Speaker, we know that this particular legislation, Bill C-67, was considered by the Government to have less importance than other legislation that was given priority. For example, the Government gave priority to Bill C-87 which involved the divestiture of Canadian Arsenals. It gave priority to Bill C-107 which was an Act to implement the United Nations Convention on the recognition and enforcement of foreign arbitral awards. The Government gave priority to Bill C-95 which dealt with the Archives. It gave priority to Bill C-118 dealing with a dollar coin. Those are the facts. The Government in its wisdom decided to give priority to those Bills rather than bringing forward Bill C-67 in order for the Bill to be dealt with as expeditiously as possible.

It is obvious that society will always be at risk by those who decide to pursue deviant behaviour. There is no way of competely eliminating the risk of deviant behaviour, the risk of criminal behaviour in society. What is hoped for is to try to minimize the amount of criminality in society in order to ensure the safety of the public. We live in the safest country anywhere in the world. There is no question about that. Our crime rate is the lowest of any western industrialized nation. We have a lot to be proud of with regard to the safety of our streets, our families and our children. That is not to suggest that we should not attempt to increase that safety and to minimize the risk of future criminal activity. One recognizes, of course, that it is a difficult task in order to ensure complete safety of our citizenry.

There are rules and regulations in society. There are those who have shown disregard and contempt for the rule of law and it is necessary in some cases to incarcerate those individuals who are convicted of criminal offences. As you know, Mr. Speaker, in Canada we have one of the highest incarceration rates of any western industrialized nation. There are more people in prison per capita in Canada than in any other western industrialized nation.

If we do have the lowest crime rate and we have the highest incarceration rate, one could argue, of course, that one of the reasons why we have such a low crime rate is that we have such a high rate of incarceration. The facts would suggest otherwise. Generally, of course, we are a law-abiding nation.

The overwhelming majority of Canadians believe in and have respect for the rule of law. Sure there are those of us who at times do not come to a complete and full stop at a stop sign. There are those of us who perhaps tend to speed a little on the roadways. However, the overwhelming majority of us believe in criminal law. We believe that the laws are there in order to protect society.

The goal, of course, is to minimize the risk of danger to society. The intent behind this legislation is to protect society. One recognizes, of course, that of those who are incarcerated in federal institutions, a number of them will commit additional crimes, will become recidivists, if you will, will once again return to prison because they have decided to continue a life of deviant behaviour. A great number of them, after having served time in an institution, return to a normal law-abiding life from the day of their release onward. There is a core group in prisons who are beyond help. Regardless of programs or attempts to rehabilitate them, they will continue to lead a life of crime. When considering those who become eligible for mandatory supervision, we are dealing with those inmates who have shown to the authorities that they are not good risks to be released on parole. Every inmate, with the exception of those who are serving indeterminate sentences or serving life sentences, become eligible for parole after serving one-third of their sentence. The good risk inmates are released at the one-third stage or shortly thereafter. Those who are not considered good risks by the National Parole Board and have shown that they do not believe in rehabilitation are not granted parole. These are the individuals with whom we are dealing.

• (1240)

The current law allows an inmate to earn remission. It is an important concept in prisons for a number of obvious reasons. In order to give an inmate some hope, in order to ensure the safe running of the institution, and in order to guarantee some semblance of order in an institution, inmates must be given some hope that if they behave themselves while in prison they will earn some time off from their sentence. All those involved in the criminal justice system recognize that there is such a thing as mandatory supervision and earned remission, otherwise known as time off for good behaviour. When judges hand down sentences and when defence counsel and prosecution plea-bargain, they recognize fully that if an inmate behaves in an institution he or she will be able to earn some remission or time off for good behaviour. Without such earned remission there would not be that hope for an inmate and there would not be that incentive for an inmate to behave while incarcerated.

As a result of the earned remission process, an inmate is entitled to earn a third off his or her sentence. Bill C-67 says that if the National Parole Board, in its wisdom, decides that certain individuals who have been denied parole or certain individuals who are serving time in our federal penitentiaries for violent offences are likely to commit a further violent offence, then it can issue a detention order. In other words, it can keep an inmate incarcerated for a further year. It can continue to issue detention orders until warrant expiry, when the inmate has served his or her complete sentence.

While it sounds logical in terms of public safety to keep inmates incarcerated, it is obviously not the answer. Sooner or later these inmates have to be released, according to the law. As the Solicitor General indicated somewhat naively, a four-year sentence is a four-year sentence and a six-year sentence is a six-year sentence. I suppose we can excuse the Solicitor General for his apparent lack of understanding of correctional law and apparent lack of understanding of his department, since he is a new Solcitor General. One would hope that with the passage of time he will acquire some knowledge and expertise with respect to the role of his Department. I offer the assistance and constructive co-operation of the Official Opposition to permit him to fully understand the workings of his Department.

Sooner or later these inmates will have to be released. If they are kept incarcerated until warrant expiry and their sentence has been completed, what guarantee is there that the inmate will not commit a further criminal offence? There is no guarantee. If anything, by keeping these inmates incarcerated until the end of their sentence one is increasing the risk of future criminal activity and the risk of harm to society. As a result of these detention orders that may be issued over the course of a number of years, the inmate may build up more anger and more vindictiveness toward the system and society and in fact may have a predisposition to get even with society for depriving him or her of liberty.

There is also the problem of releasing these inmates into society without supervision. When we keep an inmate incarcerated until the completion of the sentence we are forced by law to release that inmate without any form of control or supervision. Mandatory supervision allows us to release an inmate one, two, or three years prior to the expiry of the sentence and exercise some form of control over the inmate. For example, the inmate could be required to reside in a particular community, not to consume alcohol or associate with certain individuals. The inmate could actually be required to report to the local police station on a weekly basis or reside in a half-way house. We could require an inmate to obtain some type of treatment. We can exercise control and ease that particular inmate into society. However, according to this legislation, theoretically an inmate would be released from maximum security custody into society with no right to exercise any type of control over the individual once he or she is released into society. It is obvious that mandatory supervision, or some form of supervision is necessary, not only for the inmates but for the general safety of society.

Of course, there are those who would argue that certain inmates should be incarcerated and the key thrown away. We do not have that type of society. There are those in society who commit serious offences such as murder. We have a very serious penalty for murder, life imprisonment with no parole for 25 years. However, we as a society do not believe in incarcerating individuals and literally throwing away the key,

thereby giving the inmates no hope for the future of themselves or their family. That is the mark of a civilized society and every western civilized nation believes that there should be hope for inmates and that at some point they should have the opportunity to lead a law-abiding life.

Notwithstanding its negligence, its reckless rhetoric and its procrastination, the Government introduced a Bill a year ago. The Government has been in office for two years and it is interesting to note that in that period 3,000 inmates have been released on mandatory supervision. If the Government is so concerned, why did it not bring forward measures earlier? The Solicitor General, the Government House Leader, the Deputy Prime Minister (Mr. Mazankowski) and the former Solicitor General have indicated that there are walking time bombs about to be released into society as the reason for calling back Parliament for the twelfth time in Canadian parliamentary history. They gave us a figure of 54 individuals who would be released between now and September or October. Who are these 54 so-called time bombs who are about to be released into society? Thirty-eight of the so-called time bombs have less than two years left of their sentences to serve. We can keep them incarcerated for another year, perhaps for two more years, but we are going to have to release 38 of the 54 individuals within two years. Is it not better to release them into society now and be able to exercise some control over them for the next two years as we ease them into society? Is it not preferable to do that now than to simply to open the prison gates in two years' time and say: "Fend for yourself"? It is obvious that we are increasing the risk to society. Twenty-one of the 54 so-called time bombs are serving sentences of five years or less. We cannot hold these individuals for more than another year. Seventeen individuals are serving sentences from five years to 10 years. Revoking their mandatory supervision will keep them incarcerated for an average of two more years.

• (1250)

The Government tells us there will be walking time bombs out here. If it is the case that there are walking time bombs about to be released into society, why has the Government not acted sooner? Why has it waited two years to resolve this so-called urgency? The reality is that mandatory supervision has been with us since 1970. Inmates have been released on mandatory supervision for the past 16 years. There are, of course, those individuals who are released on mandatory supervision who commit further crimes. We know of some of the more celebrated cases of those individuals who are released on mandatory supervision and who commit murders or rapes. But even those persons released on parole commit further crimes and it is a small percentage.

It would appear that there is a problem in this House with respect to what in fact is the actual experience with regard to the release of inmates. I would submit that the public is not well informed on crime and punishment. Canadians generally tend to exaggerate the rate of violent crime. One study indicated that a majority of Canadians thought that 50 per cent of murders in Canada were committed by parolees. The fact is that only 1 per cent of murders in Canada are committed by parolees. Another study showed that two thirds of those polled thought 90 per cent of all parolees commit further violent crimes. It is not 90 per cent, Mr. Speaker, it is 10 per cent.

I wish to indicate once again on behalf of the Official Opposition that we support the general thrust of the legislation. We support the Senate amendment. Unfortunately, I have not had the opportunity to address the amendment itself. It is a good amendment which gives authority to the courts to decide whether or not an inmate's liberty should be effected.

In closing, I would urge the Government to reconsider its position on the Senate amendment in order to make Bill C-67 a little more perfect.

[*Translation*]

The Acting Speaker (Mr. Paproski): Questions or comments. The Hon. Member for Louis-Hébert (Mrs. Duplessis).

Mrs. Duplessis: Mr. Speaker, I have a question for my hon. colleague for Glengarry—Prescott—Russell—

Mr. Nunziata: York South—Weston!

Mrs. Duplessis: In any event, I disagree completely with the Hon. Member who has just concluded his speech. For my part, I believe that we would improve the general safety of Canadian society by accepting Bill C-67 as proposed originally without the amendment passed by the Senate. I have the impression that convicts and offenders will think twice before committing a crime if they know that they will have to remain in prison for the full term of their sentence.

I would like the Hon. Member to tell us whether or not he believes that the role of a Member of Parliament is indeed to defend the population in general rather than people on the fringe of society. As for him, he nearly always defends those on the fringe of society. I would like to remind him of a case 20 years ago—and I am now speaking for the fathers and mothers who went through these terrible events in my constituency, in Cap Rouge, when seven youths were sexually mutilated and then murdered. In this case, the criminal committed these acts after being released on parole and these murders would certainly not have been committed if he had remained in prison. I therefore would like to know how the Hon. Member sees his role and whether he does not think that he should defend society in general instead of those who refuse its rules. The prisons are made to keep the convicts under lock and key. I would like his opinion on this matter.

[*English*]

The Acting Speaker (Mr. Paproski): Would the Hon. Member for York South—Weston (Mr. Nunziata) like to entertain an answer to the question posed by the Hon. Member for Louis-Hébert (Mrs. Duplessis)?

Mr. Nunziata: Mr. Speaker, I would first like to excuse the Hon. Member for confusing me with the Hon. Member for

Glengarry—Prescott—Russell (Mr. Boudria). I would like to indicate to her that I have much more hair than my colleague to the right.

Mr. Nystrom: How much more?

Mr. Nunziata: Fifteen more hairs.

On a serious note, Mr. Speaker, the Hon. Member has obviously displayed a complete lack of understanding of prisons, inmates, criminology and public safety in Canada. For that reason I do not intend to be overly harsh. The Hon. Member asked who we purport to represent. We represent all Canadians. We represent the public at large. We are here as well to represent prison inmates. They are all human beings, my friend. They are all deserving of consideration by this Parliament. Regardless of what some people may think in this Parliament and elsewhere, we as a civilized and decent society must take into consideration even those of us who would pursue a life of deviant behaviour.

We are concerned, of course, with public safety and in considering the best interests of inmates we can consider the best interests and safety of society at the same time.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

TRADE

IMPORTATION OF CARS FROM JAPAN AND KOREA

Hon. Herb Gray (Windsor West): Mr. Speaker, before the House adjourned for the summer recess the former Minister for International Trade gave the impression that the Government would soon have the agreement of Japan and, perhaps, of Korea to restrain the number of cars they export to Canada. Many weeks have now gone by and there is still no agreement. The Korean Minister who recently visited Canada said that his country did not intend to restrain exports.

The Government must ensure that unless and until Japan and Korea meet the same standards with respect to Canadian content and production as do the North American manufacturers, they must expect restraints on the number of cars they export to this country. Failure to do this would harm jobs in Canada. Failure to do this would increase pressure by the Americans to have the Auto Pact placed on the free trade negotiating table. The Government must act now. Its lassitude and failure to bring about an agreement with the Koreans and the Japanese to restrain the number of cars imported into this country are putting jobs and the economy at risk.

* * *

[*Translation*]

ELECTIONS

SAINT-MAURICE CONSTITUENCY

Mr. Mike Cassidy (Ottawa-Centre): Mr. Speaker, a great many Quebecers are wondering why the Prime Minister (Mr. Mulroney) waited five months before setting the date for a by-election in the Saint-Maurice constituency. The reasons are quite clear. The Prime Minister does not want to give Quebecers an opportunity to openly demonstrate their dissatisfaction with this Conservative Government.

This week, a Gallup Poll has indicated that 67 per cent of Quebec voters are not satisfied with its performance. The most recent polls indicate that in Quebec, the Progressive Conservative Party is now ranking third with 20 per cent of popular votes, and I am proud to say that 27 per cent of Quebecers would support the New Democratic Party in a Federal election, which certainly indicates that NDP Members will be representing Quebec to reflect the strong social and democratic tradition of that province and to look after the needs of ordinary Quebecers.

Mr. Speaker, I say to the Government that the time has now come to hold a by-election in the Saint-Maurice riding.

* * *

THE SENATE

OPPORTUNITY TO REVIEW INSTITUTION

Mrs. Suzanne Duplessis (Louis-Hébert): If with your permission I may, Mr. Speaker, I should like to quote from an editorial which appeared this morning in *Le Soleil* newspaper under the heading "A blunder by the Liberal Senate", and I quote:

> Beyond the outcry over the waste of time and energy, it should be recognized for the sake of our political system that the Conservative Government was right to recall the Members of the House and to ask them to vote again on a bill which they approved as recently as last month.
>
> The Senate, packed solid with political friends of previous Prime Ministers, should not assume the role of defender of the oppressed or the weak within our society when it is its major parasite.
>
> The fact that Liberal senators, who also had to be recalled, have announced that they would not attempt again to oppose the will of the majority in the House, demonstrate their bad faith on this issue. In fact they have used an obsolete power both morally and politically to amend the substance of a bill which the House had adopted, and they are making all Canadians pay the price for their partisanship.

As suggested by several of my constituents, perhaps the time has come to reconsider the usefulness of the Senate as an institution.

* * *

[*English*]

NUCLEAR ARMAMENTS

SOVIET UNION'S OFFER OF TESTS VERIFICATION

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, for a generation the lack of a mutually acceptable verification agreement has made it impossible for the United States and the Soviets to agree to a long-term nuclear arms test ban or to significant nuclear weapons reduction. However, the recent statement by Chairman Gorbachev on verification means that the New World has a new possibility. It would ill behoove the United States to turn away from it without a thorough and honest search. A new leader in Moscow has declared a new policy on an old problem. It deserves a new response from Washington.

* * *

● (1405)

ENVIRONMENTAL AFFAIRS

HALIFAX HARBOUR POLLUTION

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, the municipalities of Halifax, Dartmouth, Bedford, and Halifax County are concerned about the gross sewage problems affecting the Halifax Harbour and are desirous of cleaning it up. The response of the federal Minister of the Environment (Mr. McMillan) has been to abdicate any responsibility for this serious situation, and Nova Scotia's two federal cabinet Ministers have been conspicuous by their silence.

The federal Government ought to provide new moneys to assist immediately the cities and communities of Halifax and Sydney and other communities which have serious raw sewage problems. Instead of mouthing harsh criticisms against municipal leaders as the Minister of the Environment did in Halifax, he ought to take charge and introduce a national program to address these problems. Platitudes and statements of good intention are not helpful at all. The time for action to clean up this most serious environmental problem is now.

S.O. 21

AGRICULTURE

FUTURE OF SOVIET MARKET FOR CANADIAN WHEAT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, during the past several weeks I have had occasion to visit a number of western farm communities in the company of the Leader of my Party. During that time we have ascertained the deep fear and anxiety felt by many farmers about the loss of markets and the low prices that are now being paid for the major agricultural exports of wheat and barley.

Recent reports from the United States point out that that country is intending to apply export subsidies under its Farm Bill on exports to Canada's best customer, the Soviet Union. If that takes place, the entire underpinning of the western grain economy will be wiped away. I call upon the Government to forget its down-on-the-knees attitude toward President Reagan and to make a strong and effective representation that an export subsidy cannot and should not be applied on exports to the Soviet Union, something which would take away Canada's best grain customer.

* * *

EXTERNAL AFFAIRS

MIDDLE EAST—ISRAEL-MOROCCAN PEACE INITIATIVE

Mr. John Oostrom (Willowdale): Mr. Speaker, two days ago the Prime Minister of Israel paid a dramatic visit to Morocco in a bid to rekindle the dormant embers of peace in the Middle East. King Hasan, a leading Arab moderate who advocates harmony between the Moslem and Jewish communities, has taken an enormous risk in light of the reaction from several Arab states. Canada should use its goodwill acquired through its internationally recognized negotiating skills, contacts, and reputation for fairness, to make sure that this initiative does not die.

As parliamentarians it is our duty to use our influence in helping the Middle East become an area of stability, something which is crucial for world peace. The President of Israel and the King of Morocco need the support of all of us if they are to succeed in their mission of peace.

* * *

CANADA POST CORPORATION

LACK OF HOME DELIVERY SERVICE IN NEW SUBURBS

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, do you get mail? Of course you do. We all do. At least we all should. My constituents in Emerald Woods, Chapel Hill, Greenboro and other newer neighbourhoods do not get mail—at least they do not get mail at their homes.

Why is it that new developments plan for water, electricity, telephones, roads, sewers, bus services, cable t.v., police and fire service, garbage collection, schools, stores and recreational areas, but no one seems to plan properly for mail service? Do we blame the unions? No. Do we blame the Government? No. Do we blame the management? No. Do we blame the developers? No. We blame them all for letting what I believe is an essential service evolve into an unfair, unequal, ineffective, expensive operation in the last 10 years.

I look forward to meeting the new President and Chief Executive Officer of the Canada Post Corporation some day, wherever he is, and I call upon the Government today to take action to deliver mail to all Canadians.

* * *

INDIAN AFFAIRS

SITUATION OF INDIAN BANDS IN NORTHWESTERN ONTARIO

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, in northwestern Ontario there exists today a situation which typifies the long and too often frustrating history of the native people of Canada. Six native Bands recently recognized in northwestern Ontario have waited patiently for over a year for the Department of Indian Affairs to assist with community development. In remote, isolated communities far in the bush, they are forced to wait for the bureaucracy and now for a brand new Minister to come up with desperately needed funding so people can live in houses and children can go to school.

Close to Hudson Bay, winter is not too far off. When 200 people are living in tents, even black flies are more welcome than the snow. I call upon the Government to release immediately emergency housing funds to these Bands of the Nishnawbi Aski nation in order that they might face next winter with the dignity and warmth that we in this House and across the country are fortunate enough to be able to take for granted.

* * *

LABOUR CONDITIONS

LONG-TERM UNEMPLOYMENT

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, yesterday Statistics Canada issued a special report indicating that there has been a very considerable increase in the incidence of long-term unemployment. In 1982 during the recession, 4.8 per cent of the unemployed were out of work for more than one year. In 1985, 9.3 per cent of the unemployed were out of work for more than one year. In 1985 this rate was almost double what it was in 1982.

Over the past year I have brought this trend to the attention of the Government on several occasions and have asked the Government to address this problem specifically, always without response. There is now a new Minister of Employment and Immigration (Mr. Bouchard). If this shuffle of faces is not merely public relations, then we should expect the new Minister to address this problem quickly and to announce new policies designed to assist the long-term unemployed. Let us have action and not shell-game politics.

* * *

PUBLIC SERVICE

PENSION INDEXATION—PROPOSED LEGISLATION

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, the President of the Treasury Board (Mr. de Cotret) recently announced that in the autumn he would be introducing legislation that would continue the indexation of pensions of those public servants, members of the Armed Forces and RCMP who are already retired, together with a new approach to the pension programs for public servants.

• (1410)

I endorse this approach. I encouraged the Minister over many months to seek this type of resolution, partly because it was something we promised during the election campaign but, more important, because it was the fair, decent, and correct thing to do. These former public servants had entered into an agreement with their employer and had paid for the indexation of their pension plans.

This decision and the reforms being proposed for the Canada Pension Plan are part of the agenda of a sensitive, caring Government. They form part of a program to allow seniors, who have given so much to Canada, to live with confidence and comfort.

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CANADIAN TRANSPORT COMMISSION

CABOOSELESS TRAINS—CALL FOR HEARINGS IN SASKATCHEWAN

Mr. Les Benjamin (Regina West): Mr. Speaker, as the Government has shown on two previous occasions, it is not interested in hearing from the people of Canada on various issues. Only three hearings under Freedom to Move or railway pensions were held in three locations. Now, with the issue of cabooseless trains, it has left out three provinces. There will be no hearings at all in the Province of Saskatchewan, where there are thousands of miles of track with no signal systems, so that communities and employees can make their views known. There will be no opportunity for those communities to present their case.

We call upon the Minister of Transport (Mr. Crosbie) to ensure that the Canadian Transport Commission holds hearings in Regina, Saskatoon, Moose Jaw, or Melville. Any two of those four will do.

* * *

NATIONAL DEFENCE

NEED FOR PUBLIC DISCUSSION OF ISSUES

Mr. William C. Winegard (Guelph): Mr. Speaker, I note with some interest that the Department of National Defence has now decided to proceed with the first phase of the purchase of more conventional submarines.

This raises the issue once again of whether or not we will have a Green Paper, a White Paper, or any paper which will precipitate public discussion of important defence issues. It is time to take defence policy out of the closet.

* * *

SEARCH AND RESCUE

LOST CHILD'S DEATH IN FOREST—CALL FOR FULL INQUIRY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, summertime usually means a happy vacation, but for a Hamilton East couple tragedy struck this summer when their young son, Andrew Warburton, became lost in the forest of Nova Scotia and subsequently died of exposure. As the Member of Parliament I was called upon to encourage the Canadian Armed Forces to assist in the search for Andrew. The family displayed uncommon courage in a time of great difficulty.

On their behalf I should like to recognize publicly the work done by the Emergency Measures Organization and thousands of volunteers. I should also like to thank the Chief Medical Examiner of Nova Scotia who decided to recommend a magisterial inquiry.

The family wants the inquiry, not to point fingers or to assess blame, but to ensure that a similar tragedy might be avoided in the future. Andy Warburton was a popular and well liked boy. His family and friends have rallied around his parents in this difficult time. It is the sincere wish of the family that a full inquiry will ensure that Andy's death provides us with lessons for the future.

* * *

CANADA PENSION PLAN

EFFECTS OF AMENDMENTS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, many Canadians are unaware of the major changes in the CPP

which were introduced in Bill C-116 last month. Flexible retirement was introduced. Canadians can now begin drawing the CPP any time between the ages of 60 years and 70 years, instead of 65 years, with appropriate adjustments to the amount of the pension.

Disability benefits have been substantially increased for 140,000 disabled Canadians, and an additional 5,000 people will qualify. CPP survivor benefits will now continue after remarriage. Benefits will be restored to those who lost them. Benefits for children of a deceased or disabled contributor have been doubled in cases where both contributing parents die or are disabled.

These are just a few of the sensitive, caring, and far-reaching improvements which the Government has made for senior citizens. They have contributed much to this great country and are deserving of these increased benefits.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SPEAKER OF THE PUNJAB ASSEMBLY

Mr. Deputy Speaker: May I draw the attention of the House to the presence in our gallery today of Mr. Mian Manzoor Ahmed Wattoo, Speaker of the Punjab Assembly of the Islamic Republic of Pakistan.

Some Hon. Members: Hear, hear!

• (1415)

ORAL QUESTION PERIOD

[*English*]

SPORTS

THE COMMONWEALTH GAMES—MINISTER'S REPORTED STATEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I think I express the feeling of all Members of the House by saying that we are all pulling for the Member for Nickel Belt, who is ill.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): My question, in the absence of the Prime Minister and of the Secretary of State for External Affairs, is for the Deputy Prime Minister whom I congratulate once again on his assumption of high office. It is great to have friends, I want to tell him, in high places.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): I think all fair-minded Canadians may share an honest difference on whether or not

Canada should be participating in the Commonwealth Games in Edinburgh. All fair-minded Canadians, I believe, will condemn absolutely the completely irresponsible statement of the Minister of State for Fitness and Amateur Sport who last night, speaking presumably on behalf of the Government, in Edinburgh said that "We should punish financially those who would use the Commonwealth Games as a forum of protest."

Will the Deputy Prime Minister explain why the Government favours punishing Antigua, Barbados, Jamaica, St. Lucia, and India for not participating in the Games? How does that kind of stupid policy help keep the Commonwealth together?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, first, I am not sure whether I would want to comment on a so-called quote which the Right Hon. Leader of the Opposition has read into the record. There are times when such quotations are taken out of context or prove to be erroneous. Suffice it to say that if there are any penalties, or if any action or punishment will be taken, it will be taken by the Commonwealth Games Federation. I think it is in the best position to make that judgment.

[*Translation*]

MINISTER'S STATEMENTS—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): I would like to ask a supplementary question, Mr. Speaker.

The Minister of State (Fitness and Amateur Sport) has stated categorically, and I am quoting his words, that Canada is in favour of punishing Third World countries which protested against apartheid in what they though was a moral way. This has been reported, it is up to the Government to deny or prove it.

Can the Deputy Prime Minister explain why the Minister of State now wants to impose economic sanctions against Kenya, the Bahamas and Zimbabwe? Will the Minister of State be asked not to intervene in the external affairs of our country?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, Canada has taken a position to compete in the Commonwealth Games. I think that is a position widely endorsed by all Canadians, particularly by the athletes. As well, if there are any sanctions, any penalties, or any punishment, a decision in that regard will be left to the Commonwealth Games Federation. It is in the best position to make that judgment.

GOVERNMENT POLICY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, one final question for the Deputy Prime Minister. That is not what the Minister of Amateur Sport said. He is thinking of punishing Bangladesh where the annual income is $100 a person, or Sri Lanka where the average income is $230 a year. Will the Deputy Prime Minister contact the Prime Minister at his cottage—

Mr. Frith: During this emergency.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): —and ask him to instruct the Minister of Amateur Sport to stay on the track and stay out of foreign relations?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I can tell the right hon. gentleman that I do not have to contact the Prime Minister wherever he is. I will undertake to ascertain the facts before I shoot from the hip like the Right Hon. Leader of the Opposition just did.

Some Hon. Members: Hear, hear!

* * *

APARTHEID

SOUTH AFRICA—POSITION OF UNITED STATES PRESIDENT

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, my question is also for the Deputy Prime Minister. We know that the Prime Minister contacted Mrs. Thatcher with regard to the imposition of economic sanctions against South Africa. Can the Deputy Prime Minister tell us whether the Prime Minister contacted President Reagan and attempted to convince him to impose tough economic sanctions against South Africa, or does the silence of the Government in the wake of the President's declaration the other night suggest that Canada finds the President's position acceptable?

● (1420)

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am not sure where the Hon. Member has been for the last six months. This Government has not been silent on the issue. The position of the Prime Minister and the position of this Government has been clearly expressed. It has been expressed to Mrs. Thatcher. I can tell the Hon. Member that it has been expressed to President Reagan as well. Furthermore, the Prime Minister is at this present time wrestling with this very important issue. At the mini summit which will be held between August 3 and August 5, I am sure he will find that our Prime Minister will be taking a leading role at that conference. I hope that we have the endorsement and the backing of that Hon. Member and indeed of his Party, if they can stay together on that issue.

Some Hon. Members: Hear, hear!

GOVERNMENT POSITION

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, perhaps the Deputy Prime Minister can tell us in answer to my supplementary question whether the Government will therefore be making a public response to the

President's declaration, which we have not yet heard. Moreover, if the Government is serious about imposing economic sanctions against South Africa, why is Eldorado Nuclear, the Crown corporation controlled by the Government, continuing to do business with that country?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the position of this Government has been clearly stated by the Prime Minister, by the Secretary of State for External Affairs, and will be reiterated at the mini summit on August 3 to August 5. I hope the Hon. Member can be patient enough to see it reiterated in forceful terms and working within the context of the Commonwealth.

* * *

THE SENATE

APPOINTMENT OF NEW SENATORS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Deputy Prime Minister. I begin by saying that I speak I am sure not only for members of my caucus, but for all other Members in the House, when I say I wish him well in his new responsibilities. I say that genuinely.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Having said that, I now want to ask him to exercise the leadership for which he is well known. Today the House of Commons is meeting because of what another Minister has described as the irresponsible action taken by the Senate. Also, today at four o'clock the newest Senator, one Norm Atkins, the campaign director of the Conservative Party, is being sworn in as a new Senator.

Some Hon. Members: Hear, hear!

Mr. Broadbent: There is my answer. I want to ask the Deputy Prime Minister this. When is the Government going to put an end to the hyprocrisy of criticizing the Senate for using its powers one day and naming new Senators to that body on the same day?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: I have been asked to respond to this question because of my wide experience with the Senate. In response to the question of the Leader of the New Democratic Party, when people of competence and great ability, people who have made a great contribution to Canada, are appointed to the Senate, it should be applauded universally in this Chamber and across the country. I want to reiterate to him—

Mr. Broadbent: There was not one bit of applause there. What happened?

Mr. Hnatyshyn: There is not a question here of us being back because of any appointments of competent people. It is because of the actions of the Senate which we think in this particular case were unwarranted, irresponsible, and out of character for that institution.

Some Hon. Members: Hear, hear!

REQUEST FOR CURB OF SENATE'S POWERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, as usual the Minister is continuing to try to have it both ways. They continue to appoint people to that non-elected body which the Americans had the good sense to put an end to 200 years ago. They put people in on the one hand, and criticize them when they use their powers on the other. Since the Government has named three new Senators since it last objected to the Senate using its powers, will the Minister live up to the commitment made by his predecessor and bring a Bill before Parliament that will put an end to this undemocratic power that the Senate now has?

Some Hon. Members: Hear, hear!

• (1425)

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, as the Hon. Member knows, we have been looking at the whole question of the powers of the Senate. I believe that the question of Senate reform is one on which there is consensus across the country, that it should be considered and dealt with. I suggest that reform of the Senate is completely unrelated to the proposition put forward in the Hon. Member's question. Putting competent people in the Senate has nothing to do with the powers of the Senate, how those are exercised, and whether or not the Leader of the Opposition has control over the Senators in his Party at this particular time.

[*Translation*]

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the same Minister. Can the Minister give Canadians one reason for keeping a Senate which costs $28 million a year? Can he give one reason to keep such a Senate.

[*English*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, the fact is that the position of the New Democratic Party is known. I think our record with respect to reform of the parliamentary institutions is well understood in the country. I was very pleased to take part in changing the rules in this House which have in fact substantially enhanced the role of the private Member in the House. I

believe the Hon. Member would agree that these particular rules have been working out very well indeed.

The matter with respect to the whole question of reform in the Senate is under constant consideration by the Government and, when an announcement is made, it will be made in the usual course.

* * *

THE ADMINISTRATION

CONFLICT OF INTEREST GUIDELINES

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Deputy Prime Minister and concerns the conflict of interest guidelines which were introduced with such pride and promise by the Prime Minister. It does not concern the Stevens inquiry but whether the other Ministers in the Government are taking the guidelines seriously for themselves and their staffs. What new steps are being taken by the Government to ensure that the conflict of interest guidelines are being respected by Ministers and their staffs?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the conflict of interest guidelines are in place and are expected to be complied with not only by Ministers but by the exempt staff and those associated with the Ministers' offices.

GOVERNMENT POSITION

Hon. Bob Kaplan (York Centre): Mr. Speaker, is the Deputy Prime Minister telling us that the Government is satisfied with the way the guidelines have been enforced until now and that it is not prepared to do anything to make them more effective?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member should be aware that there is a commission of inquiry currently taking place.

Mr. Kaplan: I am asking about other Ministers.

Mr. Mazankowski: I am sure that the adequacy of the current conflict of interest guidelines will be the subject for examination and analysis. If there are any recommendations forthcoming, I am assuming that the Government will take them very seriously.

PARKER INQUIRY—WITNESS' EVIDENCE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Deputy Prime Minister. It relates to what we are learning from the inquiry, particularly the news that the special assistant to the former Minister of Regional Industrial Expansion, Ms. Walker, has admitted that she lied before the judicial inquiry, concealed documents and obstructed the work of the inquiry, as well as admitting that she was engaged in wholesale evasion—

Some Hon. Members: Order.

Mr. Cassidy: —of her responsibility not to carry out commercial activities in conflict of interest with her government position. What action is the Government taking in view of this revealed evidence of conflict of interest and grave impropriety on the part of this particular government employee? In particular, will she be fired, or will the Government give a message to all ministerial staff that they can evade conflict of interest guidelines with no discipline at all?

Mr. Deputy Speaker: I will not exclude the question or rule it out of order, but I want to warn all Members, who are aware of the *sub judice* rule, of course. I am sure they would not in any way jeopardize the future of any possible witness in any case. The Hon. Deputy Prime Minister.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member has made some very serious charges. In fairness, I believe all Hon. Members would certainly not want me to make any comment upon testimony that is currently before a commission of inquiry, certainly not before the inquiry is concluded. I might mention in passing that there are three other inquiries into conflict of interest currently taking place. They involve two Liberals, namely, Elinor Caplan and René Fontaine, and a New Democrat by the name of Wildon Parasiuk. I would not want to comment on those either.

• (1430)

REQUEST FOR DISCIPLINARY ACTION

Mr. Mike Cassidy (Ottawa Centre): Is the Deputy Prime Minister not aware Mrs. Walker acknowledged publicly in the hearing this week that she had in fact given incorrect information, that she had lied, she had misled and had taken away documents which should have been given to the inquiry? Is that not sufficiently grave impropriety to cause the Government to act now in the case of a ministerial employee? Or is the Government saying to all employees of government Ministers that they can do anything they want and will not be disciplined by this Government?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member may in an irresponsible way draw conclusions. I will choose not to do that. I will await the conclusions of the inquiry.

LABOUR CONDITIONS

LONG-TERM UNEMPLOYMENT REPORT

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I am not sure who is the new Acting Minister of Employment and Immigration so I will put my question to the Deputy Prime Minister. Yesterday Statistics Canada issued a special report indicating that long-term unemployment has increased 91.6 per cent over the last three years. Since none of the Government's present programs are adequate to deal with this problem, will the Minister, or someone on behalf of the Government, indicate today in specific terms what the Government intends to do about this very serious report?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, may I point out to the Hon. Member that the Acting Minister this day is the Minister of State for Immigration, a newly appointed Minister whom I am sure all Hon. Members would want to welcome.

Some Hon. Members: Hear, hear!

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, I will indeed take note of the Hon. Member's question. I thank him for his representation and will assure him that the Minister on his return will address himself to the question.

REQUEST FOR GOVERNMENT MEASURES

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, the answer is not adequate. This issue has been around for quite a while now. I want to ask the Acting Minister or the Deputy Prime Minister a supplementary question. With unemployment hovering around 9.6 per cent for the last four months and when only 28 per cent of Canadians say they are happy with the Government's job-creation programs, what is the Government going to do which is new to help this group of unemployed Canadians today, not next week?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the unemployment rate across the country has fallen from 11.7 per cent to 9.5 per cent. Youth unemployment has fallen from 18.4 per cent to 14.8 per cent. That is a pretty good record.

STATISTICS CANADA REPORT—REGIONAL IMBALANCE

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Deputy Prime Minister as well. Statistics Canada this morning indicated long-term unemployment is up by some 91 per cent and that we indeed have two economies in Canada, a buoyant southern Ontario and a stagnant rest of the country. What specific steps is the Government planning to correct this very serious regional economic imbalance and to create long-term jobs?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think the Hon. Member would agree that the economic performance of the Government has been excellent. Unemployment has dropped. It is below 10 per cent. For the first time in eight years we have interest rates below 10 per cent. In fact interest rates are at the lowest level in eight and a half years. Inflation is down to 3.7 per cent. I think the record is very good.

That is not to suggest that we do not have some difficulties. We know there are problems in the agriculture sector and in the energy sector in western Canada. Those particular areas are being addressed and there will be new policies forthcoming in the future.

SITUATION IN WESTERN AND ATLANTIC REGIONS

Mr. Lorne Nystrom (Yorkton—Melville): Statistics Canada said almost a year ago that long-term regional unemployment was up in western Canada by over 800 per cent, and very much up in Atlantic Canada as well. Specifically, what will the Minister do to correct this very serious regional problem? Will he now, for example, keep the CN shops in Moncton open so we can at least keep those 250 jobs?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member is very much aware of the number of initiatives we have undertaken with respect to the agricultural industry in western Canada. We scrapped the NEP. There are still some remnants left which are still irritating some people out there, but that has certainly been a positive development. There is the Atlantic Enterprise Program in the Atlantic region. All of these things clearly recognize the commitment of the Government to regional development and economic growth opportunities right across the country.

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ENERGY

PETROLEUM AND GAS REVENUE TAX—REQUEST FOR COMPLETE REMOVAL

Mr. Jack Shields (Athabasca): Mr. Speaker, my question is directed to the Minister of Finance. The Western Accord provided for the total elimination of the discriminatory Liberal Petroleum and Gas Revenue Tax by 1988. Since the signing of the Western Accord, however, world oil prices have dropped 60 per cent. The resulting downturn in the economy in western Canada from low oil prices has translated into a loss in excess of 18,000 jobs in Alberta alone in the past four months. It is obvious—

Mr. Deputy Speaker: Would the Hon. Member please put a question to the Minister?

Oral Questions

Mr. Shields: Will the Minister be announcing the total, absolute and final removal of the Petroleum and Gas Revenue Tax soon? And if not, why not?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as the Deputy Prime Minister just said, we are very concerned about the implications of lower international energy prices in western Canada. This was the subject of the first trip by the new Minister of Energy, Mines and Resources. He has had a number of discussions with other representatives of the industry. As soon as he has had a chance to canvass these views in full, we will be making some decisions known.

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INDIAN AFFAIRS

DEPARTMENT'S FUTURE—GOVERNMENT POLICY

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is directed to the Deputy Prime Minister. In a CBC radio interview aired this morning, the new Minister of Indian Affairs and Northern Development said he has no plans and no intentions of working toward the winding down of the Department of Indian Affairs and Northern Development. Why has the Government decided to abandon the policy of implementing Indian self government?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, in view of his question I think the Hon. Member should not draw some of the conclusions he has. He is well aware that the Minister of Indian Affairs and Northern Development, now in his job for some weeks, has to be given the time to examine the Department. I think all of us recognize that.

Mr. Turner (Vancouver Quadra): Then he shouldn't talk.

Mr. Epp (Provencher): The objectives of the Government with respect to Indian Affairs have not been changed.

CONSULTATIONS WITH INDIAN LEADERS

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my supplementary question is again directed to the Deputy Prime Minister, if I may. In that same CBC radio interview, the new Minister of Indian Affairs and Northern Development said he does not plan to do much travelling across Canada in connection with the responsibilities of his portfolio. Why has the Prime Minister permitted the new Minister to abandon a long-standing practice of actively consulting with Indian leaders? Does the Deputy Prime Minister really believe it is enough for the Minister to stay in Ottawa and consult with himself?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am really surprised that the Hon. Member, for whom I have a lot of respect, would make such a suggestion. I happen to have heard that clip from the program this morning. What I heard the Minister say was that he did not plan to travel quite as much as the previous Minister.

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CANADIAN WHEAT BOARD

REQUEST FOR EXTENSION OF CROP YEAR

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is directed to the Minister for the Canadian Wheat Board. The current crop year expires on July 31 and many farmers cannot fill their quota of grain deliveries because country elevators are congested. Will the Minister extend the crop year so farmers can sell this year's crop at this year's prices and not have to accept an up to 30 per cent reduction by being forced to accept next year's prices?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member raises a very serious concern of many farmers in the prairie region. In the northern area of the prairies, especially, the harvest was difficult last fall and the resulting grade of grain is not of the top quality usually produced in Canada. I have raised this issue with the Board and have had conversations with the Hon. Member, as I have had with other Hon. Members on this side. The Hon. Member should know that the Board is doing everything possible to take delivery of the outstanding quotas which will be there at the end of the crop year, and hopefully by the end of the crop year everyone will have had a chance to deliver on the quotas which are presently in effect.

DELIVERY SYSTEM—EFFECT ON FARMERS

Mr. Stan J. Hovdebo (Prince Albert): Does the Minister not think it is unfair for anyone who does not have an opportunity to deliver his full quota to receive a lower price, when his neighbour 10 or 15 miles away can get the full price, just because the system has broken down and he has not been able to deliver his crop?

• (1440)

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member did not hear my answer to his question. The Canadian Wheat Board has been able to take delivery of three million additional tonnes this year, which number was not in the system last year. That is about a 15 per cent increase. The information I have is that we will have the lowest on-farm carry-over ever, something in the order of one million tonnes or less. The Wheat Board has given the assurance that it will do everything it can to take delivery of the quotas which are in effect for the end of the crop year.

If the Hon. Member has some concerns in some specific areas I would be more than happy to take them up in order to do what we can to ensure that the situation to which the Hon.

Member refers does not occur. I have already had conversations with the Hon. Member for Athabasca and the Hon. Member for Peace River.

DOMESTIC PRICE OF WHEAT

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, my question is also directed to the Minister of State for the Canadian Wheat Board. Since 80 per cent of Canadian wheat is exported, and an increase in the domestic price will offer only inadequate help to farmers, what alternatives to increasing the price of domestic wheat, and as a result the price of bread and pasta, will the Government consider as it endeavours to help wheat farmers?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Government is considering many options. The Hon. Member will know that we have acted already on several. The Minister of Finance removed the tax on farm fuel, and we thank him for that. We have moved to limit transportation cost increases.

I am aware of the concerns that the Hon. Member has concerning jobs in his own area. He should know that what we are endeavouring to do is to be fair to everyone concerned. In this regard I refer to the consumer as well as to the industry in which there are jobs at stake. Above all, I refer to the producers who are being hurt by what I think is unfair competition from outside our borders and over which we have no control. I understand the situation in the Hon. Member's riding. We are cognizant of his concerns.

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PENITENTIARIES

ESCAPE OF FIVE INMATES FROM LAVAL PENITENTIARY

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is for the Solicitor General. First, I would like to congratulate him on his appointment and offer the constructive co-operation of the Opposition—

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Nunziata: —to remedy some of the serious problems facing his Ministry.

It is a strange coincidence and a strange irony indeed that we are here today to deal with the issue of keeping inmates in jail when five dangerous inmates were allowed to escape from Laval Penitentiary due to gross negligence. Is the Solicitor General in a position today to explain to the people of Canada how it was possible for these five dangerous inmates to literally go under the wall at Laval?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I thank the Hon. Member for his good wishes. I certainly look forward to his co-operation with respect to the operation of my Ministry. There is an old saying, but I will not use it.

Some Hon. Members: Oh, oh!

Mr. Kelleher: Needless to say I am aware of the escape which occurred at Laval. An internal investigation is presently being conducted. When I receive the report I will decide on what further action, if any, should be taken.

REQUEST FOR INDEPENDENT INQUIRY

Mr. John Nunziata (York South—Weston): Mr. Speaker, it is quite obvious that an internal investigation is not enough. What is necessary is an external, independent and thorough investigation into the escape in order to assure Canadians of the security of our institutions. Will the Solicitor General immediately call for an independent inquiry into the escape in order to assure Canadians of the security of all federal penitentiaries?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I want to assure the Hon. Member, all Members of the House and, indeed, all Canadians that I am concerned about the security of our institutions. Starting next week I will be undertaking a tour of the various penitentiaries and federal institutions. The first one I will visit is Laval, where I will be on Tuesday.

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PHARMACEUTICAL INDUSTRY

PRICE OF PRESCRIPTION DRUGS

Mr. Neil Young (Beaches): Mr. Speaker, my question is for the Minister of National Health and Welfare. As the Minister knows, Canadians want to know how much more they can expect to pay for prescription drugs once the Government brings forward its proposal to amend the Patent Act with respect to generic drugs. Will the Minister instruct his departmental officials to release immediately all studies and information which they have with respect to projected price increases for prescription drugs once the Government brings forward this measure?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member wants the best health care system but he does not want to produce it in Canada. He wants to buy the best drugs from outside Canada.

Some Hon. Members: Oh, oh!

Mr. Epp (Provencher): The present Act has not allowed us to develop new drugs in Canada. The evidence is in in that regard. In fact the Hon. Member knows this as well as anyone else knows it. If we look back to insulin some 50 years ago we will see that that is the Canadian record in almost all cases in

terms of new drugs. Canadians can do better. The new legislation will protect the aged, those who are on welfare, and those who are disabled. There is also a price review mechanism. Those are some of the protections which are in the Bill.

My suggestion to the Hon. Member is that he should get off the narrow view which he has so often expressed. He should expand his view and say that we can have the best health care system in order that some of our young kids, our new researchers, can get into that area.

Some Hon. Members: Hear, hear!

PATENT ACT AMENDMENTS—COST IMPACT STUDIES

Mr. Neil Young (Beaches): Mr. Speaker, the Minister has said previously that he wants a rational debate on his Government's proposal. I wish to ask the Minister, who was highly critical of me for simply asking for some basic information on which we can make a rational judgment, whether or not he still agrees with the advice he gave me in committee on May 27 when he said that his Department had done studies within the Department. At that time he said that he could not give me the cost impacts but that the Government would be prepared to give us that information once the Government had moved on the changes to the Patent Act, which it clearly has. What have you got to hide, Jake?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I would be glad to do that. The reason I made the point was that the Party of the Hon. Member, without even having seen the Bill, has already made up its mind with respect to how it will react. It is against it. It is against any change. What I am saying to the Hon. Member is that, yes, when we introduce the legislation he will obviously receive the information for which he asked in committee. I will be glad to give it to him at that time. Perhaps today we will see a change in attitude and he would like to see the Bill.

* * *

[*Translation*]

FINANCE

PERSONAL AND CORPORATE TAXES—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Minister of Finance. In his May 1985 Budget and in this year's February Budget, the Minister provided for a very considerable increase in personal income tax. On the other hand, in his 1986 Budget he announced a reduction in corporate taxes.

Mr. Speaker, last week, the Minister gave a press conference which was a complete contradiction of his firt two Budgets. I would therefore like to ask the Minister whether he is aware of this contradiction and why he is now changing the course he announced in the House in his last two Budgets.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there is no contradiction whatsoever. We embarked on tax reform in our very first weeks in office. In October of 1984 we commenced the removal of some of the loopholes in the tax system, some of the abuses. I refer to the scientific research tax credit, limited partnerships, and other matters for which I am sure the Hon. Member applauds the Government. Since then we have introduced the minimum tax and phase one of the corporation tax which reduces not just the tax rates, as the Hon. Member points out, but also some of the exemptions that corporations have had. This ends up in the corporations paying somewhat more tax. We are continuing this process. That was the substance of my announcement last week. We will continue the process in the directions that I laid out in my announcement of last week.

[*Translation*]

INQUIRY WHETHER GOVERNMENT WANTS TO WITHDRAW PROPOSALS TO INCREASE PERSONAL INCOME TAX AND REDUCE CORPORATE TAXES

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I have the following supplementary for the Minister of Finance. If he is serious about what he just said and what he said last week, does he intend to withdraw the proposals for increases in personal income tax announced in his last Budget and withdraw as well the reduction in corporate taxes, in line with what he said at last week's press conference?

• (1450)

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member should recall that it was not an increase in tax rates but a temporary surtax put on to get us over a hurdle in the battle we are waging against the deficit problem that was left to us to deal with in September, 1984, by the Party the Hon. Member represents. We are continuing to fight that battle but we think we can do it in a more effective way by rationalizing the tax system and dealing with it in the way I set out last Friday.

* * *

APARTHEID

SOUTH AFRICA—REQUEST FOR BAN ON INVESTMENT

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is addressed to the Deputy Prime Minister. Over the last few weeks we have seen the insensitive intransigence of Maggie Thatcher, and now the President of the United States has announced a policy that can be regarded as not only morally bankrupt but exploitative of apartheid for the profit of American business. The Deputy Prime Minister has said that the Government has expressed its concern. I would hope that it has expressed its revulsion.

Is it not about time, as a counterpoint to what is going on in Great Britain and the United States, for the Government to express leadership to the Commonwealth by announcing now the imposition of a complete ban on investment in South Africa and an embargo on the importation of South African agricultural products?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the most appropriate time and place for the Government to show further leadership on this issue are at the Commonwealth mini-summit conference which is to take place in the next few days.

ECONOMIC SANCTIONS—REQUEST FOR AID FOR NEIGHBOURING STATES

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I do not think that the Deputy Prime Minister is aware of what has been going on. The Commonwealth is falling apart around our ears.

The Prime Minister has indicated that if apartheid is not dealt with effectively by South Africa, a complete termination of all economic relations with South Africa will be imposed and a committee of the House of Commons has supported the Prime Minister in that—

Mr. Deputy Speaker: May I ask the Hon. Member to put a question, please?

Mr. McCurdy: Mr. Speaker, has the Government prepared a plan, either alone or in concert with other nations, to provide economic assistance to the frontline states which will be retaliated against by South Africa in the event of the imposition of those sanctions the Prime Minister has promised he would impose?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am not sure if the Hon. Member is advocating the dismantlement of the Commonwealth. We take the very strong position that the Commonwealth is a very important institution and we will do everything we can to see that it flourishes and continues. It is within that context that the Prime Minister will be making his presentation and furthering the commitment of the Government, which has been so clearly expressed by the Prime Minister and the Secretary of State for External Affairs, to pursue the kind of policies necessary to end apartheid in South Africa.

FINANCE

TAX REFORM PROPOSALS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is for the Minister of Finance. I am sure all Canadians applaud him for his accelerated approach on tax reform and simplification. Has the Minister set a goal whereby, once all the changes are made, the system will be revenue neutral so that the changes will not be seen as being a tax grab?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the tax reform proposals I announced on Friday are designed to shift the burden of taxation. They are not designed to raise revenues in any way. We are trying to examine the balance between corporate income tax, personal income tax, and sales tax. In examining the balance between the various elements of the tax system, we want to ensure that there is a sufficient degree of incentive to encourage economic growth and job creation and to do it in a way that will keep the tax system competitive in view of the changes that are being considered in the United States.

* * *

IMMIGRATION

INTRODUCTION OF VISAS FOR PORTUGUESE VISITORS

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of State for Immigration whom I congratulate on his new responsibilities. When his predecessor announced the new refugee policy back in May, the Government reversed itself on an earlier decision to apply visa restrictions to Portugal on the grounds that that was the incorrect mechanism to address refugee related matters. Why did the Minister suddenly slap visa restrictions on Portugal in the middle of the summer? Why did he not choose to prosecute the small number of immigration consultants and lawyers who are responsible for the majority of bogus claims and who are very well known to the Minister and his Department?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, the visa was imposed in order to protect the credibility and integrity of the entire Canadian refugee and immigration policy. We did it regretfully. I have announced that it is a temporary measure. When my officials and myself determine that the situation has been normalized, we can deem that the visa restrictions be lifted.

REQUEST FOR REVOCATION

Mr. Sergio Marchi (York West): Mr. Speaker, by imposing a visa restriction he is punishing the innocent and is allowing the guilty to get away. Since visas punish the more than 10,000 visitors from Portgual who come to Canada every year and unfairly and needlessly tarnish the reputations of the proud and hard-working Portuguese-Canadians, will the Minister not instead revoke the visa measures and concentrate fully on

eliminating the flourishing white-collar crime committed by unscrupulous lawyers and consultants operating out of Toronto and Montreal?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, the visa is a mechanism to provide access to those who should be legitimately seeking our shores. I sympathize, and I have said very clearly that it is my intention to go after, in a very heavy way, those consultants who have been causing innocent Portuguese citizens to make misleading statements. There is an RCMP investigation going on and it is not appropriate for me to comment on that investigation. I do not want to prejudice the investigation or the legitimate rights of all claimants to a fair and just hearing.

* * *

TARIFFS

BOOK AND MUSIC TARIFF

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is directed to the Minister of Finance and concerns a new wrinkle in the Government's book tariffs which will now include a tariff on music at an even higher rate by making the base price the sales price even in the case of rented music. Will the Minister not agree to respond to Canadian music lovers and readers who have protested by the thousands this very misguided policy, and agree to revoke the tariff on both books and music?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would remind the Hon. Member of the reasons we regretfully took that action. It was not an action taken against the book industry but it was an action taken to exercise our rights and demonstrate our concerns over the direction U.S. government policy was taking. I have met, as has had the Minister of Communications, with representatives of the book publishing industry. We have asked the industry for information. Once we receive that information, we will be able to chart our course from there.

MINISTER'S POSITION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, will the Minister respond to legal opinions put forward indicating that the tariff on English-language books is discriminatory, that it violates provisions in the Charter designed to provide equal protection for both official languages, that it discriminates against English readers, and that it violates the provisions for freedom of expression, thought and exchange, by impeding the free flow of ideas? Will the Minister not agree that the Charter should be respected and that that tariff which is in violation of it should be withdrawn?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am sure the Hon. Member would know that one can get an opinion from a lawyer on both sides of that particular issue.

Mr. Broadbent: Of any issue.

Mr. Wilson (Etobicoke Centre): The Leader of the New Democratic Party, a noted legal scholar, is probably right. One can get an opinion from a lawyer on both sides of any issue. Given the circumstances, that is particularly so with this issue. We are reviewing the matter but, as I indicated, we have asked the industry for information and until that information is available it is difficult for us to proceed.

* * *

POINT OF ORDER

MINISTER'S REPLY DURING QUESTION PERIOD

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I rise on a point of order. During Question Period I noted that the Minister responsible for the Canadian Wheat Board (Mr. Mayer) may have inadvertently misled the House when he told us that the Government had removed the fuel tax on farm fuel. I think it would have been more correct to use the word "reduced" rather than the word "removed". Accordingly, I ask that the record be corrected.

• (1500)

Mr. Deputy Speaker: The Chair must rule that that is not a point of order.

GOVERNMENT ORDERS

[*English*]

PAROLE ACT AND PENITENTIARY ACT

MEASURE TO AMEND—SENATE AMENDMENT

The House resumed consideration of an amendment made by the Senate to Bill C-67, an Act to amend the Parole Act and the Penitentiary Act; and the motion (Mr. Kelleher) (p. 15013).

Mr. Deputy Speaker: When the House rose at one o'clock, five minutes were remaining in the question and comment period following the speech of the Hon. Member for York South—Weston (Mr. Nunziata). Therefore, I recognize the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) on a question or comment.

Mr. Boudria: Mr. Speaker, I should like to preface my question to the Hon. Member for York South—Weston (Mr. Nunziata) by congratulating him on his fine remarks on the Bill earlier today. I am sure all Hon. Members of the House would agree that as usual they were very thoughtful and thought provoking remarks.

Is the Hon. Member of the opinion that the Government is misguided in its approach? Does he think, as I do, that it is actually using this issue as a ploy to divert attention from the

other embarrassing situations with which it happens to be faced at the present time? Does he think that it used the guise of this Bill to reconvene the House for this very short session and in that way is attempting to divert the focus of public opinion from very serious problems at the present time?

The Acting Speaker (Mr. Paproski): Order, please. I know all Hon. Members are very happy to see each other back in the Chamber. It is nice to hear that camaraderie in the House. However, I would appreciate it if they would take their conversations behind the curtains so that we can hear the Hon. Member for York South—Weston (Mr. Nunziata).

Mr. Nunziata: Mr. Speaker, I should like to begin by thanking my good friend and colleague, the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria), for his very generous comments.

It is obvious why we are here today, for only the twelfth time in Canadian parliamentary history that the House of Commons has been recalled. We are here because of the reckless negligence of the former Solicitor General, the reckless negligence of the Prime Minister (Mr. Mulroney), as well as the reckless rhetoric of the former Solicitor General. It is pure and simple politics. That is the reason we are back here dealing with this legislation.

We agree that the legislation is important. We agreed a year ago with the former Solicitor General that the legislation was important. Notwithstanding the fact that the legislation was of crucial interest to Canadians, as the Government has indicated, the Conservative Government of Canada had this legislation hanging around for a year before it called it back to the House for third reading. It is not the responsibility of the Senate to call the Bill back for third reading. It is not the responsibility of the Opposition. It is the responsibility of the Government, which failed miserably in its obligation and responsibility to call back this Bill at an early stage. If anyone is responsible for the year of living dangerously, it is the former Solicitor General.

Mr. Shields: Mr. Speaker, the Hon. Member took great pains in his earlier remarks before lunch to explain that mandatory supervision really did not matter, that we were better off bringing them out in society where they could be watched, where they could be counselled, and where they could be under supervision, and that they would be let out in two years anyway. What would that Hon. Member say to the family of the 19 year old girl who was mutilated, raped, and strangled to death by someone who was released on mandatory supervision? How would he respond to that?

Mr. Nunziata: Mr. Speaker, that is one of the more irresponsible questions which has been asked in the House. It is indicative of the attitude of the Government.

It was the former Solicitor General, the current Minister of National Defence (Mr. Beatty), who needlessly alarmed Canadians by indicating that there were 54 time bombs which were waiting to be released into society. He knew darn well that mandatory supervision had been with us for the last 16 years, and that over the course of the last two years since his Government came to office some 3,000 inmates in federal institutions had been released on mandatory supervision.

If the Conservative Government of Canada had been true to its word—and many Canadians would question that—it would have taken action two years ago rather than recalling Parliament. It is quite obvious that the Government of Canada and specifically the former Solicitor General have mastered the art of hypocrisy.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I should like to join in the debate this afternoon to add my thoughts to the events which returned us to Ottawa on this very hot day. I have been taken away from my constituents and Lake Superior with its cool breezes and returned to Ottawa and its warm weather.

We are here because of two principles. The first principle is that it is up to the House and its Members, as newly elected representatives of Canadians, to decide what shall be the laws of the land. In this case we are here as an opposition Party reviewing government legislation to determine whether it is the most appropriate mechanism for the aims of the Bill. Ironically, I am not happy about the second principle, the one which allows the Senate, that unelected group in the other Chamber whose ranks will be swelled by one this afternoon, to make changes. I do not agree with the principle that the Senate should be making changes to a Bill. However, the amendment it proposed and sent back to us for consideration makes a lot of sense.

Our society believes in the right of appeal and in justice prevailing. We do not arbitrarily pick someone up off the street and throw him or her in jail. If we have duly tried and convicted individuals of certain crimes and have incarcerated them in one of our penitentiaries, they should have the same rights in terms of early release as they would have in the process of being found guilty. Even within our court system we have a series of appeals. The Supreme Court of Ontario can be overruled by the Supreme Court of Canada. We allow for benefit of the doubt. We allow an appeal for people who feel they have been wronged by the judiciary. In civil law we provide the right of appeal. We in the House have passed many pieces of legislation which give the right of appeal to Cabinet of decisions by Minister, of decisions by tribunals. This amendment by the other place would provide opportunity for those persons whose early release had been rejected by the National Parole Board. If they have just cause, if they have actually lived up to the rules of good behaviour, and if they have indicated quite clearly that they have learned from their experience behind bars, they can go to the next phase.

• (1510)

The next phase is the transition. If you are placed in confinement for a number of months or years you are no longer in touch with the real world. You are in a very artificial situation where you are told when to eat, when to sleep and

when to watch television. To go from that environment into the real world where no one tells you what to do is a big change. All you have are vague laws that you are supposed to know and obey.

When you have such a cut and dried situation with no supervision, no parole and no assistance, people tend to run afoul of the law again or, in some cases, seek to go back inside because of the security it provides. We have seen that situation in northwestern Ontario where we have our "winterees" who come back each and every winter because of their economic situation.

The questions raised in this Bill are very important. Should a decision be up to the Parole Board. Should there be some other level of appeal? When someone is hoping to be released early under mandatory supervision they should have the right to be represented by counsel. This should not be a token representation with counsel sitting at the back of the room, making a statement at the end of the hearing. Counsel should participate fully. Whatever evidence is placed by officials from the penitentiary to justify why this individual should not be released should be verified. We should have a decision based on the feeling of the prison officials, because of attitude or what have you. We must ensure that the individual's rights are protected. Every person has the right to be made aware of the full case against him or her. Clearly nothing is more fundamental in our society than the right to defend yourself against allegations. One must have the right to cross examine those who accuse. Ask any Canadian whether he or she thinks that these rights are rights all Canadians should have. The answer would be yes.

If we as a society are going to change the rules and increase the amount of time an individual will spend incarcerated, and we do it at a point through the process other than at the time when the judge hands down the decision, based on the findings of a jury or his or her own findings, finding an individual guilty of the crimes charged, perhaps somewhere later in the process, two thirds into the sentence, we must still provide those protections, Mr. Speaker. If we are to judge ourselves a just society, we must treat those who we incarcerate in the same way we treat all citizens.

What about the question of who has the ability to judge what might happen? It is like the argument put to someone in a traffic accident, that if they had gone a little slower they would not have been at the intersection at the time, being told they were at fault even though the facts show that the other person was clearly at fault. The law rejects the what-if argument. Why should we play the what-if game with those who have been found guilty and sentenced both to a prison term and to a period of mandatory supervision?

As my colleague, the Hon. Member for Broadview—Greenwood (Ms. McDonald) pointed out this morning, when judges pass sentence they take into consideration the amount of time they feel is appropriate for the incarceration and also the amount of time that is appropriate for the mandatory supervision for easing back into society. That easing back is very important. We have heard time and time again over the years about how most of the people get their training in the joint. They have committed a crime, perhaps a consequential crime or one that is not so consequential, they are sent away and they get a graduate degree in our institutions, only to go back on the street and apply their trade.

If we are to provide for meaningful rehabilitation of those individuals, and I believe that the facts will bear out my suggestion that the majority are rehabilitated, that we do not see the kind of repeat offenders at the federal penal institutions we see at some of some of the small provincial ones, and if we are to ease them back into society, we must have that period of mandatory supervision where they have someone to report to, somebody who keeps an eye on them and where there are some rules over and above those that are assigned to the rest of us in society whereby infractions can put them back very quickly behind bars. We have to look at this very seriously, Mr. Speaker. We are supporting this amendment because of the possibilities of error. It is possible that the Parole Board may not make the best decision either for the benefit of the individual concerned or for society. We have to allow recourse to the courts.

When people ask me how I feel about coming back today I say it is like a truck from GM that has been recalled. You are not happy about it but it is something that has to be done. It takes time but it is our responsibility as the Parliament of Canada to make these kinds of decisions. It is not for the other House.

Let us look at the timetable. The Bill was tabled a year ago. It went to committee. The committee reported in January. When did we see the Bill? Did we see it in February, March, April or May? No. We saw it in the dying moments of this House when it was sent back to us. We have seen changes in the Cabinet. With the appointment of a new House Leader we have seen an indication that the Prime Minister (Mr. Mulroney) was not satisfied with the manner in which business proceeded, and he has placed his trust in the new House Leader. I offer him my best wishes because I know he will put the same vigour to this task as he did to the Ministry of Transport.

There is no reason we should be back here. If these 54, 51 or 36 time bombs are a danger now, why were they not a danger in February or last fall? This is clearly an indication that the Government did not have its act together and at the last minute tried to put together a Bill in the way the Government would like it.

In the final moment or two of my allotted time I would like to reiterate the need to accept this amendment to ensure that all Canadians have the right of appeal, that those who have been incarcerated for a proven violation of a law have the right to appeal the decision not to let them out early. They should have the right to be represented by counsel, the right to be made aware of the case against them so they can rebut and challenge.

• (1520)

I thank you, Mr. Speaker, for your indulgence. I look forward to the remainder of the debate and the vote later this afternoon so that we can get back where we belong, namely, in our constituencies. Thank you very much.

The Acting Speaker (Mr. Paproski): Questions or comments? The Hon. Member for Papineau (Mr. Ouellet).

[*Translation*]

Mr. Ouellet: Mr. Speaker, very briefly, I would like to congratulate the previous speaker whose comments were more or less what mine would have been if I had spoken to this motion today.

I think he was right to analyze the situation the way he did, and I think his speech will be helpful to Canadians who are watching us on television and who wonder why Parliament was recalled today in such a hurry, to adopt a Bill that has been before Parliament for a number of months.

I wonder whether the Hon. Member would agree that the Government's decision to recall Parliament is unfounded or at least ill-founded, as well as costly and unnecessary.

I say ill-founded because I think we should not take the exceptional course of recalling Parliament unless there are issues that are particularly urgent or unless there is an overriding need to do so. I believe that the precedent created today by the Prime Minister (Mr. Mulroney) and by the Solicitor General (Mr. Kelleher) is an ill-considered precedent. In my opinion, the reason given by the Conservatives for resorting to this exceptional measure does not justify a massive recall of Members to Parliament, the cost that entails and the incovenience to House of Commons employees and the entire parliamentary apparatus.

I feel that we are here today because of a mistake on the part of the Government. And I think this measure is unnecessary in any case, because, although the Prime Minister would have us believe that without this legislation, dangerous criminals might be released, what he is not saying is that every month, inmates who have served their sentence are being released from prison and returned to the community.

I think it is rather strange that all of a sudden, after nearly two years, after more than 20 months in power, this Government is getting worried about inmates who are released at the end of their sentence. I therefore wish to ask the Hon. Member who just spoke whether he could explain why it is the Government was unable to have the legislation adopted earlier in the year, if it was really so anxious to keep all inmates deemed to be dangerous inside our penitentiaries. In fact, in that case, this Bill should have been one of the first measures adopted by Parliament, and so I wonder why the Government waited until the last day of the session to have this Bill adopted by the House?

[*English*]

Mr. Angus: Mr. Speaker, I would like to respond to the Hon. Member for Papineau (Mr. Ouellet). I appreciate his comment. I think it is interesting to note that this is the twelfth time since Confederation that this House has been recalled on an emergency. We have been recalled for matters such as the declaration of war against Germany, the Suez crisis, the Great Depression, sometimes to legislate men and women back to work, the Constitution of Canada. When I read that list and compare it to the reason we are here today, in order to right the incompetence of the Government in planning the business of this House, it is clear, and I think all Members of this House and those who are watching will agree, that this does not compare.

The Government has had over a year since the introduction of the Bill. It has had at least five months since it cleared committee, which is two points back from the final process. While I cannot give the Hon. Member any specifics, I know that we twiddled our thumbs in this House over the winter months. We talked and talked on legislation that was nowhere in the same vein as this Bill. That the affairs of this country could have been managed much better.

At the end of June we saw a lot of pressure by the Government to rush through legislation. The Hon. Member for Papineau will recall that his colleague, the Hon. Member for Humber-Port au Port—St. Barbe (Mr. Tobin), made sure that one particular piece of legislation did not pass through this House. I am sure the Government House Leader will remember that measure as well. When we come back on September 8, and if the press reports that tell us there will be a Throne Speech on September 17 are true—I do not know if they are—we will see the Government try to cram through a lot more. This House has had enough of that kind of management. We expect to see legitimate debate, a full airing of issues so that the concerns of the people of Canada can be properly brought to the floor of this Chamber.

[*Translation*]

The Acting Speaker (Mr. Paproski): Supplementary question, the Hon. Member for Papineau (Mr. Ouellet):

Mr. Ouellet: A short supplementary, Mr. Speaker. I should like to ask the Hon. Member whether it is true that the argument to the effect that we in the Opposition and the senators who supported this amendment really want to let dangerous criminals loose in the streets is an argument or an accusation made by the Government appears to me to be dangerous and quite unfounded. I wish the Hon. Member who said he would support the amendment passed by the Senate—as we in the Liberal Party will also support the amendment—would reassure the people who are listening to us that indeed, by endorsing the amendment, we will not be doing anything at all to encourage or multiply the possibilities of having dangerous criminals roam the streets.

What we are proposing is that, in the case of an inmate who is about to finish serving his sentence and may be released

after good behaviour, that if the authorities have decided that the inmate is dangerous and must remain behind bars, that the decision not be made by federal Government officials but by the courts because in fact an individual is sentenced and sent to prison by judges, by the Canadian courts. Therefore, the senators as well as the Liberal Party and the New Democratic Party, if I correctly understand the purpose of our motion, are saying that if it is decided that an inmate about to be released should remain in prison for a longer period of time, this decision should not be made by public servants but by the courts which sent the individual to prison in the first place.

[*English*]

Mr. Angus: Mr. Speaker, in response to the Hon. Member for Papineau, I would like to state very clearly that regardless of whether this amendment passes or not, those individuals will be out on the street at some point. They will either be out at the end of their full sentence, as prescribed by law, or some time earlier. I do not believe that an extra six months in a jail somewhere is going to change the potential of an individual for committing another crime. I do believe that by providing them with an opportunity to ease back into society they will be less dangerous. In fact, society as a whole will be better protected by that kind of more humane approach.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate.

[*Translation*]

Hon. Bob Kaplan (York Centre): Mr. Speaker, I rise to speak, not for 20 minutes, but for a few minutes only. I believe we should proceed fairly quickly to adopt this Bill and I will limit my comments to help achieve the objective which is to pass the legislation.

• (1530)

[*English*]

I am happy to assist in passing the legislation quickly because I believe it is important and will tend to support public safety.

This strange emergency presents me with the opportunity to rise and explain how this important piece of legislation became an emergency. Before doing so, let me say that I believe this legislation serves a purpose and should be defended.

I think the New Democratic Party is tortured with the question of whether this legislation will do any good. I suggest that it will. The NDP has advanced two reasons why they believe it will not be useful. First, NDP Members say it will not do any good because it is not possible to predict who will commit a violent crime even though a person may have committed one in the past. While that proposition is essentially true, one cannot always predict who will commit a violent crime. Yet there are a small number of cases where such violent crime can be predicted, and the whole premise of the Parole Board is based on the possibility of prediction.

If an inmate is behaving in a certain way and making threats, if psychologists who have been watching that inmate for years come to the conclusion that he is likely to commit an offence, I suggest that there is a possibility of prediction. We presently do not have the tools to keep such an offender in prison and he must be released on the date when mandatory supervision is reached. I reject the argument that one cannot predict violent crime as an across-the-board proposition.

Of course, it is not a premise of the Bill that each case can be predicted. The Bill is simply a tool that I hope will be used in the case of inmates with respect to whom prediction is possible, and it is on that premise that I believe it is a valid Bill.

The second argument made by the NDP against the Bill is that even when prediction is possible, there is no basis on which can it be said that keeping a person behind bars for a couple of months or years longer will rehabilitate him or her. Again, I believe that that NDP proposition is wrong.

While there may be some cases where an inmate may see the light by remaining incarcerated for an extra period rather than being put on the street, the point is that by keeping them behind the bars for that extra period of time at least provides a measure of extra public safety during that period.

What about those who are incurable and dangerous criminals? In our democracy we cannot keep them behind bars any longer than the warrant states. According to this Bill, at least those who we can predict will be dangerous offenders once on the street can be kept from being let loose for that much more time. That is a worthwhile measure which our Party supports. While this is only a slight improvement in most cases, it is better than nothing since it provides a little extra protection by virtue of that longer incarceration.

I also recognize that keeping someone behind bars until the end of his or her sentence is a trade-off against mandatory supervision.

As a result of my past experience as Solicitor General, I recognize that street supervision is sometimes more beneficial than incarceration. If someone is to be put on the street at a certain point in time, it is advantageous in some cases to be able to have the person spend that first few months or years on the street under supervision rather than being let loose at the end of the warrant without any right to impose any conditions.

Let us consider what type of conditions can be imposed on someone under mandatory supervision. They can be kept away from liquor and kept away from former associates. They can be told to live in a certain neighbourhood and be required to report weekly, if necessary, and even daily in an attempt to help them adjust during the difficult first days when they hit the street after being in prison for a long period of time.

I have seen and heard of cases where the supervisor or parole officer has told the inmate or the person under supervision to empty his pockets and put the contents on the table, then asked such questions as: "Where did this money come

from? Whose phone number is that? What lock does that key fit?" This is possible when a person is under mandatory supervision. It can assist the person in re-entering society. This cannot be done with someone who has stayed behind bars until the full sentence has been served.

There is an advantage to mandatory supervision. However, the premise of the Bill is that there are also cases where there should be authority to deprive an individual of mandatory supervision. That is why we support the Bill.

As a matter of fact, the House will know that I introduced this Bill in 1983 after I tried but failed in court to deprive inmates of mandatory supervision in a few cases, using administrative means. Those administrative means did not work and the Supreme Court of Canada ordered us to release inmates whom we wanted to keep behind bars. Therefore, I had to come back to this legislation, which I took to the Senate. The Senate proposed amendments, to which I agreed since the election was forthcoming. I approached opposition Parties to see if they would give unanimous consent to pass the Bill in the dying hours of the last Parliament.

Let me report to the House that the Conservatives offered their unanimous consent in order to pass the legislation, but the NDP deprived us of unanimous consent in June, 1984. Therefore, we were unable, as a Government, to bring this legislation forward. After we were defeated and the new Parliament was called, I reminded the Conservatives that since they agreed to this important legislation when they were in opposition, it should be passed. The then Solicitor General said he would look into it, and his successor also said he would look into it. Now they tell us that we need to be called back from our summer break to deal with a problem that they identified as an emergency in the summer of 1984.

The Solicitor General (Mr. Kelleher) tells us that 74 dangerous inmates to whom this Bill should be applied will come out in the next three months. I believe that that estimate is rather high and I hope the Bill will not affect such a large number of inmates. While I admit the possibility of prediction, I would be surprised if there are 300 inmates a year who can be predicted to be dangerous. After all, what is the difference between this three-month period this summer and the same period last summer? What is the difference between last summer and last fall or winter?

My point is that a certain number of inmates in this country are released under street supervision every day. For the Government to say suddenly that the ones who are coming out this summer are the reason we need the Bill is to falsify an emergency and create a sense that something we should have done years ago is an emergency. The Government is characterizing this as an emergency now in order to be able to Senate-bash and Liberal-bash. I cannot think of any other explanation, but if there is one, I would like to hear it. The Government, by calling this an emergency this summer, is attempting to blame Senators or Liberals because it could not get the Bill through the day it wanted rather than doing so two years ago when the same emergency existed and the legislation had the same importance as it has now. It may think the Canadian people are dumb enough to fall for the argument that this is suddenly an emergency, but I do not think the Canadian people are that stupid. I think those who are watching this debate, and not all of them are, will recognize what the Government is trying to create out of its own bad administration and delay—

• (1540)

Mr. Nunziata: And negligence.

Mr. Kaplan: And negligence, as the Hon. Member for York South—Weston (Mr. Nunziata) points out. It is the Government's negligence it is trying to cover up by calling this a summer emergency which is the fault of the Senate. I think the Canadian people will surprise the Government. It is true they voted the Conservatives in in September of 1984 but—

An Hon. Member: And they voted you out.

Mr. Kaplan: They did, and I think we have benefited from being in opposition. I do not believe the Conservatives have benefited from being in government. I do not think the Canadian people have benefited. I am looking forward to seeing their reaction to this false emergency called to get through some legislation which they believe at heart will do some good in supporting the public safety.

Mr. Keeper: Mr. Speaker, the Hon. Member seems to say he supports this legislation, that it is important legislation which needs to be dealt with. I wonder why when he was in office the Government waited until the end of its term to bring forward legislation to deal with this matter. How can the Hon. Member justify criticizing the Conservatives for failing to act on this legislation for the last two years when his Government was in office for at least four years and did not act on it until the last minute?

Mr. Kaplan: Mr. Speaker, I would like to tell the Hon. Member that when I first observed the problem of people who were predictably dangerous getting out on mandatory supervision, I hoped the problem could be solved administratively. I thought we could take people who were earning mandatory supervision, let them march through the prison door, then turn them around and bring them back.

Mr. Prud'homme: Re-arrest them.

Mr. Kaplan: Re-arrest them. That is a very good way of putting it. In fact that solution was attempted. We took 15 inmates, one after the other, for a period of several months, inmates whom we thought to be dangerous and who should not be allowed out, and tried to bring them back. I want to level with the Hon. Member. We had legal advice from the law officers of the Crown that this was a legal thing to do and was not false imprisonment. Eventually a number of inmates took us to court, I think 11 inmates out of the 15, and we fought the case. We lost at the trial level. We appealed to the Supreme Court of Canada, which took almost two years of the mandate.

We honestly did our best to try to make the administrative solution work, even going up to the level of the Supreme Court of Canada. Within weeks of the time that the Supreme Court found that the Solicitor General had no authority to cancel earned remission, we introduced legislation. I had a Bill which was going through the Senate at that time. I introduced an amendment to the Bill in late 1983. It was an addition to the Bill which was going through the Senate. The Senate had the same objections to my Bill as it has to the Bill now being brought forward by the Government. I went before the Senate, which took a couple of months. I argued with it against the amendments which it has now put to this Bill. It refused to change its mind.

Mr. Prud'homme: Both Parties.

Mr. Kaplan: Exactly, both Parties refused. I then agreed with the Senate's amendments because I could see that it was going to be the last session of Parliament and there was an election coming. So for the Hon. Member to suggest that I sat around for four years doing nothing with the problem I had identified is totally inconsistent with the facts. I did everything. I went to court. I tried a creative new solution for cancelling mandatory supervision. I hope the Hon. Member will withdraw any suggestion that I waited until the election to try to solve the problem.

Mr. Keeper: Mr. Speaker, if this matter of the release of dangerous prisoners was a matter of such urgency, would my colleague tell me why he chose to follow doubtful legal advice and experiment with an administrative solution? Why did he not take expeditious and immediate legislative action?

Mr. Kaplan: Mr. Speaker, legislation was not exactly immediate in the last Parliament. We did not have 211 Members on the government side.

Mr. Keeper: You were the Government.

Mr. Kaplan: Yes, we were the Government but we had a Senate composed of Liberals who disagreed with my Bill. We had two opposition Parties which were being quite difficult until the end. I hope Hon. Members who were in that last Parliament will be honest enough, as I am sure they will, to agree with that. I had legal advice that we had an administrative solution. I put to the Hon. Member that we do not bring forward legislation, especially the Solicitor General, when we are receiving legal advice. We take the legal advice we are given. We are not in a position to be able to go against legal advice. I knew that these inmates who were about to be released should not be released. We just could not come up with overnight legislation in a controversial and difficult area such as this. The New Democratic Party may think we could, but members of the NDP do not have the kind of experience which should tell them that we cannot get legislation through that easily.

The Acting Speaker (Mr. Paproski): One further question.

Mr. Keeper: Mr. Speaker, granted that the former Minister had legal advice. However, he has just told the House that the matter was urgent. Surely, legal advice is not always on one side of the question. I am sure he would have wanted to act in a way that he would be sure would bring about the results he wanted. How can the Hon. Member now accuse the Conservatives of being tardy in legislative action when he himself took fully four years before he proposed to bring legislation before the House?

Mr. Kaplan: Mr. Speaker, I do not have anything to add to the explanation I just gave. I hope that people who are interested in the issue will read what I just said.

Mr. Prud'homme: Mr. Speaker, I wish to pose a question to my hon. colleague. When the Hon. Member's amendments were introduced in the Senate, similar amendments which the majority of the Senate introduced to this Bill, did the two Parties represented in the Senate agree, voting together, to such amendments? Would my colleague confirm that Conservative Senator Nathan Nurgitz stated in the Senate that he was: "... more than satisfied with the amendment put forward by Robert Kaplan and this counts in the Senate's committee suggestion". Is that factual?

Mr. Kaplan: Mr. Speaker, I can confirm that that is factual.

The Acting Speaker (Mr. Paproski): Are there any further questions or comments? Debate.

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, the real reason we are back in Parliament in the middle of July is not that the Government is concerned with the safety of the Canadian people but that the Government has mismanaged the business of the House. This issue has been around since 1983 when the Supreme Court of Canada ruled the administrative measures introduced by the last Government unconstitutional. As the previous speaker pointed out, as soon as the Supreme Court ruled those measures unconstitutional, he, as Solicitor General at the time, introduced a Bill to deal with the problem. That Bill was in process when Parliament was dissolved for the election of 1984.

This Tory Government was elected in September, 1984. Parliament was called in November of 1984. But Bill C-67 which is before us now was not introduced until June of 1985. What kind of concern is that? The Government is calling Parliament back in the middle of the summer because it says it is very concerned about the early release of dangerous offenders from prison, but the Conservatives themselves, after the election, knowing the problem existed, did nothing about it from November of 1984, the first time Parliament met after the election, until June of 1985. That is quite a considerable period of time. It shows what a low priority members of the Government gave to this issue at that time.

• (1550)

If the Government was so concerned with public safety then why, after the hearings in committee on Bill C-67 were completed and after the Bill was returned to the House in January of 1986, did the Government let the Bill hang around on the Order Paper? It was not called for debate. It was left to sit on the Order Paper from January of 1986 until June of 1986. That is another considerable length of time. During those four or five months where was this great concern for the public safety? There was none at all. It is a phoney issue.

The Bill was left on the Order Paper for that length of time without debate. It was called before the summer adjournment at the end of June for report stage and third reading. On the last Friday of June it was sent to the Senate with the expectation that it would deal with the Bill at all stages on the same day and send it on for Royal Assent. To accuse the Senate of delaying the Bill because it amended it on that last day is also a phoney issue. If the Senate had dealt with the Bill at all stages in one day, on that last Friday in June, and if it had passed it without amendment, then the House would still have had to be recalled since a Bill does not become law without Royal Assent. In order to have Royal Assent Members of the House of Commons must be present in the Senate Chamber. So if the Government had wanted this Bill passed in the summer, without amendment, it would still have had to recall Parliament. Thus it is a phoney issue to accuse the Senate of being responsible for the recall of Parliament to deal with this Bill today. Parliament would have had to have been recalled in any event in order for Members of the House to be present for Royal Assent.

In the week following the passage of this Bill in the House the new Solicitor General (Mr. Kelleher) appeared before a Senate committee. Members of that committee asked him if he was planning to recall Parliament in the middle of the summer for Royal Assent in order to make the Bill law. He would not give them that commitment. That is on the record. They also asked the Leader of the Government in the Senate if he would give a commitment that Parliament would be recalled for Royal Assent. He would not give that commitment. So there was no commitment at that time that the Government would recall Parliament to have this Bill become law.

It is necessary for the three levels to be present in order to pass a Bill into law. The monarchy must be represented, which is usually done by the Governor General. Members of the Senate and Members of the House of Commons must also be present. No piece of legislation can be made into law without these three parties being present. The House of Commons would have had to have been recalled whether or not there was an amendment made in the Senate. Clearly, the real reason we are sitting here today in the middle of summer is not that the Government has great concern for public safety. That is a phoney issue. It is also a phoney issue that we were obliged to be here because at the end of June the Senate proposed an amendment to the Bill we are debating today.

For a few moments I would like to discuss the substance of the Bill. What are we talking about here today? We are talking about the early release from prison of inmates as a result of earned remission under Section 23 of the Penitentiaries Act. Section 23 does not provide for automatic release from prison. It provides that an inmate can earn remission which will reduce his sentence. It provides that he can lose good time which will add on to his sentence. However, it is earned remission.

Before 1970, when an inmate earned remission he was automatically released from prison at the end of his sentence without any supervision whatsoever. This measure is unlike parole. Parole is granted by the Parole Board, and always has been, after one-third of a sentence has been served. Parole is granted because it is felt that an inmate can better serve his time outside prison. It is granted when the board feels that the inmate is no longer a danger to the public and that his rehabilitation process will be better carried out outside the prison. As a result of a decision of the Parole Board the inmate is released after having served one-third of his sentence. However, he is released under the supervision of a parole officer. He must report to a parole officer and there are conditions of parole. If the conditions are broken, the former inmate is returned to prison. If he commits another offence, even one of a minor nature, he is returned to prison. While these types of conditions applied to parole before 1970, they did not apply to release on earned remission. At that time we introduced mandatory supervision for inmates released on earned remission just as was the case with parole.

The question in this regard is the following one. Some of those who earned remission and were to be released because they had earned that remission, even under mandatory supervision, were still dangerous. That problem was recognized around 1981-82. The previous Liberal Government tried to do something about it through an administrative measure. This was done because administrative measures can be introduced quickly and without long debate in the House of Commons. The measure did not work. The Supreme Court of Canada ruled it unconstitutional. The Government then had to try to achieve the same results through legislation. It tried it near the end of the last Parliament. It did not work.

It is wrong for the Government to give the impression that this Bill will stop all sorts of dangerous people from being released into society. In the first place, the great majority of prisoners are in prison on limited sentences, not life sentences. They are serving sentences of three years, five years, seven years, *et cetera*. Even if there was not parole or earned remission, these prisoners would have to be released at the end of their sentences even if they were the worst actors in prison. If a man has received a five-year sentence and is a terrible actor he will not receive parole. His earned remission will be cancelled at the end of five years. At that time he must be released, dangerous as he may be. The police must look to him to commit another offence before they can arrest him and put him back in prison.

As a former Solicitor General I know that all those who work in the prison system know that people come to the end of their sentences and are not ready to go back into society. However, we have to return them to society because they were given a sentence of only a certain length of time. When that term is up, they must be released. Furthermore, even when an inmate has been released into society under mandatory supervision or parole to complete his sentence and he breaks the conditions of his parole or commits another type of offence, be it minor or major, his parole or mandatory supervision is cancelled. He is then put back into prison. This Bill does not change that procedure. It will remain in operation.

What we are discussing today, and what we as Liberals support, is legislation by which the administration of the prison system, the Parole Board, could cancel the earned remission of an inmate on the day he is to be released into society if it is felt that he is still dangerous. We support that measure. We differ from the Government in that we believe there should be an appeal from that decision to the courts and not simply to the Parole Board. Why do we suggest an appeal to the courts and not to the Parole Board? Because we are dealing with the question of civil liberties. We are dealing with the question of civil rights and responsibilities. The final decision in these matters should be taken by the courts where there is the right to cross-examine and where there are protections, not the more informal procedures which occur before the Parole Board.

This morning I listened to the Solicitor General. He said that the Parole Board is more properly equipped to deal with the factual matters of sentencing. He said that it is more equipped to do that than are the courts. It is the courts that must decide on sentences in the first place.

• (1600)

As we all know, the Criminal Code provides for a wide range of sentences for all offences. Judges hear representations from attorneys following convictions of offenders in order to decide whether they should impose full sentences, minimum sentences or suspended sentences. Judges now and for a long time have been deciding on sentences and have done a lot of work with respect to sentencing. It is not correct to say that the Parole Board is any better equipped to deal with sentencing and the shortening or lengthening of sentences than the courts. Protections exist in the courts. We support the Senate amendment which would provide for appeals from Parole Board decisions regarding the cancelling of earned remissions in the courts.

I would like to repeat what my hon. colleague has just said. When the Liberal Government introduced a similar Bill in the last Parliament, it contained no provision for appeal to the courts. When the Bill got to the Senate, it was amended to provide for an appeal to the courts. Finally, the Liberal Government used good sense and agreed to the amendment passed by the Senate. The Bill returned to the House and would have been passed if the election had not been called.

At that time, both Liberal and Conservative Senators unanimously agreed to the amendment. In 1983-84, Conservative Senators, who are still in the Senate now, agreed to the amendment that provided for final appeal in the courts, but today they are not agreeing to it. Of course this is for political reasons. They are following the instructions of the Conservative Government of the day and not what they believe to be right. If they did follow what they believed to be right, they would do the same thing they did when the Liberal Bill was before them. They would vote unanimously for appeal to the courts.

I would like to make it absolutely clear that we in the Liberal Party are opposed to the loose release of dangerous offenders, and there is a long line of legislation backing up that contention. We are in favour of parole and mandatory supervision. We believe that the best way for an inmate to be released into society is gradually and under supervision. It is a bad thing to keep a person in prison until the final day of his sentence and then release him into society without supervision.

With parole and mandatory supervision provisions, inmates can be released into society gradually and under the control and supervision of a parole officer. In the transition period, inmates have the support of the parole services while readapting to society. We are against the loose release of dangerous offenders, but we do support the gradual release of offenders into society through mandatory supervision and parole.

To conclude, I would like to repeat that the reason we are back here today in the House of Commons in the middle of July is not that the Government is concerned with the public safety of Canadians. If the Government had been concerned with the public safety of Canadians, it would have introduced this Bill in November, 1984. It did not do so until June, 1985. If it had been concerned with the public safety of Canadians, it would have moved report stage and third reading of the Bill in early February, 1986, but it did not do so until June, 1986. That shows that the Government was not really concerned with the public safety of Canadians as it maintains today that it is. In fact, that is the reason given for the recall of Parliament in the middle of summer.

The Government's accusation that the Senate is responsible for this recall is also phoney. The House would have had to be recalled if the Senate had made no amendments because we need the House of Commons in session for Royal Assent.

This is a phoney issue. We will vote against the measure put forward today because we believe that the provision of appeal to the courts is the correct provision. Tory Senators believed the same thing in 1983 and 1984.

Today's procedure indicates that the Government did not know how to manage the House in the last session. We hope for better things with a new House Leader. The Government badly managed the legislation it now claims is essential legislation.

Mr. Thacker: Mr. Speaker, I have one short question to ask my friend opposite. I was quite sure that his seatmate, the

Hon. Member for York Centre (Mr. Kaplan), had indicated that the Liberal Party supported this proposal and was prepared to vote in favour of it. Can the Hon. Member inform me which is right?

Mr. Allmand: Mr. Speaker, we support the Bill as submitted by the Senate but we do not support the Bill without the amendment. We believe in the general principle of the Bill. There should be a procedure for cancelling early release on mandatory supervision. We do support the basic principle of the Bill, but we only support it with the Senate's amendment which provides that if there is a disagreement regarding early release, an appeal should be made to the courts.

Mr. Keeper: Mr. Speaker, my colleague made it clear that he and his Party support the principle of the legislation. Presumably the legislation is designed to try to protect the public from dangerous criminals. How does the Hon. Member come to the conclusion that letting a person out of prison without supervision, which is the impact of this legislation, will protect the public? How is it that it is better to have a dangerous person on the streets without supervision than it is to have a dangerous person on the streets in a supervised way?

Mr. Prud'homme: That's not what he said.

Mr. Keeper: That is the position of the Liberal Party and the position of this legislation. The legislation provides that a person is kept in prison for the entire term of his sentence and is then released on to the streets without supervision. How can that lead to safety in the streets?

Mr. Allmand: Mr. Speaker, the Hon. Member pretends that this Bill does away completely with parole and earned remission. It does not. It will still be possible under the Parole Act for inmates to be released after serving two-thirds of their sentences, and I support that. It will still be possible for inmates to be released on mandatory supervision as a result of earned remission.

The Hon. Member was pretending or suggesting that this Bill would end all mandatory supervision on early release. It does not. It simply gives the Parole Board with, we hope, the right to an appeal to the courts, the right to cancel early release in some cases. We would hope that the number of those cases would be very limited. According to what we have heard, there are now from 7 to 11 such cases in all of Canada. That means that the great majority of people who have earned remission would still go out on the streets under mandatory supervision.

We support the position of the Hon. Member but we also feel that there are exceptional cases in which it is fairly clear that inmates are dangerous. In those cases only, there should be a provision to cancel release on mandatory supervision.

We do agree with the general principle that it is better to enter society in a gradual way under supervision, and I said that during my remarks. However, we are not supporting a Bill that would cancel parole or earned remission and mandatory supervision altogether. The Bill only deals with exceptional circumstances.

Mr. Redway: Mr. Speaker, I was surprised to hear the Hon. Member indicate that he did not believe that we had returned today because of the actions of the Senate. I am sure the Hon. Member was present in the House on Friday, June 27. He will recall that a number of Bills were passed and went to the Senate that day. To the best of my knowledge, all of the Bills, with the exception of Bill C-67, received unanimous consent for passage in the Senate that day. One Senator withheld unanimous consent on Bill C-67, and that meant that if the Bill was to pass, the House would have to be recalled to deal with it. All of the other Bills which received the consent of the Senate that day returned to the House that day, were passed by the House and did become law that day. I am sure the Hon. Member would like to correct his remarks for the record.

Mr. Allmand: Mr. Speaker, I will not correct my remarks at all. The Bills the Senate agreed to pass quickly were Bills to which it had no objection. The Government knew that the Senate objected to this Bill in its form because the Senate had amended the Liberal Government's Bill in that same form.

Mr. Redway: But it was just one Senator.

Mr. Allmand: No, it was not just one Senator. One Senator denied consent but he did it on behalf of a lot of others.

When it came to the vote on the Bill, all the Senators approved of the Bill, with the amendment that there must be an appeal to the courts. The Solicitor General knew that that sentiment existed in the Senate. The Bill was sent to the Senate on Friday afternoon, the last day, and the Senate was expected to pass the Bill with little or no debate and without that amendment, but the Government knew that the same Senators who had wanted that amendment in the past were still there.

• (1610)

By the way, in a previous Parliament Conservative Senators voted for that amendment. However, to send the Bill to the Senate on the last day, knowing that that objection existed in the Senate, was completely foolish and did not take account of that sentiment in the Senate. Knowing that that sentiment existed, the Government should have at least sent the Bill to the Senate in March or April, and it would have had time to deal with it without bringing us back in the middle of the summer. However, it did not do it.

Mr. Alan Redway (York East): Mr. Speaker, I am very pleased to have an opportunity once again to make a few remarks in respect of Bill C-67. As Your Honour is quite aware, I have directed remarks in respect of the Bill on a good number of occasions in the past. First, I was a member of the Standing Committee on Justice and Legal Affairs which dealt with the Bill for many weeks in committee hearings. The committee pressed forward on the Bill with all possible haste and ensured that it got out of committee as quickly as possible,

notwithstanding the fact that there were many motions moved by members of the Opposition and lengthy speeches made to those motions in an effort to slow down progress of the Bill. However, it went through committee expeditiously, bearing all that in mind.

I also participated in report stage debate when members of the New Democratic Party put forward some 33 separate amendments. They spoke to it in a very reasonable fashion and treated the amendments, as well as report stage and third reading debate, in a most responsible fashion. As we progressed from there, the Bill finally received third reading, went to the Senate, and here we are today.

We could spend a lot of time discussing and debating whose fault it was and whether someone is right and someone else is wrong. It seems clear from the remarks of all Members who have participated in the debate so far that it is quite clear everyone recognizes that the central issue in the debate is the protection of the public. All of us are interested in ensuring that the public is protected and in ensuring the passage of the Bill so that we can protect the public in every way possible.

As all of us are aware, the National Parole Board is required to release inmates who have been sentenced to prison after serving two-thirds of their sentence whether or not the board feels they are violent persons, whether or not it feels those persons will cause other problems for society or commit other crimes of a violent nature. Irrespective, the board is compelled under current legislation to release prisoners or inmates automatically after serving only two-thirds of their sentences. As the Solicitor General (Mr. Kelleher) pointed out in his remarks earlier, if a prisoner is sentenced to a six year term by a judge, automatically the prisoner is released after four years. There is no way to keep that person in prison for the remaining two years, even if he or she is a violent offender. Also the Solicitor General pointed out that at the present time we are looking at an estimated 40 prisoners who are considered to be potentially violent offenders and will be released within the next six months unless legislation is passed to give the National Parole Board the authority and power to retain them in prison, not automatically to release them.

Regardless of who did what, whether it was the Government of the day, the last Government, the Official Opposition, or the NDP Opposition, surely we all agree that it is most important, if at all possible, to avoid having one more violent offender released to commit one more violent crime. As has been said many times in the debate, there is no guarantee that somebody will not be released who will commit a violent crime. However, if by the passage of this piece of legislation we can avoid one single solitary violent crime, surely we have accomplished something today and surely we have accomplished the purpose of recalling Parliament. It seems to me that that is what the debate is all about. If we clear away all the business about who is right, who is wrong, and whether or not it is important to be here today, surely it is important to avoid just one single solitary violent crime.

Many people have asked in this debate, in the press and in other media, what is the purpose of what we are doing today, because all violent offenders are in prison for a certain length of time and will be released at some time in the future? They have said that at some stage they will be out in society and will potentially cause problems, and that there is nothing we can do about it. If we follow that theory or philosophy, surely what they are saying is that there is no point in incarcerating anyone or sending anyone to prison in the first place because eventually they will get out and cause some other problems. I do not think anyone would quarrel that that is a potential difficulty or problem; there is no doubt about it. However, the reason the Parliament of Canada and the courts in their wisdom incarcerate people is that we feel the public must be protected.

That is one way of ensuring that the public is protected, at least for a limited period of time, from people who are potentially violent and commit criminal acts. We need to protect the public from such people, and that is the whole purpose of incarceration. No one guarantees forever and a day that they will not get out and cause other problems. However, if there is pretty good evidence that there will be problems, and a judge has said that a person has been sentenced to a fixed term, then it must be incumbent upon the rest of us to ensure that the person serves the full term. That should be the case if we have really good evidence and reason to believe that the person will commit some violent offence if let out early. That is what this debate is all about.

Other people have said that it is a mistake to let out people at the end of their sentences without having some sort of supervision tagged on at the end, without having some sort of control, without having some sort of conditions, without having other regulations to govern individual offenders when they are released. That may make a good deal of sense on the surface, but we must make sure that the system in place now is working.

The present system is called mandatory supervision. Supposedly, if we listen carefully to the term "mandatory supervision", on the surface it sounds as if someone will be following the released person all the time, that if the person commits an offence, such as crossing the street against a red light, a parole officer will be there to grab the person and say: "You are in breach of your mandatory supervision and we are going to take you back". We all know that that is not the case. We all know that mandatory supervision does not work like that. In fact, it does not really work at all. I could give a good many examples of that, but I choose to refer once again to a recent case dealing with this whole issue. I am referring to a classic case which took place in Metropolitan Toronto in March of this year, the case of one Leander Chesterfield Savoury. He was 21 years old but in October, 1984 he was released on mandatory supervision after serving two years of a four-year sentence for four convictions of armed robbery. The National Parole Board did not want to let Mr. Savoury out, but it had to do so because the legislation said that after serving two-thirds of a sentence there is no alternative, and so

he was let out. In January of this year, at the inquest into the death of Mr. Savoury, the parole officer said that Mr. Savoury and he met once in January—remember he was released in October— and spoke twice on the telephone. The parole officer told Mr. Savoury that he wanted him to stay in regular contact.

• (1620)

During that period of time, from the beginning of November, 1984 to the end of January, 1985, three months, the coroner's jury found that Mr. Savoury had committed eight other armed robberies and had murdered a gas bar attendant in early or mid-January, 1985. He even admitted to one of his accomplices that he had murdered this other man.

The coroner's jury in considering all of these facts indicated that it felt Mr. Savoury's so-called mandatory supervision was grossly inadequate, and it did not believe this was an isolated case. You and I know, Mr. Speaker, that it is not an isolated case. We hear of people being released on mandatory supervision all the time.

The coroner's jury also urged quick passage of Bill C-67 now before Parliament, which will give the National Parole Board the power to deny automatic release to dangerous offenders. That was a recommendation of a coroner's jury in the City of Toronto in March of this year as a result of the Leander Savoury case. By no means is that an isolated incident, Mr. Speaker.

The Senate has amended this Bill. The Senate said that having just the National Parole Board make the decision it is a bureaucratic act and that there is something wrong with it. It is contrary to civil rights and contrary to the protection of individual civil liberties. The Senate said that there should be an appeal to a superior court, but it did not set out anything relating to the appeal. The Senate said that there should be some sort of a right of appeal from the decision of the National Parole Board as to whether or not a person should have to serve his or her whole term as meted out previously by a judge in court.

Right away in saying that, we are saying that the judge of first instance and all of the courts that dealt with the sentence handed out by the trial judge made some sort of error that should have been corrected in the beginning. The judge handed out a sentence, a firm, definite term sentence. What the Parliament of Canada did in the legislation in 1970, which we are now trying to amend, was to say that regardless of the sentence handed out by a judge in court—even if the judge said a person should be put away for six years—we say that a person has to be released after serving only two thirds of a sentence. In other words, the sentence will be "four" years or a lesser amount than that stated. Unfortunately, the judge, in his or her wisdom, set a firm term as to how much time should be served. The Bill we are trying to amend today prevents the penal system from carrying out the original sentence meted out by a judge. Surely if we make sure by changing this legislation that the sentence handed out by the judge in the first place, which was subject to appeal to the Supreme Court of Canada, is served, then the course of justice is being served.

I could comment as well on some of the other aspects of the Senate amendment. I could suggest that it is vague and it implies that we may very well have to release a person on mandatory supervision pending a court decision on whether that person should be released on mandatory supervision, because a person would have the right of appeal if we agreed with the Senate amendment.

There are a number of problems with the amendment the Senate has put forward. What I am sayng this afternoon, as I have said all along in committee, at report stage debate and on a number of occasions during Question Period this year, is that we should be getting on with the legislation before us. It is not perfect. The former Solicitor General said it was not perfect. He was right. We need to take a look at the whole system of mandatory supervision. We need to take a complete look at the whole system of parole and sentencing. We have a sentencing commission which is now looking at the sentencing aspect. I believe that when a judge hands down a sentence, the public has the right to feel that that is the sentence a person is going to serve. Right now we have a very confused system. We should be putting in place a system that when a judge says that a person will serve so many years in prison, that is what it is. We may want to put in place after that some parole system, and we may want to put in place after that some mandatory supervision system. If we do, I hope we put in place a system that is much better than the one we have now because the one we have now does not work. If we are going to deal with these problems effectively, we have to change the system so that it does work. We should be changing the whole system, but that will take some time. We have to hear from the sentencing commission as well as have a lot of other studies. In the meantime, surely we can act on this Bill to make sure that the National Parole Board can insist on a person serving out the full sentence imposed by a court, which originally was subject to appeal all the way to the Supreme Court of Canada.

In my view, this is part of a move by our Government to change the swing in the pendulum, which has for many years been swinging exclusively in the direction of the civil rights and liberties of individuals. There is nothing wrong with that. They must be protected, but at the same time the public has to be protected too. A balance has to be struck. We have moved so far away from the balance of protecting the public that it is time we moved back. This Bill addressed that issue. This Bill brings us back to protecting the public and balancing that off with the rights of individuals. That is why we have to pass this Bill today in the form that it was passed by this House on June 27.

I urge all Members of this House to vote in favour of passing this Bill and to do so quickly.

[*Translation*]

Mr. Deputy Speaker: For questions or comments, the Hon. Member for Montreal—Saint-Denis (Mr. Prud'homme).

Parole and Penitentiary Acts

Mr. Prud'homme: Thank you, Mr. Speaker. I must say that at last the cat is out of the bag. I was listening, and I think I did so with great respect, to the Hon. Member for York East (Mr. Redway) whose final comments made clear what this Government really had in mind, and I want to thank him for that. I will comment further on this in my speech, but I want to thank the Hon. Member for shedding some light on the Government's true intentions. I think he is the only one who actually said what the real reason was for recalling Parliament today.

• (1630)

[*English*]

I have two questions. In 1982-83 there was a similar discussion in the Senate. As the Hon. Member knows, it was the unanimous conclusion of the Standing Committee on Legal and Constitutional Affairs, when it was considering Bill S-32—for those who may be listening, the S stands for Senate—that this view was incorporated in the Bill when it was passed by the Senate. It was passed by the Senate without a dissenting voice on June 9, 1983. This was the key recommendation contained in the unanimous Senate committee report on Bill C-67—C stands for Commons—dated May 14, 1986.

I ask the members of the Conservative Party, when were the Members of the other place wrong, then or now? On May 14, 1986, they agreed. Will my hon. colleague comment on the John Howard Society, which works very closely with released inmates? That society has expressed immense concern on what is going to take place in the jails if we go ahead today with the proposal that our colleague is asking us to vote for. The majority of witnesses who addressed this question while appearing before the Senate and the House of Commons agreed that jurisdiction should rest with the court.

Finally, does he not believe that the Parole Board would be placed in an untenable position if it were now expected to authorize the release on mandatory supervision when it found on earlier Parole Board hearings that there would be an "undue risk" to society? As my colleague knows, people who have been refused parole after one term may have to go through two terms of their sentences and will then have to be reviewed by the same parole officers. Does that not put them in an untenable situation? Why is it that my colleague is so opposed?

That is why we are here today. We are not here today because we think society is going to explode, as the former Solicitor General commented. Canada is not living with a time bomb. It is an extraordinary analogy, but it is not according to fact. Why is my colleague afraid of letting the judiciary decide on a decision taken by the Parole Board which may have already decided earlier to refuse release after one term?

Mr. Redway: Mr. Speaker, the Hon. Member has, I believe, put three questions to me. I hope I have them right. I will try to deal with each one of them.

The first one he dealt with was the question of the Senate and the Senate's position with respect to this matter. The Hon. Member is well aware, first of all, that between whatever happened in 1982 and 1983, there was a federal general election. There was a new Parliament elected, a new Government elected. In my view, at least in part one of the reasons for that was that the public felt it was time that there was more emphasis placed on the protection of the public than there had been in the past and that the criminal law, the judicial system and the legal system should be tightened up.

Regardless of what went on in the Senate and regardless of what went on in 1982 and 1983, in my view, what is going on today is a reflection of the views of the Canadian public that it is time that the judicial system, the legal system, was tightened up. That is what is taking place.

With regard to the fact that other bodies, other social service agencies, may feel that there should be an appeal to the courts from a decision of the National Parole Board, I indicated in my speech that in my view, the court has already had the opportunity to examine the issue and has made a decision. Every time a person is sentenced to prison, it is a judge in a court who does that. When the judge hands out a sentence, there can be an appeal of that sentence, usually to a provincial court of appeal and then there can be an appeal to the Supreme Court of Canada.

There are at least three opportunities to pass judgment on the length of term that a person should serve in prison. Once that has been done, then there has been a decision. There has been a judicial review. The courts have made their determination of how long a person should stay in prison. What Parliament has been doing is artificially interfering with the term that has been imposed by the courts previously.

As far as the question of what we are here for today is concerned, in my view what we are here for today, and the whole purpose of bringing Parliament back, is to ensure that if we can stop just one more violent crime, this will be worthwhile. It will be a very, very beneficial effort that we have made. In my view, that is what it is all about. That is why I am here today. I hope that is why the Hon. Member is here today, to protect the Canadian people, the Canadian public and, if possible, to prevent just one violent crime.

Mr. Keeper: Mr. Speaker, my hon. colleague made his case for the legislation, in part at least, based upon the inadequacy of the present supervision system. If the Member is that much concerned about protecting the public, why is the Government not acting today in order to improve the quality of the supervision system that affects the vast majority of people who are coming out of prison and who will still continue to come out of prison even after this legislation is passed today?

Mr. Redway: Mr. Speaker, the Hon. Member directed some questions previously to a former Solicitor General, the Hon. Member for York Centre (Mr. Kaplan). The questions that he directed were to the effect that why did the former Solicitor General not act more quickly in dealing with this problem. He

is asking today why we do not slow down the process and not do anything until we have improved the mandatory supervision system.

Mr. Keeper: Why is the Hon. Member—

Mr. Redway: Will the Hon. Member just hold his horses and let me answer the question. I will be pleased to do that. Hopefully there will be a little more time and he can ask another question if he wants. As the Hon. Member knows, improving the system is not going to happen just like that. To the best of my knowledge, there has been nothing in the way of formal studies conducted other than perhaps by a professor of criminology here or a professor of criminology there, but there has been very little in the way of formal studies done in relation to our supervision system.

There is, as the Hon. Member knows, a sentencing commission that was put in place by the former Government. It was asked to examine the whole field of judicial sentences and asked to make recommendations so that the House could look at those recommendations and, hopefully, act on them. I hope it does. The Hon. Member knows that that commission was set up some years ago and it has not reported yet. Unfortunately, if we set up today some sort of a study to look at the mandatory release system, it would be a number of years down the line before there were any recommendations made or any improvements made.

• (1640)

What the Hon. Member is asking for in this House, as I understand it, is action and speed. That is what we are doing today. We are putting in place a protection mechanism that will protect the system until there is a chance to examine the entire system and allow these recommendations to come forth from the sentencing commission and wherever else so that we can make those changes that the Hon. Member would like to see. Hopefully they will be the same changes that I would like to see in the system, changes that would tighten it up so that at the same time that we are protecting individual rights we are also protecting society.

Mr. Deputy Speaker: Resuming debate.

Mr. Stan J. Hovdedo (Prince Albert): Mr. Speaker, we are here today to discuss the procedures by which mandatory supervision can be withheld from inmates. It is important to recognize that this is the basis of the debate, not necessarily the quality of the Bill which was passed by the House of Commons in June. While we believe that there were some inadequacies in the Bill, it was passed and assumed to be adequate by the House of Commons. In the process of considering this legislation, the Senate proposed an amendment.

By recalling the House to consider this Bill, the Government should recognize that this legislation could be passed just as quickly with the amendment in place as it would if this amendment were rejected. Therefore, it makes good sense not to consider the pros and cons or the quality of the Bill, but only to consider the pros and cons of the amendment.

The fundamental question is how we can successfully rehabilitate a truly violent offender at the same time that we provide adequate protection to the public. When the Bill was before the House we contended that it failed adequately to rehabilitate inmates who were moving out into society and at the same time failed in the attempt to protect society. Regardless of what the Member for York East (Mr. Redway) suggests, there have been numerous studies of the correctional system, all of which have highlighted the problem of supervision and training, not only within the institution but in the parole and mandatory supervision process after inmates have left the institution. The lack of meaningful training, educational treatment programs for prisoners, and the shortage of post-release assistance have been established by a number of studies as the basis for the inadequacy of our correctional system.

Therefore, today I am speaking not necessarily to the inadequacy of the Bill but to the inadequacy of the system as a whole. If such meaningful post-release assistance for mandatory supervision is not in place, then the mandatory supervision itself becomes inadequate. While the value of mandatory supervision can be easily demonstrated intellectually, it becomes very inadequate if nothing is done to make the program work.

When a judge sentences an individual to 15 years, the judge knows that five of those years will be under mandatory supervision and that the inmate will spend five years under some kind of meaningful program that will help him become a free member of society. In other words, the judge gives the correctional system five years in which to help the inmate adjust. The point which has been made many times today and has been repeated by all of those who work closely with the correctional system is that the parole supervision programs that are in place are inadequate.

Every time someone is released on parole or mandatory supervision, we save a considerable amount of money because that person is not in an institution. Therefore, it would be a much better expenditure of money to establish a supervisory or parole program that would give greater assurance that people who are released, either on mandatory supervision or at the end of their sentence, are given an even chance of making it in society.

I live in a constituency which has two correctional institutions that are run by the federal Government. There are a number of people who come through those institutions who have no recognition of what society is when they are released. They feel totally alienated, and the first thing they do is to return to the institution as quickly as possible. This can only be blamed on the inadequacy of the supervision and parole programs that are in place.

I suggest that we, as parliamentarians, have a responsibility not only to consider seriously this amendment before us today, but to consider whether it improves the Bill. I am surprised

that members of the Government do not recognize that if they thought the Bill was already adequate it would be much better if they accepted this amendment. It would prove to Canadians that we in Parliament have some respect for the rights of individuals, no matter in what situation they find themselves.

This amendment attempts to improve the Bill by saying that if the inmate were able to take his rejection for mandatory supervision before a court, he would be able to defend himself and face his accuser. He would have the right to a fair defence and the right to cross-examine his accusers. If a judge, when handing down a 15-year sentence, applies a 10-year sentence plus five years under mandatory supervision, if the inmate must spend those five years of mandatory supervision in an institution, he should have the same kind of rights he had when he was originally sentenced. In other words, we are increasing his sentence. He was given a sentence of 10 years and then five years of mandatory supervision. If we are increasing his sentence, then he has the right to be represented by counsel and the right to be made aware of the case against him. He has the right to have a defence against his accusers. Those things are all being withheld by this Bill. The small amendment suggested by the Senate at least does something to put in place that kind of recognition of human rights, the kind of justice that we in Canada suggest is the right of every human being.

• (1650)

I want to suggest that we are being shortsighted if we do not accept a good amendment, even if it is being put before us by an institution which I myself would eliminate. I am in a position which I find a little uncertain because I recognize that this Bill was passed by elected representives of Parliament and was changed by non-elected representatives, which is what they call themselves, and sent back to us. That does not mean that what they thought of it was incorrect. It does not mean that they did not improve it. One does not have to be elected to be a good legislator. Regardless of what we think of the Senate, we have to recognize that the approach it has taken in this particular case is adequate and should be recognized as such.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my intervention will be brief. I want to deal with three subjects: first, the prerogative of the Senate, second, the rehabilitation of inmates and public protection and, third, the question which has already been asked by many before me, why are we here?

I would submit that the role performed by the Senate with respect to Bill C-67 was a proper one and within its constitutional prerogatives. It did what it was expected to do. It acted as a Chamber of second thought which examines Bills and improves them when it sees fit in what it considers to be the best interests of the country. I suspect, as has already been pointed out by other speakers, that this was not done unilaterally but was done in co-operation with Senators of both Parties who joined hands and produced the amendment to Bill C-67, keeping in mind what they understand are the basic principles which should guide those who would implement this piece of legislation once it is given Royal Assent.

There is no doubt in my mind that the Senate acted properly and within its constitutional mandate. In doing so, it did a service to the country as it has done on a number of other pieces of legislation which have, over the years, been amended in a number of ways, and these amendments have resulted in improvements to Canada's legislation.

The central question at the heart of the discussion today, and that which has motivated all the discussions surrounding Bill C-67 and its predecessors, is the matter of rehabilitation and protection of the public. I would be inclined to think that the two issues are not the subject of polarization or of a pendulum first swinging in favour of the individual's rights and then of public safety and protection. In my mind, they are one and the same. The better the rehabilitation and civil rights of the individuals affected by sentence, the better will be the protection of the public in both the short and the long term.

I would like to quote a few passages from a newsletter published by the Canadian Association of the Elizabeth Fry Society. It is Newsletter No. 16 of the summer of 1986. The Society analyses the Bill before us today and makes a relevant point about Bill C-67 by saying:

> We believe there are no measures in the proposals which give any assurance that the problem of violence is being addressed. The problem is simply being delayed. In short, these measures appear to be politically expedient, with severe repercussions for the over-all federal correctional system, and with little likelihood that they will increase the safety of the public.

It goes on to make another interesting point by stating:

> We are firmly opposed to any practice which removes fundamental criminal justice issues from Parliament as Bill C-67 seeks to do. Issues of liberty are of vital importance and ought not to be left to regulations. It is our view that all matters which affect the length of time a person spends in prison should be subject to the full scrutiny and agreement of Parliament, and be fully laid out in law.

The Society goes on to state:

> Indeed, one of the basic philosophical flaws of Bill C-67 is this refusal to recognize that locking people up damages them, and the longer we lock them up, the worse the damage gets.

That in the end affects the public interest and the protection of the public. The society goes on to state:

> We cannot afford to end the remission system for any prisoner. The concept of remission is almost as old as Canada itself, having been in practice since 1868.
>
> Remission is common to virtually all other jurisdictions in the western world. Indeed, some countries remit as much as one half of a sentence for good behaviour inside the institution.

The Society concludes by taking the position that:

> —the necessary powers to ensure the closest supervision of released prisoners, in order to prevent future incidents of violence as far as possible, already exist. Only 18 months ago, the Solicitor General amended the Parole Act regulations to provide for closer supervision of such offenders after release.

The Society expresses the hope that Parliament will decide not to proceed with this legislative package, namely, Bill C-67, because:

> —it cannot be expected to produce a genuine increase in the long-term safety of Canadian society. It will only exacerbate the misconceptions and problems it purports to address.

In the many interventions today, Hon. Members have tried to strengthen these misconceptions and problems the Bill purports to address. Finally, the Society makes quite an interesting policy statement which I am sure the new Solicitor General will want to consider. It proposes that instead of the superficial measures contained in the proposed legislation, qualitative change in programs and services within prison and in the community be introduced to address the fundamental problems which lead to violence and thereby generally provide greater safety for the public. These changes should be introduced as part of a full system-wide reform which would incorporate the recent, and as yet unfinished, work of the Canadian Sentencing Commission and the Correctional Law Project.

• (1700)

What I like about this newsletter is that it establishes a very lucid and important link between the question of rehabilitation and the protection of society at large. The society understands that rehabilitation depends very much on the way an individual is treated in prison. This is why the amendment proposed by the Senate is so important. It recognizes the civil rights of the individual in prison and gives to the courts, as opposed to a regulatory body, the onus of determining whether or not a certain release is to be permitted in relation to the freedom of that individual. It seems to me that because of the Charter of Rights and Freedoms this particular amendment is one which the Government should heed if it wants this piece of legislation not to be challenged once it is given Royal Assent, if it is given Royal Assent.

Finally, with respect to the question as to why we are here, it is quite clear. That has already been well established by the Leader of the Official Opposition (Mr. Turner), by the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) and by the Hon. Member for York Centre (Mr. Kaplan) in the course of this debate. I will deal only with the last few months preceding today's sitting. This Bill was introduced in June of 1985, and report stage was dealt with in January of this year. After being given third reading it could have been sent to the Senate, as is the custom with other Bills. However, it was not sent to the Senate. It did not go to the Senate until the last day of our sitting here. It reached the Senate with a number of other Bills. An assumption was made that this Bill would be accepted passively in the Senate and that it would be given the rubber stamp. In the knowledge of the fact that the Senate has been involved in matters of this type in preceding months and in preceding years, that was evidently the wrong assumption to make. The Government did not realize it was dealing with a number of Senators who feel very strongly and who profoundly understand this issue. They want to make a contribution to the quality of legislation which will eventually see the light of day in our country. It was this waiting for the last minute and this misreading of the attitude of the Senators that created the problem.

The House would have been called back to meet again as a result of the fact that the Senate wanted to debate this measure, even if it had not made an amendment to it, since at the end of the debate a week had elapsed and the House had adjourned for the summer. Therefore, the action of the Senate in terms of debating this Bill, which was fully within its constitutional prerogative, would have required our coming back in any event. We are here not because of the behaviour of Senators, which was quite proper, but because of the incompetence of the Government. It did not realize that a Bill given third reading should have been sent to the Senate at that time and not left until the last day before the House adjourned in June when there were a great many other Bills with which to deal. Therefore, this is not an issue of the powers of the Senate. It is an issue of the incompetence of the Government in dealing with its legislative timetable. It did not ensure that the Senate had enough time to deal with a measure of importance that was sent there for deliberation.

The principle of rehabilitation is one that attracts me to this Bill and which has prompted my intervention. It is fundamental for the individual who is serving a sentence in jail and for the safety of the community into which the individual will eventually re-enter. Of course, social programs that will improve the quality of community life from childhood to adulthood have an important and major role to play in this respect. However, that will obviously be the subject of another debate.

The Acting Speaker (Mr. Paproski): Are there questions or comments? The Hon. Member for Winnipeg North Centre (Mr. Keeper).

Mr. Keeper: Mr. Speaker, I have a question for my colleague. He described the action of the Senate as appropriate. I am not quite sure of his exact words. However, I know that he used the word "legitimate" in describing its actions. While I support the amendment which is now before the House, I am wondering if the Hon. Member would like to balance his comments in recognition of the fact that the Senate is a non-elected body. Does his attitude that what the Senate has done is a perfectly legitimate action reflect the attitude of the Liberal Party? If by some accident the Liberals were to gain office again, would they take the attitude that the Senate is a legitimate body and that it is quite okay to fill it up with political appointees? Does the Hon. Member not have some concern about the legitimacy of the Senate in that it is a non-elected body?

Mr. Caccia: Mr. Speaker, I thought that my remarks were balanced. I do not know how I could improve on the sense of balance that I attempted to give to them. I remind the Hon. Member that so long as Canadians support our Constitution, which includes the existence of the Senate, the Senate has a role to play, whether or not the Hon. Member approves of it. It is a Chamber of sober second thought.

Mr. Keeper: Liberal hacks!

Mr. Caccia: It has served the country well. If Canadians exert pressure on the Government of the day—on any Government—in favour of removal of the Senate, I am sure the Government of the day would pay attention to that. However, I am not aware of any such pressures being exerted on removing the merits of a non-elected Chamber which performs the role that our present Senate performs.

The Hon. Member for Saint-Denis (Mr. Prud'homme) will deal in more detail with this particular matter.

Mr. Keeper: Mr. Speaker, the Hon. Member has just confirmed his attitude that the Senate is a perfectly legitimate body even though it is non-elected. Does his view reflect the attitude of his Party?

Mr. Prud'homme: This is not a debate on the Senate.

Mr. Caccia: Mr. Speaker, I am trying to understand why the Hon. Member becomes so upset with the fact that there is a non-elected body which performs a legitimate role. There are many non-elected bodies in this country which perform legitimate roles and which serve the public purpose very well. One day he may see the light and recognize the importance of the Senate in our system.

Mr. Keeper: Is that the Liberal policy?

Mr. Nystrom: Mr. Speaker, is the Hon. Member for Davenport (Mr. Caccia) in favour of an elected Senate? If the Liberal Party were to come into power would it turn this situation around?

Mr. Caccia: Mr. Speaker, I think the question of the Senate has been debated at length. It is something which will be debated for another 100 years.

The Acting Speaker (Mr. Paproski): The time for questions and comments is now terminated. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria).

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased to have the opportunity to speak to Bill C-67, an Act to amend the Parole Act. In my view the first matter the House should address is why we are here this afternoon. Obviously, there are two schools of thought in this regard. I will outline them briefly. First, it is because of a strategy on the part of the Government, or because of its incompetence. It has nothing to do with the Senate. It has nothing to do with the Opposition. It has nothing to do with delaying tactics or any other issue. It is a government initiative, pure and simple.

Let me deal first with the issue of strategy. We know that the Tories are in trouble. Being the non-partisan person that you are, Mr. Speaker, I know that you have a full appreciation of the fact that the Tories are in serious trouble. They have fallen considerably in public opinion. Very few people will even admit today to voting Tory. Can you imagine that, Mr. Speaker? The odd person in the great riding of Glengarry—Prescott—Russell may have voted Tory and more numerous people voted Tory elsewhere, unfortunately, but these people rarely admit to having done so. The Hon. Member for Ottawa—Carleton (Mr. Turner) who is sitting across the way knows that.

• (1710)

The Tories are in very serious trouble and we need only look at major newspapers to see that this is so. Just read the front page of this morning's *Globe and Mail*, Mr. Speaker. Need I enumerate the headings which describe some of the serious problems the Government is facing right now?

What is the Government's strategy? During recess, Governments usually tend to do better than the Opposition. When the House is in session, the Opposition holds the Government accountable, and that accountability process tends to weigh somewhat on the Government and tends to make the popularity and shine of the Government fade away somewhat. During recess when only cabinet Ministers and the Prime Minister (Mr. Mulroney) can get national coverage and make speeches and when there is no forum in which to have rebuttal from the Opposition, a Government usually looks better. This particular recess does not seem to be doing that for this Government.

What did the Tories do? They decided that although having the House in session is usually bad for the Government, it would actually be better than the present situation with scandals splashed across the front pages of newspapers. They decided to use this to take attention away from what we see in the newspapers. It may be that the Tories decided to recall Parliament as part of their strategy.

Perhaps you think some of the comments I am making are somewhat partisan, Mr. Speaker, as unlikely as that thought might be on your part. There is the odd Tory over there who thinks that way, so let me remind the House of an article in *The Gazette* of July 24 written by Don Braid who says that the recall of Parliament looks like a ploy to gain votes. I will read to the House some excerpts from the article. The article reads:

> First of all, the government did—or at least the cabinet changed after Mulroney's June 30 shuffle.

That is when this whole business got started. The article goes on:

> It immediately took on a more political look. This bunch is now ready to take advantage of any edge, including the public's fear of wandering criminal hordes.
>
> Deputy Prime Minister Don Mazankowski said Tuesday that public pressure prompted the recall. There was a fear that inmates would be released "who might pose a threat to society."
>
> NDP House Leader Ian Deans charged that Beatty caused this fear with "his attempt to create panic in the land by saying large numbers of unrepentant criminals were going to be charging around the streets murdering and pillaging."
>
> In other words, the Tories created their own market for recall, and then produced the goods. The trouble is there's no evidence that the object of all this fuss—the notorious gang of 54—is worth the trouble.
>
> The Ottawa *Citizen* revealed Wednesday that none of the 54 was convicted of murder, and that 38—

That was the other figure used by the previous Solicitor General. First he talked about 38 criminals to be released and

subsequently he decided to colour it a little bit and call it 54. Nevertheless, let us return to the article. It continues:

—and that 38 have less than two years left on their sentences. Twenty-one are serving minor sentences of less than five years.

The 38 criminals about whom the previous Solicitor General spoke will be released shortly in any event. Need I remind you, Mr. Speaker, that when a person has completed serving his sentence, it is quite normal for him to be released. We are not discussing whether or not people who have committed crimes and served their sentences will be released. That usually happens anyway.

I will say this slowly so that the Hon. Member over there will understand me. We are deciding whether or not there will be a temporary transitional period with some form of supervision for the transfer of an inmate from an institutionalized life to a life on his own.

Where does this leave us? It leaves us with the possibility that this is a strategy to deal with what I consider, with all due respect, to be a phoney issue. I would be the last to accuse the Tories of being incompetent, but if one analyses this matter very carefully, one comes to the conclusion that it could very well be that there is at least an ingredient of incompetence in the Tory Government. Let me elaborate on that.

First, let us go over the history of this Bill. We should start by saying that mandatory supervision has existed in this country and in most countries for a very long time. Mandatory supervision is not a weird scheme that was invented by a Government a year or two ago. It is something that has existed in one form or another for 100 years. Of course, we know that the Government is a little slow, but after 100 years, even it should understand.

After 100 years, the Tories decided on June 27, 1985, to introduce this Bill which they now call very urgent. Do you know when the Bill was introduced for second reading, Mr. Speaker? It was not on June 28 or the day after that. June 27, 1985, was almost eight months after the Government was elected. The Government presented this emergency legislation for second reading on September 12.

Just in case there is the odd person out there who thinks the Opposition delayed the Bill at second reading stage, let me say that second reading stage ended on September 23. Counting weekends, that was only 11 days, and other Bills may have been discussed at the same time. That is good co-operation on the part of the Opposition, and I congratulate my colleagues, the Hon. Member for York Centre (Mr. Kaplan) and the Hon. Member for York South—Weston (Mr. Nunziata), who are very good spokesmen on these issues, for dealing with the matter so expeditiously. I know that even Tory Members would want to do that.

This important and urgent legislation, as the Government now calls it, should have gone to committee on September 24 since debate ended on September 23. In the unfortunate event that there was a delay, it should have gone to committee on September 25. Do you know when it was referred to committee, Mr. Speaker? It was referred to committee after Christmas. The last committee meeting was held on January 23, 1986. That is the speed with which the Government deals with emergency legislation.

The committee tabled its report on January 29. Of course the committee wanted to be co-operative as well. Do you know when the Government called back the report for concurrence in the House, Mr. Speaker? It was on June 17. Is that the way to deal with emergency legislation?

[*Translation*]

Well, Mr. Speaker, we have to ask ourselves how sincere this Conservative Government is when it takes such an unconscionable amount of time to deal with legislation it has now qualified as urgent.

The debate on third reading of the Bill in question started in the House on June 18, 1986 and ended on June 26. Some Conservatives are accusing the other Chamber of dragging its feet. Here are the facts, Mr. Speaker. The Bill was presented in the other Chamber on June 27. Debate on second reading of the Bill started on July 2 and ended the same day. The third reading stage in the other Chamber also took place on July 2. How can the Government accuse others of wasting time when it has taken this Government nearly two years to get around to dealing with the issue through the normal process in the House of Commons?

[*English*]

I am sure I have convinced you, Mr. Speaker, and the majority of Canadians that indeed this is not a situation of the Opposition, the Senate or anyone else committing a mistake or lacking in respect for the authority of the one across the way who thinks he is almighty, the Prime Minister (Mr. Mulroney). It is either total incompetence or part strategy; maybe it is both combined, maybe it is strategic incompetence.

• (1720)

In conclusion, I should like to refer to a report of May 14, 1986 which was made in the other House. I will not quote it verbatim because I know we are not supposed to do that in this Chamber, but in the opinion of the committee, legislation should reflect the principle in Bill S-32 that the courts rather than the Parole Board should make decisions respecting continued incarceration of inmates. Conservative and Liberal Members of the Senate unanimously indicated that they wanted the courts rather than the Parole Board to revoke the privileges of inmates who were to be released into society.

As the Hon. Member for York Centre and the Right Hon. Leader of the Opposition (Mr. Turner) indicated so eloquently in the House earlier today, this Party is not saying that there are no cases in which prisoners should remain incarcerated for their full terms. As a matter of fact, the previous Liberal Government wanted to amend the law. What we are saying in the House today is that we should not deny anyone the privilege of appealing to the courts. What are they there for,

except to administer justice? We are saying that the Parole Board should be able to make its decision and the individual should be able to appeal to the courts if he or she has a case. To do otherwise is a denial of natural justice. Everyone has said that in the past.

As a matter of fact, not long ago the Supreme Court of Canada addressed a similar issue. At that time it indicated that we should have a process whereby the courts would deal with the matter, and that the National Parole Board was acting outside its mandate when it acted differently.

In conclusion, my Liberal colleagues and I are not against the principles in Bill C-67. However, we want to state clearly that the process which the Senate brought to our attention, a process that was previously brought to the attention of the House and was supported at one time by the Tories, is the correct one. For the Government to pretend today that it needed to recall the House to deal with a Bill, which was only presented at the last minute and upon which the Government had sat for a year and a half, is a little less than honest. I wish all Hon. Members well in the remainder of the summer vacation after the conclusion of this debate.

• (1730)

[*Translation*]

The Acting Speaker (Mr. Paproski): Questions or comments. The Hon. Member for Mégantic—Compton—Stanstead (Mr. Gérin).

Mr. Gérin: Mr. Speaker, I think my colleague is confusing several principles in this particular matter. As a practising criminal lawyer for many years, I always had trouble explaining to the general public how someone who had been sentenced to six years in prison could be released after four years and be said to have served his full sentence. In Quebec not long ago we saw, for instance, the case of Captain Marchessault, a police officer sentenced to fourteen years in prison who was released under supervision after a year or a year and a half. And I think people would understand that judges who sentence someone to six years in prison expect inmates to serve the full six years.

So if it is a full six-year sentence and the National Parole Board examines the merits of the case, I can agree with that. What bothers me, Mr. Speaker, are these people who have received a sentence and serve their "full" time, as they say, in other words, four years out of six, when all of a sudden the rules are changed. This bothers me a little, not because of the principle but because of the practical implications. This does bother me a bit, Mr. Speaker. However, I still intend to vote against the Senate's proposal because I think that within our Canadian system, the Senate of Canada cannot ask for a referral of this kind.

I think that the Canadian people would agree that we would save a lot of money, Mr. Speaker, quite simply by abolishing the Senate or changing its vocation altogether. I fail to see what we are doing here when Members elected by the people unanimously endorsed the principles of this legislation which is not perfect—no legislation is ever perfect, but it does not justify recalling Parliament in summer and force it to take drastic steps. Notwithstanding what Liberal and NDP Members may say, I think we ought to consider whether there might not be other ways to take the money allotted to the Canadian Senate and use it for other expenditures which might be a lot more useful to the Canadian people.

Mr. Boudria: Mr. Speaker, I will respond briefly to the Hon. Member. First of all, if he wants to abolish the Senate nothing prevents him today or some other day from introducing in this House a motion dealing with the issue. He is quite free to do so. Since it was not done today or until now I can only conclude that it is a new project of the Hon. Member. I am looking forward to the first sitting day in September when the Hon. Member, I am sure, will deal with the matter.

With respect to parole, I find interesting the fact that the Hon. Member would state that he is unable or has difficulty to explain to his constituents that we have a system under which an individual may be sentenced to six years and, for instance, serves only four years and his time is done, according to him. That is not quite right, but I will let it go at that. If he does not like the parole system, why did he not vote against this measure, or why did he not introduce a Bill to abolish parole? We all know that the system will still be there once Bill C-67 becomes law, and indeed I would suggest that all Parties in this House want the system to remain as is.

The Acting Speaker (Mr. Paproski): Questions and comments are over. Debate. The Hon. Member for Saint-Denis (Mr. Prud'homme).

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, first of all, I would like to recall what I said yesterday on radio and television, because I want to make sure the version is the same. I said that if it were up to me, we would be sitting here for quite some time.

Mr. Bernier: You aren't married.

Mr. Prud'homme: The Hon. Member for Beauce (Mr. Bernier)—Why these pointless remarks? Either we are here to work or we don't come at all. Our marital or personal status has nothing to do with recalling Parliament. I will go on, and if the Hon. Member wants to interrupt, I will go on that much longer. What brings me here, Mr. Speaker, is the Government's request to hurry things up, and you may have noticed the mood of agitation during this last hour in the House. Everybody is making gestures, cut here, cut there, sit down, stop talking, and this from all sides of the House!

We were called back because of a so-called emergency. What I want to move is that there is no emergency or if there was one, it should have been dealt with long ago. There are no two ways about it.

Second, there is some discussion about the Senate. This is not a debate on whether the Senate should or should not exist.

It is always either or, and I always liked logic. Some people say that we Francophones are not economic wizards, as a certain Minister said not long ago, but we, at least the people of my generation who did their "*cours classique*", have a reputation for logical reasoning. It is either or: either the Senate exists or it does not. Either we want to get rid of the Senate and we say so or the Senate exists and we let it do its work. My conclusion is that the Senate exists, because since the 21st of the twelfth month of 1984, in other words since December 21, one, two, three, four, five, six, seven, eight... Eight Conservative senators have been appointed by the Right Hon. Prime Minister (Mr. Mulroney), and that is his prerogative, I do not dispute that.

So if we go on appointing senators, we also have to let them do their work.

My leader was eloquent on the subject this morning. What we would like the Senate to be is on the record. In any case, Mr. Speaker, it does not make sense for the Government to have this Bill before Parliament for a year and then wait until the very last minute, on June 27, 1986, to throw it at the Senate, as much as to say: Gentlemen, hurry up, we are leaving! Hurry this through tonight, because this is urgent, and in any case you don't count, even if we go on appointing senators, but we want this Bill just the same.

I say, and my leader says and he is right, that in cases where there is a difference of opinion between the Senate and the House, the views of elected representatives must prevail. That is obvious. We were elected. If we really want this Bill to be the way the Government wants it to be, and the way the Government wants to amend it, I think we are going to vote against the Bill, but if that is the position that is to prevail, the will of the elected majority... Nevertheless, Mr. Speaker, I fail to see why we should prevent these people who have a lot more time than the Members of this House to think about all these matters... Some senators, and it is not my duty to defend them, but I think that to be perfectly fair, we have the right to say what goes on in both Chambers.

Some senators who have been dealing with the parole issue for years stated that this is not the way to proceed. They already did that in 1983. I will refrain from relating the background facts. It has been done eloquently by my other colleagues, two former Solicitors General, certainly one Solicitor-General-to-be in a future Liberal Government. I am telling you, Mr. Speaker, that we must pay close attention to what those people in the Senate, those men and women in the Senate have asked us to do. What did they ask us? They did not ask us to let all prisoners go free, as some Members have so clearly suggested. Hardened criminals roaming the streets—I will get back to this issue in a few minutes if someone will remind me to talk about the former Solicitor General. But, Mr. Speaker, they introduced as most reasonable amendment. They said: We cannot expect Parole Board members who have already dealt with those inmates to deal again with them only to reject their parole application after they have served two thirds of their sentence, to decide whether they should be set free or not.

With respect to the mood of inmates it will be a tragedy. So the senators said: Of course it is a good Bill. Of course we must be strict. Of course we must protect the people, Of course, but we think it would be better if the Parole Board decision were subject to appeal to a judge. There is nothing complicated about appealing to a judge, Mr. Speaker.

Your Honour, your predecessors in the chair had us pass a Bill on parliamentary reform, on redistribution. What is included in redistribution? Provisions which state that the chief justice of each province may appoint a judge. He is the one who decides which judge will sit on each electoral commission. When somebody wants a search warrant—there are lots of them these days with respect to spying and security matters—a panel of judges may decide whether warrants should or should not be issued.

My hon. friend from Mégantic—Compton—Stanstead (Mr. Gérin), who is an excellent defence lawyer, is well acquainted with these matters and knows a lot more than I do since he practised law. So I don't see why it would be so terrible and difficult to ask judges in each province who are well-known in their field, whether or not release would be possible on final appeal. So we can either agree or disagree with the Senate.

[*English*]

You can agree or not with the Senate. That is totally irrelevant. What is relevant is whether it is intellectually acceptable. We say yes. Senators of the Conservative Party in 1983 said yes. Senator Nurgitz said yes to the same kind of argument. Why is it so wrong today, Mr. Speaker?

The Senate decided to make an amendment even though we sent the Bill there on the last day after having had the Bill before our eyes for one year. Why on earth call the House back in the summer, call the staff and call my hon. friend from Beauce who has a wife and children—that is the implication I overheard? Is this so urgent? Well—

[*Translation*]

This reminds me of the fable of the ant and the cricket. Where were you all this time? What were you doing all year long, if it was so urgent? Why didn't you call us back before? Why didn't you adopt this Bill? So I have to conclude, Mr. Speaker, that there must be—

[*English*]

There must be other motives, Mr. Speaker. I am allowed to believe that there may be other motives for being called back. I will come to that if someone reminds me. There are two things that I have to deal with: the ex-Solicitor General and the motives.

To be logical, the Senate has put forward an amendment. If it is the wish of this House not to accept amendments from the Senate, we will return the Bill, as you will do, Mr. Speaker, since the Bill is so urgent. Since the Senators are not elected, they should give in to the elected people. This is a very logical

series of events that could take place. But as long as the Senate exists, let us stop dumping on it or expecting rubber stamps. Either you have the courage to say that we will abolish the Senate, or if the Senate exists—

Mr. Turner (Vancouver Quadra): An elected Senate.

Mr. Prud'homme: —or if the Senate exists, the Senate is to work.

My Leader was asked by a member of the NDP where the Liberal Party stands on the question of the Senate. My Leader and the caucus is on record as believing that if the Senate is to exist, we would prefer an elected Senate. That is on record.

Some Hon. Members: Hear, hear!

Mr. Prud'homme: When there is a debate, if there is any, I will have certain views to express. I may not, however.

• (1740)

[*Translation*]

And now about the former Solicitor General, Mr. Speaker. Now I think it is really too bad— The people listening to us now and the reporters who are looking down are all wondering why we are here and who is right. Mr. Speaker, you know perfectly well, and I'm looking at the people listening to us in the gallery and I know what they are thinking. When a Government comes and says: we are going to clamp down on criminals; don't worry: we are going to take care of this country's security— It is a popular subject, no one will deny that. I see the Deputy Speaker of the House, an eminent criminal expert. I know and he knows that people like to gang up on the underdog and they like seeing criminals used to scare people. That is considered to be acceptable behaviour. I don't like that because I tend to be perfectly frank with my constituents. I tell them: listen, it's too easy to say: "You know, all these criminals who are going to be let loose on the community—", without further explanations. Mr. Speaker, I realize it's very popular to say that, but it is not the answer to the problem we are considering today.

The former Solicitor General has made a specialty of what we in Quebec call scarecrows. In fact, of using scare tactics. I think that is language we can all understand. So what did he say? I would like to recall two statements, one of which you may not remember. There was a time when here in Canada we had terrorism on the brain. It was terrorism here and terrorism everywhere. Remember when the former Solicitor General rose in the House and said: I want to say that starting next August—

[*English*]

It was last winter that the ex-Solicitor General said, "I want you to know that starting in August we will see about terrorism". My friend was with me in Mexico when we talked about terrorism. It was at the meeting of the Interparliamentary Union. He said then, "I want you to know that we will have a special squad in August". I could not do anything other than laugh. I thought it would be wiser for the then Solicitor General to get up one morning in August and say, "Oyez, oyez, people of the world, I want you to know that as of today we have a special squad to deal with terrorism" rather than give them a few months' notice, saying, "Hurry up, boys and girls, if you have something to do in Canada, you had better do it before August because in August we will have a special squad". I did not choose to go that way. He did. I thought he would learn his lesson. Now I realize that he wanted to become Minister of National Defence. It worked. He is now the Minister of National Defence. There will be no more problems. Terrorists will be dealt with because now we are in good hands with the ex-Solicitor General, now the Minister of National Defence (Mr. Beatty).

What did he say recently? This is what has made me speak like this today. I am not known to be so aggressive. I thought it was the end of it when I heard the former Solicitor General say, "Any further delay endangers the safety and in some cases the lives of Canadians", and warn that, "we are sitting on time bombs ticking away". Canadians listening to that said, "My God, are we in good hands. He is going to do something about it".

The new House Leader is a good friend. I wish him good luck in his job. I will not back off on my friendship. However, I ask him what Canadians are thinking. We are called back here because we are living with a time bomb. If it is true, I am glad to be here and do my duty. This Bill was introduced in the House on June 27, 1985. The Bill was not dealt with until long after that. Suddenly the Government says, "Boys, quick, the Senate, hurry up boys". That was one year later to the day— June 27, 1985 to June 27, 1986.

An Hon. Member: Irresponsible.

Mr. Prud'homme: I do not know if it is irresponsible, but Canadians will judge. There will be many more occasions on which to talk about national defence. I am sure the former Solicitor General will admit that he was not careful when he announced many months ago that he would have a special squad in August. He must at least admit that it was not wise to say that. He should not have alerted the terrorists of the world. We do not want to see them in our land. He should not have said that we will not be able to cope with them until this coming August.

I believe it was wrong. I will let people judge whether he was right. I believe it was an honest mistake. I did not believe the second one, namely, to make people afraid and then say to Canadians, "Don't worry, big Daddy is here".

[*Translation*]

So, Mr. Speaker, I understand, I was never able to speak any other way than to speak with—When I believe—Do you see the difference between certain political men and women, my dear colleague, the new Quebec caucus president, elected in a very close vote but elected, so I congratulate you.

Mr. Rossi: A former Liberal candidate, a former Liberal candidate.

Mr. Prud'homme: But let us be elegant, I congratulate him—

Mr. Rossi: A former Liberal candidate.

Mr. Prud'homme: Let us be elegant, I wanted to congratulate him.

Mr. Rossi: A former Liberal candidate, they did not want you.

Mr. Prud'homme: Please. I was about to—

Mr. Rossi: They did not want you, you were not good enough for us.

The Acting Speaker (Mr. Paproski): Order, please.

[*English*]

Order, please. The Hon. Member for Saint-Denis (Mr. Prud'homme) has the floor. He has another three or four minutes.

[*Translation*]

Mr. Prud'homme: Mr. Speaker, I was about to congratulate him. I am forced to conclude. What brought us back here this summer? So I thought about it, I thought about it. I said: It could have been done before. We scared the people, we showed we were tough—I am talking about the Government, I would not want to make a mistake. So I said: Well, now, there must be another reason. Quite obviously, Mr. Speaker, with a man as nice and charming as the new House leader, when we compare him—because you know everything is relative—to the one who was there before, he has to display not only a new face but also a new Government, a new mentality, something elegant, something soothing, so they said we will be back on September 8. But it does not make sense, we should not return with such a Bill which is awkward and embarrassing, because maybe my colleague from York North—Weston will decide—

An Hon. Member: York South—Weston.

Mr. Prud'homme: York South—Weston.

[*English*]

My colleague for York South—Weston—Mr. Nunziata—the time will come when we humanize this institution and refer to each other by name. It is ridiculous to call each other by the names of our constituencies. However, that is the rule. They knew that in September they would convince even me as well as the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria). They are lucky that today the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin), the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall) and the Hon. Member for Gander—Twillingate (Mr. Baker) did not participate in the debate. They expected that to take place in early September. Since they want a new order of the day, they had to get rid of that this summer. I believe that is the reason we are here.

The House would have been better ordained under the ex-leader of the House of Commons. We all know who he is. We hope he will relax now. He no longer has to do a hatchet job on everybody. If he would have ordered the House differently, that Bill would have been dealt with a long time ago. If this Bill is as important as the Government say it is, it would have been sent to the Senate. The Senate would have returned the Bill here with the amendment. We would have said that it is unacceptable to a majority of this House. The Bill would have been returned to the Senate, as it will be done today, with the message "Sorry, you are not elected, we are, we want that Bill".

This is useless. I have tried to put forwad the true reason. Let us not fall into the trap of saying that this Government cares more than we do about the protection of Canadians. We care just as much for the protection of Canadians.

An Hon. Member: We care more.

Mr. Prud'homme: I will not fall into the trap of saying we care more. We do care equally. We care for the protection of Canadians. We must not say to Canadians that people in the two Parties on the opposition side of the House care less than the Government. If the House business had been better ordered, we would have worked in a more orderly fashion and this would have been done a long time ago.

• (1750)

[*Translation*]

The Acting Speaker (Mr. Paproski): Questions or comments. The Hon. Member for Montreal—Sainte-Marie.

Mr. Malépart: Mr. Speaker, like everybody else, I would have liked to take part in the debate, but considering that everyone says this is urgent . . . First of all, I would like to congratulate the Hon. Member for Saint-Denis (Mr. Prud'homme) on his *exposé*, and I think all my colleagues and my leader have clearly shown that we were called back today strictly in an attempt to save the face of the Prime Minister following a drop in the polls and to make public opinion forget all the scandals this Government is struggling with. However, I would appreciate some comments by the Hon. Member for Saint-Denis, in connection with his *exposé* on the former and the present Solicitor General, and his premise that they had tried to scare Canadians by alluding to the possibility that there were criminals that might be released without consent. So I would like to know what he thinks of the fact that at the very moment these two people were trying to scare Canadians, five recognized criminals in a Canadian penitentiary did not bother to wait for this legislation and escaped through the sewer mains, and that these two Solicitors General did nothing to try and reassure Canadians. So I would like to hear the Hon. Member's comments on the subject, namely whether what we have been doing today is just a whitewash, while the

Government has failed to do anything about these real incidents.

Mr. Prud'homme: Mr. Speaker, my hon. friend is obviously right when he says that urgent measures should have been taken. And it would be interesting to know, and in fact a Member of the majority, and I don't want to embarrass him but he is from Quebec, from the Montreal area, and as I was saying, this Member asked or is going to ask the Solicitor General what measures he intends to take because this is very important. People are a lot more concerned about matters like these. These are the real issues. I want to thank you. This is an argument I completely forgot to bring up, but time is running out and I'm getting signals that we have to leave and that we have to hurry up. But I know one thing and that is that we all know what internal investigations are like. The important thing is that we know the facts. You are absolutely right. I want to thank the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) who always goes straight to the practical aspect of an issue. He has an intuitive flair for this and I think he is right to believe the Solicitor General could have made some kind of announcement on this matter. It is too bad, but I would have liked the former Solicitor General, and it is too bad he is no longer our Solicitor General, but what worries me is that he is now Minister of National Defence. We will have to watch him, mark my words.

[*English*]

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on the motion in the name of the Hon. Solicitor General (Mr. Kelleher).

Mr. Kelleher moved:

That a Message be sent to the Senate to acquaint Their Honours that this House disagrees with the amendment made by the Senate to Bill C-67, an Act to amend the Parole Act and the Penitentiary Act, because this House believes that the National Parole Board is better structured and experienced to deal with all matters of fact relating to the prediction of violent behaviour and that public safety is properly preserved through decision-making being kept with the Board.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Call in the Members.

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

• (1800)

(*Division No. 296*)

YEAS

Members

Attewell
Beatty
Bernier
Bertrand
Binns
Blackburn (Jonquière)
Boyer
Bradley
Brightwell
Brisco
Browes
Caldwell
Cardiff
Coates
Collins
Cook
Cossitt
Côté (Lac-Saint-Jean)
Crofton
Darling
Daubney
Della Noce
Desrosiers
Dick
Dorin
Duplessis
Ellis
Epp (Provencher)
Ferland
Fontaine
Fraleigh
Fraser
Fretz
Graham
Gray (Bonaventure-Îles-de-la-Madeleine)
Grisé
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Jacques
James
Jepson
Joncas
Jourdenais
Kelleher
Kempling
King
Ladouceur
Landry
Lanthier
Lawrence
Lesick
Lewis
Lopez
MacDougall (Timiskaming)
MacKay
Marin
Martin
Mayer
Mazankowski
McCain
McCuish
Minaker
Moore
Nicholson (Niagara Falls)
Peterson
Plourde
Redway
Ricard
Roman
St. Germain
Scott (Victoria-Haliburton)
Siddon
Sparrow
Stackhouse
Tardif (Charlesbourg)
Thacker
Towers
Tupper
Turner (Ottawa-Carleton)
Vézina
Warner
White
Winegard—87.

NAYS

Members

Allmand
Althouse
Angus
Benjamin
Blackburn (Brant)
Boudria
Broadbent
Caccia
Cassidy
Dingwall
Finestone
Frith
Gagliano
Gauthier
Gray (Windsor West)
Hopkins
Johnston (Saint-Henri-Westmount)
Keeper
Malépart
Marchi
McDonald (Broadview-Greenwood)
Nunziata
Nystrom
Penner
Pépin
Prud'homme
Robichaud
Rompkey
Rossi
Turner (Vancouver Quadra)
Young—31.

• (1820)

The Acting Speaker (Mr. Paproski): I declare the motion carried.

Motion (Mr. Kelleher) agreed to.

SITTING SUSPENDED

The Acting Speaker (Mr. Paproski): Pursuant to order made earlier this day, this sitting is suspended to the call of the Chair.

At 6.25 p.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 9.55 p.m.

The Acting Speaker (Mr. Paproski): Order, please. I have the honour to inform the House that a message has been received from the Senate informing the House that the Senate does not insist upon its amendment to Bill C-67, an Act to amend the Parole Act and the Penitentiary Act, to which the House of Commons has disagreed.

* * *

THE ROYAL ASSENT

The Acting Speaker (Mr. Paproski): Order. I have the honour to inform the House that a communication has been received as follows:

Government House,
Ottawa,

24 July 1986

Sir:

I have the honour to inform you that the Honourable Antonio Lamer, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 24th day of July, 1986, at 9.50 p.m., for the purpose of giving the Royal Assent to a number of Bills.

Yours sincerely,
A. P. Smyth,
Deputy Secretary,
Policy and Program.

Royal Assent

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, it is the desire of the Honourable Deputy to Her Excellency, the Governor General, that this honourable House attend him immediately in the Senate Chamber.

Accordingly, the Acting Speaker (Mr. Paproski) with the House went up to the Senate Chamber.

• (2200)

And being returned:

The Acting Speaker (Mr. Paproski): I have the honour to inform the House that when the House went up to the Senate Chamber, the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following Bills:

Bill C-67, an Act to amend the Parole Act and the Penitentiary Act—Chapter No. 42.

Bill C-68, an Act to amend the Parole Act, the Penitentiary Act, the Prisons and Reformatories Act and the Criminal Code—Chapter No. 43.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): It being 10.07 o'clock p.m., pursuant to Order made earlier this day, the House stands adjourned until Monday, September 8, 1986, at 11 o'clock a.m., pursuant to Standing Order 3(1).

The House adjourned at 10.07 p.m.

The Thirty-third Parliament was prorogued by Proclamation on Thursday, August 28, 1986.